Why should anyone read another book by a CEO? Sure, too many books by CEOs are driven by their own ego and not differentiated from others on the executive bookshelves. What makes it different is that this is a book about business and life. The leadership lessons I learned in my life are applicable to someone in their business career and in the rest of their lives.

Having said that, we are becoming better at producing leadership. There is more emphasis on understanding what works and doesn’t work. We need to better understand people who have been successful leaders and then to use this understanding as a predictor.

Aren’t many of the lessons offered on leadership simplistic? On one hand things seem simplistic but a lot of people are promoted because of what they’ve done for and by themselves and that can be disastrous. The ability to produce results through other people is what’s required.

The measure of success is to know about all the constituents of a business – customers, suppliers, community. There has to be equilibrium so the leader is a juggler with a number of balls in the air at any one time. All have to be kept going. If one falls they all fall. If you focus on shareholders and not on customers, customers won’t be looked after. All the elements need to be in play.

The failures we’ve seen in the corporate world have been where people were tied to short-term things. The most obvious have been failures of culture and ethics. What I am saying is that good guys do win. I’ve done business in countries all over the world and I have applied the same standards. Is it the right thing to do? If you can’t do business according to those standards we won’t do business. There may be a short-term advantage in bribing or cheating but in the long term you can’t point to any company that has sustained success through anything other than high ethical standards. They do the right thing.

Can ethical behaviour in organisations be created by legislation? Successful companies do not do what is right because they are afraid of legal repercussions. They understand that doing the right thing will give them the greatest opportunity to succeed.

The root causes of the ethical failures we have seen in some companies are a lack of proper attention to values and culture on the part of boards of directors and senior executives. For the most part, and despite the laws and regulations in existence, these institutions got exactly the behaviours their cultures were either encouraging or condoning. Passing more laws, imposing more regulations or formally dictating values will not reduce the likelihood of repeat incidents.

Values and business ethics are sometimes regarded as “soft” issues. What do you say to that? When I hear corporate leaders refer to values and culture as “soft” issues, I wonder what they regard as being “hard”. In my experience, cultural
beliefs are the heart and soul of all business matters. More than heroic working hours, more than pay incentives, certainly more than strategy alone, shared beliefs, values, can be the key to unleashing the talents of all the people in an organisation. Values can be the very foundation of success.

What is the CEO’s job?
It depends, of course, on how the business is organised at the top. Is there a COO [chief operating officer] or someone similar for example? But basically the CEO is responsible for the big picture, the vision, where the business is going, and communicating with everyone repeatedly, communicating with all the stakeholders to get shared understanding.

A company that can achieve alignment, even if it doesn’t have a vision that is perfect, will always be more successful than a company whose people are not all marching together. Even if the goals need to be tweaked along the way, people will figure that out and be more likely to succeed if everyone works together. But it’s also important to understand that it isn’t enough for a leader just to decreed a vision. A vision must not only be clearly communicated, it must also be sold and then accepted and embraced by the people who have to carry it out. While that alone doesn’t guarantee success, it is one of the mechanisms that make success possible.

One of the other important responsibilities for the CEO is continuity of the business – doing succession planning for leadership throughout the business, which perpetuates momentum over time. The CEO is responsible for having the right people in the right positions and that they are accountable and motivated. This contrasts with others in the business who are focused on day-to-day activities. If everyone is moving in the same direction and the right people are in the right jobs much of the rest will take care of itself.

How should a CEO determine how best to use his or her energy?
There is a tendency for the CEO to do the job of others in the organisation. Doing the job you used to do is particularly tempting. But the thing about being CEO is that if you’re not doing the job there is no one else to pick it up and do the things you should be doing.

I am a communicator and, as CEO, spent a lot of time on that. I prioritised things that needed to be done and then focused on the top four or five and ensured others focused on the rest of them.

At Eli Lilly I spoke frequently with the media. Sixteen days after my arrival, I addressed 300 Wall Street analysts and investors; that had not been done by a Lilly CEO for several years. It was a way to communicate to our audiences. I couldn’t solve our company’s problems just by communicating but we needed to tell our story – to communicate, communicate, communicate – to all concerned in order to get all of the stakeholders on board with us.

How long should CEOs stay in their jobs?
It’s a very energising and invigorating job because of the challenges. You are out talking to customers, shareholders and employees throughout the world. You draw energy from that. But there is a limit to how long you can be effective. I think somewhere around seven to 10 years would be the maximum. Organisations need a periodic change in leadership, a time to take a fresh look. If leaders are in place for a long time then things tend to become stale. They need revitalising. If leaders stay too long a lot of others in the organisation are likely to do so as well.

Among the things you introduced at Eli Lilly were rewards for failing. Why did you do this?
I introduced the rewards for failure – for one year only I should emphasise – because it was counter-cultural. People began to think we were serious about encouraging people to back their judgement. Historically there had been no benefit in taking a risk so we wanted to encourage people to take risks while at the same time making it clear that you couldn’t build careers out of failure.

Not liking change or being fearful about what the future might bring is fundamental to human nature. But you need to look at change as an opportunity for competitive advantage rather than as a threat. People fear change because is will disadvantage them. The corollary of this is that someone will have an advantage. Almost every corporate breakthrough or technological change has come about because of change taking place.

The biggest skill is the willingness to be open to take advantage of change. So much energy goes into resisting change. People have to think outside of their comfort zone. And so the pill makers from Lilly went to see what they could learn from candy makers. It wasn’t a question of copying M&Ms but of looking, being more open-minded and creative about where we look for ideas. It is commonsensical. We have a desire to over-complicate things.

Your experience is with large companies, now you are working with some smaller organisations. Are the skills transferable?
It’s a learning experience for me but I can bring some of my experiences to bear on these companies. A lot of things are universal – people issues such as getting the right people, communicating, having a vision, keeping focus and avoiding the temptation to get involved in other activities.