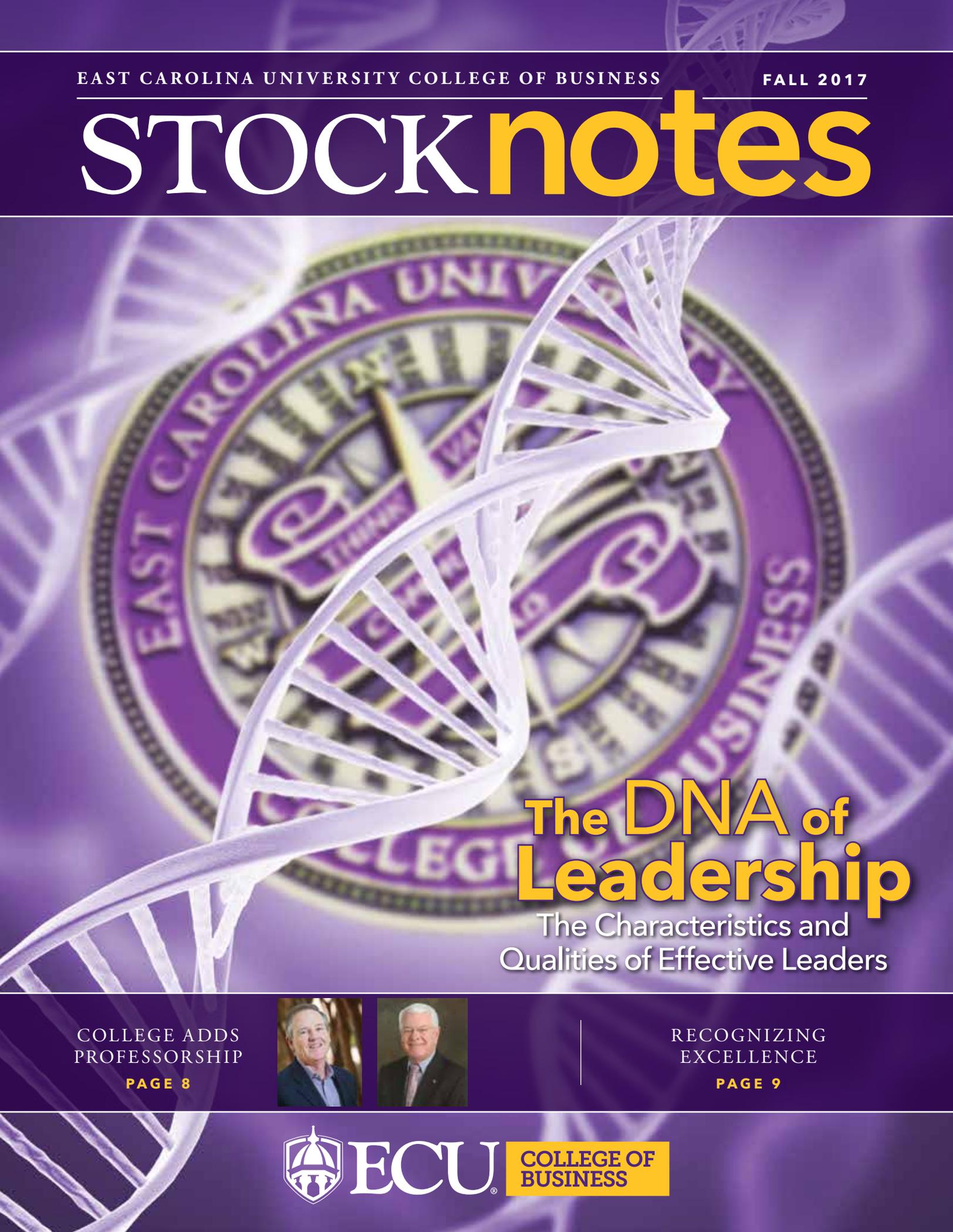


STOCKnotes



The DNA of Leadership

The Characteristics and Qualities of Effective Leaders

COLLEGE ADDS
PROFESSORSHIP

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RECOGNIZING
EXCELLENCE

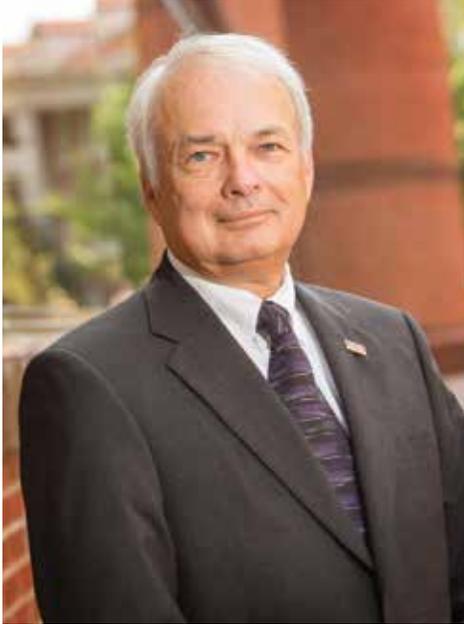
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ECU®

COLLEGE OF
BUSINESS

Letter from the Dean



Hello,

We hope you and your family are having a wonderful holiday break with each other. As we quickly move into 2018, we trust you'll be able to reflect back on 2017 with satisfaction and joy.

By now, I think you've noticed the new layout of Stocknotes. Our goal for this new magazine format is to bring you stories that better illustrate and tell you about all the latest happenings with the College. We're in a visual age, and we hope this updated story delivery method shows our new way of telling our stories. We will continue to improve it moving forward, but we're excited about our new design.

First, I'd like to thank Thomas Arthur and Dr. Aneil Mishra for looking at the DNA of good leadership. It is a very insightful article from true leadership experts that I hope inspire the college's current and future leaders.

We've included another story where the UNC System recognized the College for all that it's doing to improve how it operates and the recent accomplishments in its performance excellence journey.

We have two stories featuring the Miller School of Entrepreneurship that focus on the encouragement of student entrepreneurship. First, thanks to a generous gift from James W. Chesnutt and David Bond, we'll have a new professorship that will help students develop an entrepreneurial mindset. Once they have that mindset, they then might be able to participate in the recently launched Pirate Entrepreneurship Challenge, which held its first round of competition in October.

In the rest of the pages, you'll find additional updates from the college, as well as other events that we experienced recently. We hope you like the direction of Stocknotes. We had fun creating it, and we'll continue to make it better.

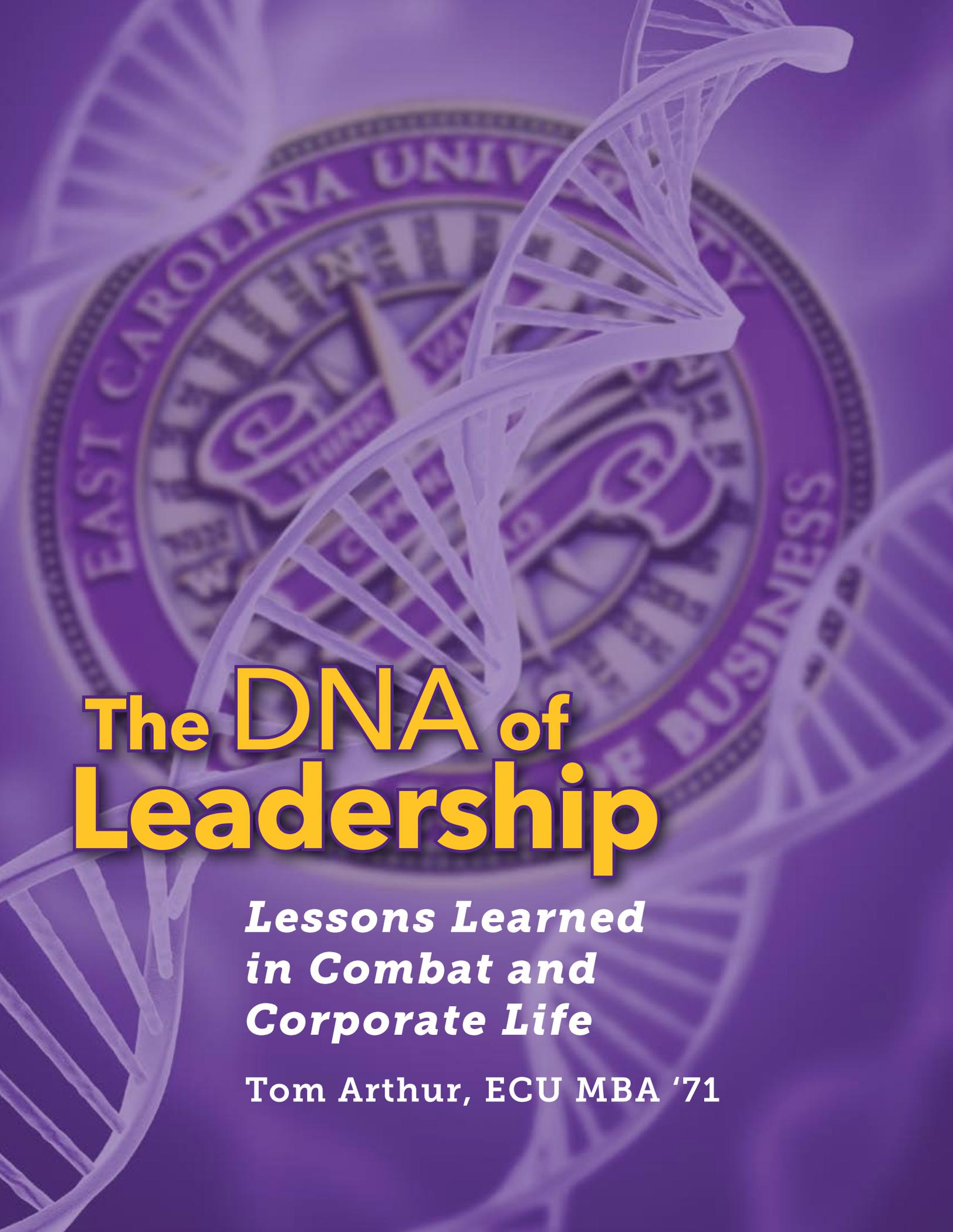
Until next time, I wish you and your family nothing but the best in 2018!

Yours truly,

A handwritten signature in cursive script that reads "Stan Eskins".

Stan

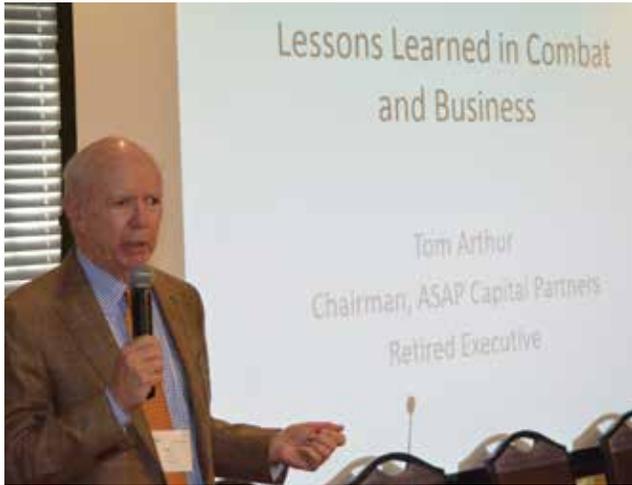
P.S. Our spring Stocknotes will have more big news to announce. Stay tuned!



The DNA of Leadership

*Lessons Learned
in Combat and
Corporate Life*

Tom Arthur, ECU MBA '71



Demonstrating the ROCC of Trust is a key way in which leaders are able to influence their followers any significant change effort, retain talent, and motivate their followers to provide their best efforts regularly. Reliability means “matching rhetoric with reality,” or being consistent between one’s words and actions, i.e., walking the talk.

Openness at a minimum means telling the truth, but at its highest level requires complete

transparency. Competence is delivering results at or above others’ expectations. Compassion goes beyond not taking advantage of another person to include understanding and helping to further that person’s interests and needs.

The ways in which effective leaders show their courage, humility, and authenticity are not identical, just as individuals vary enormously in terms of their genetics, but nonetheless have enough in common as to differentiate them from ineffective leaders. Similarly, although the four basic building blocks of trustworthiness are the same, leaders vary in how they demonstrate them in terms of their thoughts, feelings, and actions.

Through a series of discussions, meetings with Tom Arthur, College of Business MBA ’71, and in presentations at the College of Business 2017 Leadership Conference, I was able to determine how Tom Arthur exhibits the DNA of an effective leader, thereby making a lasting positive impact not only on those he led, but also the communities that benefited significantly from his leadership. Moreover, his own personal ten commandments (see sidebar) for leadership closely mirror the basic pillars and trustworthiness dimensions I’ve found in my own work.

One of Tom’s commandments, clearly evidencing Courage, is **Take on Tough Assignments (#7)**. After graduating from UNC-Chapel Hill, Tom wasn’t sure what he wanted to do with his education, or his life. He decided that he could benefit from the structure and discipline of the Army, and so he decided to join up, even as the U.S. was in the midst of fighting the Vietnam War. As brave as this decision obviously was, he coupled it with Humility, when the Army selected him to go to language school to learn Vietnamese. This language training paid off immediately when as a lieutenant, he was assigned in

June of 1968 to be an advisor to a South Vietnamese infantry battalion, along with leading his own unit consisting of a veteran U.S. Army sergeant and a draftee who served as a radio operator.

Several of Tom’s other commandments attest to the importance of humility, **including Luck Counts (#1); Hard Work Pays Off (#2); Keep Your Ego on a Leash (#8)**. All were in evidence in a critical point in Tom’s leadership journey while serving in Vietnam, as was his basic courage. *We are walking across a rice paddy on a routine patrol. We’re getting ready to step into a tree line and our primary enemy, the Viet Cong, was dug in in trenches and bunkers. The Viet Cong would kill anybody. They’d kill civilians. They’d do anything to try to take over the government.*

Wham, they hit us. Bullets going everywhere. What do you do when you’re getting shot at? You fall on the ground, right? Yeah, you betcha, you get down quickly. But, this was not a golf course, so if you’re lying on the ground, you can’t see anything. So, using the radio, I call for all the support I can get, and helicopter gunships responded first. In the meantime we’re at a stalemate shooting at each other, throwing grenades at each other.

A few minutes later I hear helicopters coming. The lead gunship pilot calls me on the radio and says, “I’m two minutes out. Give me the sit rep (Situation Report).” I’m lying down in the rice paddy. I can’t see anything, and so I said, “Wait one.” So I stand up. Standing up in a firefight is not recommended, but that was my job. I was in a leadership position and so I had to lead, stand up. I take a smoke grenade, pull the pin, and throw it down. This pinpointed my location in order to tell the gunships the distance and compass heading to the most intense enemy fire.

When you hear rockets coming out of a helicopter gunship it’s like the Cavalry bugler. The sound of winning. The momentum changed. Every one of my Vietnamese troops knew that we were going to win. Every one of the VC (Viet Cong) knew they were going to lose, and we did win on that fateful day. Just because you’re in a leadership role does not make you a good leader or a bad leader. You’re just in that role. But you’ve got to perform if you’re there, and so when it’s chaotic, stressful, that’s when good leadership will stand up and be seen.

In earning his MBA from the College after completing his military service, Tom was able to transfer his military experience to

the world of business. In doing so, he

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by Dr. Aneil Mishra

In my almost three decades of research, consulting, and coaching, I have found that leaders who are effective at creating lasting positive change all demonstrate characteristics and qualities, which could be called their DNA, and which are expressed through decisions and actions. Instead of DNA’s six molecules, effective leaders display three basic pillars, Courage, Humility, and Authenticity, as well as four dimensions of trustworthiness, or what I call the ROCC of Trust©: Reliability, Openness/honesty, Competence, and Compassion.

Courage is the willingness to stand up to the status quo. It may be that if change is not initiated, an organization will fail; go bankrupt, be acquired in an unfriendly takeover, or lose all of its key customers. Or, it may be that an organization is performing well, but that it could perform at a much higher level if it was willing to change some of its practices, products, or services. The fatal flaw for this leadership pillar then is fear, fear of the unknown, fear of the consequences of any significant change effort, or fear of how others will react when the leader confronts the status quo.

Humility helps balance courage so that the latter does not become arrogance. A leader needs to recognize the importance of his or her followers in helping to develop and implement any change, and acknowledge his or her weaknesses that exist almost by definition once strengths are identified and exercised.

Authenticity recognizes that there is no one best way to lead. Effective leadership stems from a leader’s strengths and experience. Authentic leaders also effect change by appropriately applying their capabilities depending on what’s most necessary given the situation.

displayed his own Authenticity. As Tom likes to say, "the best practices in combat and sports are also the best practices in business."

When I was 32, the chairman looked at me and said, 'Are you ready to run this company?' 3,500 employees, public company, a little under \$500 million in revenue. Forty-some years ago that was a big business. So I said, 'Sure.' I wasn't lying in a rice paddy and nobody was shooting at me so I thought this was going to be a snap. Well boy, I learned quickly. It was not a snap.

Building the ROCC of Trust

Effective leaders must also personally demonstrate the ROCC of Trust, or as Tom would put it, **Lead from the Front (#3)**. The first step in the ROCC of Trust, Reliability, or doing what you say you're going to do, is exemplified by another of Tom's ten commandments, **Personal Discipline (#5)**.

If you're going to win, you've got to have discipline. Most losers do not have discipline. You make up your plan. Know what you want to do, and then take the steps to achieve them. It takes discipline. Discipline is not easy, but it's very important.

The second step in the ROCC of Trust, Openness, includes not only basic honesty and transparency, but also being willing to consider other options, or as Tom would say, **Be Flexible, With Multiple Plans (#4)**.

Because plan A doesn't always work. It doesn't work in combat, doesn't work in sports, and doesn't work in business. You've got a great idea, and you put together a great plan. Then you execute it well and guess what? The dogs don't eat the dog food. The plan didn't work. So stop sitting around saying, "Oh, it was such a great plan." Do plan B. If A isn't working, do B. You've got to be flexible with your business plan.

Tom's take on Competence, the third step in the ROCC of Trust, which involves doing one's job well, is summed up by his commandment, **It's Your Attitude, Not Your Aptitude, That Determines Your Altitude" (#9)**. When Tom purchased the cigar company that was a small division of the company he had been running,

I figured out that we could probably turn it around. We could fix it and flip it. I didn't see it as a long-term opportunity because the cigar business had been in a long-term decline. It had declined 65



percent from 1950 through the mid-70s. It was fairly easy to turn around looking at it retrospectively, but not when you're going through it. It was long days and nights, and a lot of struggle trying to figure out what made sense. We did get it turned around. Then we bought another cigar company, and a third cigar company. I was surprised because I had told the banks who lent us the money to buy the business that I really didn't think it was going to grow, but that we could increase the margins and get good cash flow and pay them back. Instead, it grew into a really great business.

Ironically, it was in battle, and not the business, where Tom first demonstrated Compassion, the last and most difficult step in the ROCC of Trust to realize. Compassion is tough because it requires both empathy and effort to act on that empathy.

The radio operator was 18, a draftee, sweet young kid, but he was so shy he couldn't answer the radio or talk on the radio. So he carried it until we would get in firefighting, and then I'd put it on and tell him to lie down until I come back and get him later. My sergeant had been in a real tough previous tour and had PTS really bad and so he was not very helpful. So we were really a different kind of group.

The Uniqueness of Effective Leadership

Even though the three pillars of Courage, Humility, and Authenticity, as well the ROCC of Trust, are common to almost all effective leaders, each has his or her own unique leadership capabilities that distinguish their actions and results. In Tom's case, it can be summed up by his philosophy to **Get off the elevator with a few minutes to spare**.

Everything is going really well and along comes the early 90s and there was a big

change. Guess what happened? Was it good or was it bad? What do you think, bad? No, not bad, good. It was going really well, and then we hit the cigar boom of 25 years ago. Who in the world would've thought that cigars would have become the thing to do?

Between 1980 and 1997, HavaTampa grew from \$12 million annual revenue to about \$200 million and from less than \$1 million in annual pre-tax income to more than \$32 million.

I'm sitting there, saying wait a minute, I think the elevator is getting towards the top of the building. We need to push the button and get off. So I talked to my partners and we decided, yep, this is a good time to exit. By luck we probably got out at the very top of the market.

Finally, authentically consistent with his experience as an Army officer, is Tom's commandment of **Just Pull the Trigger (#10)**. "What does that mean, just pull the trigger? It means get it done. Get it done. Finished is better than perfect."



Aneil Mishra, Ph.D. is the Thomas D. Arthur Distinguished Professor of Leadership at ECU's College of Business. He is the coauthor, with Karen Mishra, of *Becoming a Trustworthy Leader: Psychology and Practice* (Routledge, 2013) and

Trust is Everything: Become the Leader Others Will Follow (2008). His most recent book is *Restoring Trust in Higher Education: Making the Investment Worthwhile Again* (Praeger, 2017). Follow him @drdmishra.

