Center for Creative Leadership

HOW LEADERSHIP WORKS

Connecting Exponential
Potential With Collective Progress

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Potential is the most powerful thing on earth.

It's the crucial element behind all of our accomplishments — big and small. For something so potent, you might think it's rare. **But potential is something in all of us. It's just waiting to be realized.**

Leaders play a fundamental role in amplifying human potential. They hold the power to help people see something in themselves they've never seen before — or to remove barriers that limit peoples' potential. Leaders can create remarkable changes in the lives of those around them and create new possibilities for an entire organization or community.

Leadership Is a Social Process

Leaders aren't just executives, managers, or people with direct reports. Everyone in an organization contributes to leadership. That's because leadership is a social process — when individuals work together to produce results they could never achieve alone.

Consider this: How would things change if everyone you work with viewed themselves as a vital part of your organization's success? What would happen if everyone believed in this shared definition of leadership, seeing it as a thing to be created together — instead of a single person designated to lead?

Based on the research, we can tell you the effects are nothing short of transformational.

The fact is, everyone has leadership potential. But often mindset shifts within individuals, groups, or systems are required for that potential to be realized. Once realized, these shifts expand the potential of the individual leader, and have a profound ripple effect on the teams, organizations, and communities they serve.

Does that sound unrealistic?

It's not. At the Center for Creative Leadership, we've developed leaders, groups, and organizations for more than 50 years, and we've seen it happen time and time again. We have the data to prove it. The tools to replicate it. And a unique model that can help any organization reach its full potential.

EVERYONE IN AN ORGANIZATION CONTRIBUTES TO LEADERSHIP.

Failure to Launch

Imagine you work at a large tech company and are part of a cross-functional team working to launch a groundbreaking product. As the team begins to dig in, it's clear each department head assumed that their role was to lead, creating confusion about the direction the launch should take. Without clear direction, the team can't seem to gain alignment on anything, from project goals to milestones to deliverables. Communication is scattered, leading to misunderstandings and missed deadlines.

Over time, the lack of a cohesive vision takes a toll on the team's commitment, leading to frustration and low morale. Instead of a triumphant launch, the project is mired by delays, increased costs, and a risk of failure.

We can break these issues down into low levels of Direction, Alignment, and Commitment — or DAC for short. When DAC is missing, leadership isn't happening, and there's a collective failure to launch.

What do we mean by DAC exactly?

- **Direction:** Agreement within the group on overall goals
- **Alignment:** Coordinated work within the group
- **Commitment:** A feeling of mutual responsibility for the group

Each of these elements is an essential outcome of the leadership process — and key to the fundamental definition of how leadership works. Understanding the purpose and value of DAC can do a lot more than help you launch a groundbreaking product — it can create a wave of change within your organization that accelerates progress.

Leaders within organizations play a vital role in setting the tone and making space for DAC to thrive, but everyone needs to help shape direction, alignment, and commitment.

While not all problems are DAC-related, they account for a lot of the challenges we hear from our clients. Usually, organizations or teams are strong in 1 or 2 areas of DAC. But because every element of DAC is interconnected, it's hard to succeed without all 3. These issues affect groups of all sizes, from small startups to multinational corporations.

For example, a nonprofit may have a vision statement, but its board can't decide which goals are directing their decisions. A department could have teams duplicating efforts because they're not aligned on who's doing what. Or employees who are not really committed to company goals put their own interests ahead of the group's priorities.

Think of your organization like an engine. You can build it perfectly, but it's not going anywhere without fuel. Similarly, you could have the most talented team on earth — but if the people on it have low levels of shared direction, alignment, and commitment, you won't reach your goals.

Effective leadership happens through direction, alignment, and commitment, and DAC enables people to achieve more together than they ever could working alone. By looking at your organization through the lens of the DAC framework, you can diagnose what's holding you back and help everyone in your organization reach their collective potential.

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DIRECTION.

Direction: Where Are We Going?

Imagine a boat where every person in the wheelhouse wants to go somewhere different. The ship wouldn't go very far — if anywhere at all. We can all relate to that feeling of moving in circles, wondering who or what can get us unstuck.

Direction gives us purpose. It's an agreement on what a team or organization wants to achieve together and a benchmark for setting goals. It helps everyone decide what to say yes and no to. When an organization has a shared sense of direction, it's easier to avoid the detours and distractions that pull us away from an objective. It's about agreeing on a destination — and driving toward it.

While vision and mission statements are helpful, they're often too broad to create a clear direction on a project-by-project basis. And even if everyone thinks there's a shared direction, that may not be true. For example, what would the result be if you asked everyone in your organization to get in a room, close their eyes, and point north? You'd probably see many hands going in different directions.

To get past this and gain agreement on direction, leaders must go beyond surface-level relationships. They need to understand what motivates each person on their team, what information each person needs to make sense of the goal, and how to help each person connect the larger goal to their role.

Remember Purpose

Why do we exist? What's our purpose?

These aren't easy questions. But to create a shared sense of direction, you must answer them. Purpose-driven leadership connects your entire organization to something greater than itself. When employees understand why they're carrying out their work, they have a greater sense of motivation, satisfaction, and investment in what they accomplish. They feel a solid connection between their individual duties and the team or organization's direction.

This requires intentional effort. Managers must embody purpose in their leadership and encourage it in others. Everyone on the team should have the freedom to figure out their own purpose, from personal development to making a positive difference, or even external rewards like a paycheck. Motivation looks different for everyone. A purpose-driven manager can step back, embrace this reality, and create a space where work can feel personally relevant to everyone.

This idea applies both in and outside of the organization. For example, today's external stakeholders are often more supportive of an organization when they see a balance between a focus on profit and a focus on social responsibility. This may not win short-term gains, but it can strengthen their enduring trust and loyalty.

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ALIGNMENT

Alignment: How Are We Getting There?

Direction tells you where we're going. **Alignment is how we get there.**

The importance of alignment goes back — way back. A willingness to specialize and cooperate defines human history, from hunter-gatherer cultures to product teams. When a strong sense of alignment is present, everyone feels like their work is moving the organization forward. Even people with different roles can feel like they're doing their part and everyone's contributions are important — from the engineers who design circuit boards to the cleaning staff who ensure the facilities are usable.

Low alignment causes whiplash and infighting. Teams that take their own paths can tear organizations apart. Consider a food company that's creating a gluten-free dessert. They go through all the marketing and public relations work to build trust with their audience. But the development

team decided the gluten-free flour was too expensive, so they went with lower-quality ingredients. Some customers get sick, and the company is pointing fingers, trying to figure out who's responsible.

Alignment is the culprit, even though everyone shared a sense of direction.

Duplicated work, missed opportunities, and opposing efforts are all examples of low alignment. Repairing this deficit requires more than formal statements and company-wide emails. **Leaders must build personal connections that can influence people and reconcile the organization's goals with the roles and responsibilities of other employees.**

This is especially important among hybrid and global teams. It can be deeply frustrating to be located in a different place or time zone, feeling left out or unable to contribute. But

distance doesn't need to create division. Alignment is still possible. [Leadership in a hybrid work environment](#) just requires an equal focus on relationships *and* tasks — where camaraderie is as important as deadlines.

Remember Context

While some say the devil is in the details, we think there is magic in them. Prioritizing space to consider, communicate, and eventually align on the *how* is crucial to success. Several inputs should be considered. Understanding the context of current processes and informal networks is essential, and often overlooked.

The term "networking" comes with some baggage. It can be a vague concept that evokes exchanging information and staying "in touch." We hear that it's essential, but often lack examples of what a strong network looks like and how it's fundamental in building alignment.

In truth, networks directly affect someone's ability to lead. These are the personal connections that lie at the heart of one's social capital. [A network perspective enables leaders](#) to get more tasks accomplished through their relationships. Without effective networks, it's challenging to build resilient teams, adapt to change, and navigate interpersonal conflict... any of which is a recipe for *mis*alignment.

The solution isn't building a relationship with every person in the organization. This can be draining — if not impossible — and still wouldn't provide access to helpful information. Instead, leaders should focus on building sincere, high-quality relationships within different parts of their organization. They should connect with people beyond their own circles. Such networks are open, diverse, and deep. They provide information and insights that let leaders build a complete, creative, and unbiased view of the issues.

Networks change as relationships change. People are unpredictable and the world doesn't stand still. This isn't anything to fear — or prevent. A strong network is determined by the sum of its parts and can create ripple effects that can go far beyond the lifespan of any one relationship. Like glue, a good network can expand, contract, and flex as things change. **But nurturing their networks helps leaders build trust and foster interdependence across teams, ultimately getting more accomplished, together.**

None of this comes easily. Alignment falls apart if we assume everyone needs the same thing. Similarly, leadership development requires a significant commitment to each person, beyond generic content. Every member of the organization needs to feel supported and valued for their unique character and contributions. Helping dozens, hundreds, or even thousands of people see and develop their potential as leaders can be a difficult task that requires outside help.

NETWORKS DIRECTLY AFFECT SOMEONE'S ABILITY TO LEAD.

COMMITMENT

Commitment: Why Does It Matter?

"Because I said so" can motivate some people, some of the time. But it won't guarantee success — nor anything beyond compliance. Commitment, on the other hand, can supercharge your efforts. It's the third leg in the DAC stool that makes effective leadership a possibility.

When an organization has commitment, everyone makes the success of the collective a personal priority. They can better focus on a shared goal. As a result, managers don't need to monitor efforts so closely. They can trust that everyone will make the effort needed to ensure the group is successful.

But commitment isn't an on-off switch. It's a continuum. At the high end, people will give that extra 10% to ensure their team's success. In the middle, they'll comply with expectations and do just enough to get by. On the low end, we find malicious compliance, where people do exactly what is requested instead of what was intended. For example, if a warehouse manager asks a worker to move boxes without specifying where, the employee would push the boxes a couple of inches — technically fulfilling the supervisor's request.

The powerful impact of higher levels of commitment across a team or organization: an increased sense of accountability and a shared ownership mentality, supporting cultural transformation.

Remember Belonging

Commitment cannot be enforced; it must be fostered. Everyone has a unique starting point, which began long before joining the organization. The most effective leaders respect these differences, seek to understand them, and show compassion for every member of the team. They put effort into learning each individual's story, understanding where they come from, and what they need to do their best work.

Team cohesion is one of the primary markers of commitment. It's vital for everyone to feel like they're working in a safe place where their presence is wanted and their voice is heard. If the group doesn't feel welcoming and opportunities don't feel accessible, members will withdraw and keep to themselves.

To build belonging at work, an organization's managers should show sincere commitment to inclusive leadership and recognize that awareness must lead to meaningful actions.

Senior executives should remember that they can increase commitment to the organization simply by making it a better place for all employees to work. Providing access to opportunities for growth is part of that equation, too. At its best, leadership development honors each person, giving them the tools to reach their potential and permission to be themselves and find their reason to commit.

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How to Increase DAC in Your Team or Organization

Once you understand how leadership works and start thinking with a DAC mindset, business is no longer business as usual.

If progress is stagnant in your organization or team, think about leadership as an outcome you want to achieve through direction, alignment, and commitment. This can quickly help you diagnose where you need to focus your attention to regain momentum.

To help you evaluate DAC levels for your team or your organization, take advantage of our quick and complimentary online DAC assessment: ccl.org/dac

1 Assess current levels of DAC.

What is leadership like in your organization today? Evaluating the current levels of direction, alignment, and commitment currently present can help provide an answer. Chances are, your team or organization will be strong in some aspects — and weaker in others. But since direction, alignment, and commitment are intertwined, improving just one area can have an effect on the rest.

2 Engage your team.

The next step leaders should take is engaging their team in a conversation where everyone feels psychological safety to say what's going well — and not so well. Sometimes, getting everyone's mind out of the present and into the future is helpful. For instance, if the team was performing better 6 months from now, what would start happening? What would stop? Just creating space for this discussion and showing an interest will make people more willing to share concerns and contribute ideas.

3 Identify needed changes.

While it can be tempting to find a quick fix, there's no one-size-fits-all solution to these challenges. DAC is a result of what's happening throughout the group, and it's vital to take a wide view of the situation. Once you know what areas need strengthening, you know where to focus. To improve DAC, you might need to change things such as:

- The quality or frequency of interactions among group members;
- The relationships among particular members;
- The formal or informal processes for making decisions; or
- Shared assumptions and cultural beliefs of the group as a whole.

In approaching these changes, it's important to lean into the insights and creativity of your group. **Leadership is shared work and can only happen when others are involved.**

Leading From Here

Potential is not a finite resource. It cannot be given or taken away. It is an exponential force in our world, and you have the unique opportunity to help realize it in those around you.

At the Center for Creative Leadership, we're driven by unlocking human potential, as we know it can have a profound ripple effect on individuals, teams, organizations, and entire communities.

For nearly 6 decades, we've helped people become better leaders. Our pioneering DAC approach has been rigorously researched and field-tested at thousands of organizations, large and small. We're proud to say we've developed over a million leaders at every level around the globe, from Fortune 500 executives to students just starting their journeys.

And we know from experience how to enable everyone at any organization to reach their collective potential.

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Center for Creative Leadership

At the Center for Creative Leadership, our drive to create a ripple effect of positive change underpins everything we do. For 50+ years, we've pioneered leadership development solutions for leaders at every level, from community leaders to CEOs. Consistently ranked among the world's top global providers of executive education, our research-based programs and solutions inspire individuals in organizations across the world — including 2/3 of the Fortune 1000 — to ignite remarkable transformations.

Meet our people where you are: ccl.org/locations.