

A Leader's Journey

by Pamela Kruger Photographs by Nigel Dickson first appeared: Fast Company issue 25 page 116

Paul Wieand went on a quest for power and became one of the banking industry's youngest-ever CEOs. Then his world collapsed, and he went on a painful search for the real meaning of leadership. Now he helps other leaders on their journeys.

Paul Wieand looked at the letter of "resignation" he was about to sign, but the words weren't registering. How could they fire me? Only days before, he and his wife were in Paris, celebrating his imminent appointment as CEO of Independence Bancorp, a \$2 billion, 1000-employee bank based outside Philadelphia. Just four years earlier, in 1981, he had become the bank's president -- an auspicious accomplishment, especially for someone who was only 33. Now, at 37, he was set to become one of the country's youngest big-company CEOs. "I was on top of the world," recalls Wieand. "Money, power, success: I had everything I wanted."

But when he returned from his celebratory vacation, his world collapsed. His dream had become a nightmare. The bank's retiring CEO and the corporation counsel were waiting in his office with a resignation letter. For the past six months, Wieand and the cochairman of the board -- "a good old boy in his 50s" -- had been battling over who would become the next CEO. But Wieand had finally bullied his rival into giving up. Or so he thought. It was like a page out of a John Grisham novel: The gentleman banker, who had shaken Wieand's hand and graciously admitted defeat, was secretly plotting against him. While Wieand was away, the executive lobbied the board and got himself voted in as CEO.

Shell-shocked, Wieand plummeted into a deep depression; his already slim five-foot-six-inch frame dropped in weight from 140 pounds to 125 pounds in three weeks. He had youth, connections, and a sterling job record, and he could live years without working: His 30-acre Bucks County estate was paid for, and his severance package included three years' pay, along with a company car, a secretary, and an office for a year. But he felt as if he'd lost everything -- especially himself. "Without my position, I didn't know who I was," says Wieand. "I lost my identity."

Over time, though, Wieand used this devastating setback to rediscover himself, to reinvent his professional life -- and to rethink his entire approach to leadership. He returned to graduate school, in psychology, on a mission to understand what he describes as "the unconscious, destructive, and unresolved emotional processes that drive the corporate world." Then, after earning a PhD, he set up an office on his Ottsville, Pennsylvania estate and founded the Center for Advanced Emotional Intelligence. AEI is billed as a leadership-development program for top executives and entrepreneurs. Its goal is to turn ultra-achievers into "learning leaders" -- people with enough self-knowledge and emotional security to remain true to their "authentic" selves and also to grow from criticism. "In a time when change is the only constant," says Wieand, "a leader's self-concept can't remain fixed. Leaders have to be willing to listen and to learn from feedback, or they -- and their company -- won't grow."

Like Daniel Goleman, the author of two best-selling books on emotional intelligence, Wieand argues that emotion -- more than intellectual ability -- drives our thinking, our decision making, and our interactions with others. To be an effective leader, you need to be able to read your emotions as well as those of the people around you. "How can you build a company around 'shared values' when the CEO doesn't know what his or her values are?" Wieand asks.

Unlike so many leadership programs, which involve a day or two of lectures and a few exercises, Wieand's yearlong program (which costs between \$25,000 and \$40,000) is intense and tailored to the individual. The result is a cross between psychoanalysis and a graduate seminar in philosophy. Clients are given a wide battery of psychological tests, and Wieand's partner, psychologist Jan Birchfield, 40, conducts 360-degree interviews with clients' subordinates, peers, and bosses to uncover any "blind spots."

Clients also watch emotionally charged films, such as "Ordinary People," and then discuss their reactions to those films. In private sessions, Wieand challenges clients to face their true selves, asking them such provocative questions as "What are your secrets? What are you ashamed of?" According to Wieand, "People who come in here are used to hearing how brilliant they are. We have to knock them down, peg by peg, before we can build them back up."

Wieand believes that executives and entrepreneurs in midlife are the most resistant to that kind of soul-searching -- although they are usually the ones who need it most. In fact, he says, many paradoxical truths define the search for identity: Identity solidifies, and people become intolerant of change by the time they reach their mid-30s. Yet the world of work demands flexibility. To become successful, people build on their strengths and work around their shortcomings, but when they push their strengths too far, those strengths become weaknesses. Finally (and perhaps most difficult to reckon with), the more successful and powerful people become, the harder it is for them to remain authentic. "You start playing a role that the corporate culture and the general culture expect you to play," Wieand says. "And suddenly you're thinking that you've got it all figured out, when all you've got is hubris."

The questions that Admiral James Stockdale infamously posed seven years ago -- "Who am I? Why am I here?" -- are no joke at AEI. They form the core of the program. And many of AEI's clients -- including CEOs and top executives at major companies, as well as accomplished entrepreneurs -- say that answering those questions has changed their lives. John Matczak is a case in point: The 57-year-old founder and CEO of Pennfield Group, a \$50 million aerospace conglomerate headquartered in Sellersville, Pennsylvania, sold off his most prized possessions after realizing that they owned him. Another executive, a top official at a major pharmaceutical firm, shared his deepest insecurity with his colleagues after reaching the gut-wrenching conclusion that his secret had been poisoning his relationships at work. "Going through this program makes you look in the mirror," says Matczak. "At times, that's really tough."

All these revelations take place in a 250-year-old stone barn, on Wieand's estate, which he bought from a psychiatrist during his banker days. ("Back then, I thought all shrinks were wackos," he laughs.) Wieand tries not to appear like "some namby-pamby intellectual" to his clients. Although he can rattle off quotations from existentialist philosophers and psychologists, he is quick to make his business credentials known. And mementos of his corporate life are prominently displayed in his office, along with old photos of him in his Brooks Brothers suit, surrounded by middle-aged bankers.

Moreover, unlike most psychologists, who present themselves to their patients as blank slates, Wieand makes a point of sharing his "war stories" with clients -- "the more painful the better," he says. "I want people to know that I've been hurt in the business world -- badly. Yet I obviously went through a transformation, going from president of a multibillion-dollar business, sitting in a big corner office, to sitting here, at my little desk."

Real Leaders Are Authentic

Wieand's program is based on lessons that he learned the hard way. He was raised in an apartment over his father's auto-body shop in Souderton, Pennsylvania. He had an undiagnosed learning disability, and, as a result, he grew up thinking he was dumb. When his seventh-grade math teacher berated him in front of the class, saying, "You're so stupid, Paul. You don't belong here," Wieand's worst fears were confirmed. He spent the rest of his high-school years racing cars and dreaming of someday getting rich. He ended up graduating in the bottom 5% of his high-school class.

To avoid the draft during the Vietnam War, he entered the Bethlehem Business School, a two-year college; then he enrolled at Dyke College, in Cleveland. During his junior year, he started dating a student at Case Western Reserve University. Her father was a Harvard PhD -- which spurred Wieand to get serious about his studies. "I knew that he thought I was an embarrassment," says Wieand. "I was determined to prove him, and anyone else who ever thought I was stupid, wrong." Wieand graduated on the dean's list, with nearly a 4.0 average in economics, and married his girlfriend.

Like most of the clients he sees today, he buried his childhood shame, only to have it haunt him as an adult. "When you reveal your secret, it begins to lose its power and eventually goes away," says Wieand. "But if you hide it, you develop defenses, and you overcompensate." In Wieand's case, he became "obsessed" with achievement -- and intolerant of those he considered to be beneath him.

Discovering that he had an aptitude for finance, Wieand pushed that strength to the limit: Within 10 years, he worked his way up from commercial-credit analyst to president of Bucks County Bank, a small but prestigious institution in Perkasio, Pennsylvania, while earning his MBA at night and becoming an adjunct professor in Drexel's Executive MBA program.

Wieand named the holding company Independence Bancorp and modeled the organization after the U.S. federal banking system. The model worked. A year after the merger, in a study of similar-size banks, Independence ranked third in the nation in performance on assets. But, like so many of the executives he would later counsel, Wieand pushed his strengths too far. Eventually, his financial savvy became his liability. Instead of cultivating the older, established bankers who were stewards of the institutions that Wieand had acquired, he tried to force them out. He froze their salaries, took away their responsibilities, and installed a layer of young MBAs above them. He refused to defer to the board of directors, most of whom he saw as "country-clubbers who golfed while I ran the place." Even today, Wieand replays many incidents in his mind, wishing that he could turn back the clock.

By the time Wieand was forced to resign in June 1985, he had alienated all but two members of the board. Pushing for the job of CEO, when his rival had more seniority and lots more allies, was his final, fatal error. "If I had listened, I would have heard people warning me to slow down," Wieand says. "But I started thinking that I knew better than everyone else."

That's another of Wieand's paradoxical laws of human nature: Intoxicated with their success, executives start to define themselves by their job title, rather than by who they are inside. They lose touch with their emotions, and they become insensitive to how they affect others and intolerant of others' weaknesses. "If you idealize your role -- which is what happens to most of the people I see -- you fool yourself about what people really think of you," Wieand says. "You don't know when or why you get defensive. You don't get open and honest feedback from people. There's no reality testing."

Wieand says that when he was fired, he found himself in a "free fall." He went from feeling "almost like a king" to feeling like that "stupid, worthless" little boy who couldn't handle seventh-grade math. "Back then, Paul didn't look at his job as just an experience," says Jay Sidhu, 47, who had worked with Wieand at Independence and who is now the CEO of Sovereign Bank. "The job was him; it was what made him feel powerful."

Six months after leaving Independence, Wieand was hired by the federal government to turn around a

failing savings-and-loan, Penn Savings Bank. As CEO and president, Wieand immediately took the bank public and renamed it Sovereign (sovereignty is another word for independence). Then he hired Sidhu, his most talented colleague at Independence, and acquired Yardley Savings and Loan, a thrift in Independence's backyard. "I was laughing at the guys at Independence," Wieand says. "I wanted to stick it to the people who screwed me."

By 1989, Sovereign had \$1.5 billion in assets and was heralded as a model turnaround. Wieand was earning more than ever before, but he felt as if he were sleepwalking through work. At night, he took refuge in books -- some written by management gurus like Peter Drucker, but mostly books written by existential psychologists like Rollo May. "I wanted to know why running the bank was easy intellectually, but hard emotionally," says Wieand.

So, when a shrewd multimillionaire turkey farmer, who later would plot to sell the thrift, joined the board and declared war on him, Wieand -- then only 41 -- decided to retire. He took his five-year \$1 million golden parachute, which included stock options and a generous pension, and, within a month, began graduate school at Temple University, in Philadelphia. While pursuing his PhD, Wieand began coaching executives part-time. But his leadership-development program didn't really begin to take shape until he started working with acute schizophrenics during his residency at Trenton Psychiatric Hospital.

At Trenton, he formed a therapy group for middle-aged patients who had IQs of 150 or more. "How come people with off-the-chart IQs couldn't handle the simplest social interactions?" Wieand wanted to know. By working in "the extremes of human nature," he thought he might gain insights into the "insanity" that he saw in the corporate world.

Working with his "mensa group," Wieand developed his self-revealing style with patients and found that it produced powerful results. ("Where is the dignity and respect in asking people about their intimate secrets, when you're not sharing your own?" he asks.) Wieand saw that by sharing his story and by answering honestly the most personal of questions, he could get even the most antisocial patients -- who included a brilliant mathematician and the son of a Nobel laureate -- to respond. "Just getting these patients to show up for a group was a miracle," says Jan Birchfield, who also worked at Trenton Hospital. "Paul got them communicating."

Wieand also made an important discovery that would lead to his notion of the learning leader. "I saw that everyone -- whether they're patients in a psych ward or executives in a corporation -- wants the same things in life: to be recognized, to be cared for, and to be given an opportunity to grow. And, if you're authentic and trustful, people will realize that, and they'll respond. Authenticity is contagious." After all, he adds, "If creating an atmosphere of trust and authenticity can get acute schizophrenics to work together, think of what presumably less-fragile people can do."

The Leadership Emotion

Wieand opened AEI in the summer of 1995. He knew his program would have to be more wide-ranging and demanding than other leadership programs. So he drew on the research of Al Siebert, a psychologist who had been a paratrooper in the Korean War. In his studies, Siebert found that "extreme and torturous conditions" strengthen a "small fraction" of people. These survivor types have complex, paradoxical personalities that defy simple categories. They can grow and learn, but they also maintain their core personality. To Wieand, leaders need that type of personality. Real leaders, he observed, were serious and playful, self-confident and self-critical, strong and vulnerable, intuitive and logical.

He also drew on recent findings from neuroscience, which showed that the brain's limbic system, which governs feelings and impulses, is stronger and more stubborn than the neocortex, which controls logic. "That's why you can't take your staff white-water rafting and expect to return with a new, happy team," says Wieand. "The limbic system will override that intellectual memory in a short period of time. It can hijack almost all rational thought."

So Wieand tries to change not just how executives think but also how they process their emotions. One part of his program involves watching films -- first at home, with a spouse or a friend, and then with Wieand. "With a film," he says, "you can show people a vision about emotional identity that they'll never forget."

To prove his point, Wieand pops in a video of "Ordinary People" and fast-forwards to the film's climactic scene, in which Donald Sutherland's character tearfully tells his picture-perfect wife, played by Mary Tyler Moore, that he isn't sure he loves her anymore. Rather than have the difficult conversation that's needed to salvage the marriage, the wife -- who can't handle messy emotions -- walks out on her family. "If you're watching this with your spouse, who then says, 'That's you' -- well, that's powerful," says Wieand. "And then you come to see me, and we talk about how you feel about all of the characters. Which one did you identify with? What would happen if a person like that were running your company? With a film, you can begin to experience how you process your emotions."

From the start, Wieand found that his program could produce "aha" experiences -- even in self-aware executives. His first client at AEI, Jay Sidhu, admits that he was taken aback when he learned how his staff viewed him. An avid reader of Tom Peters, Sidhu was determined to create "one of the best companies in America" and was committed to running a team-driven, inclusive organization. So why did his staff find him intimidating? "People who come always think they're a people person. They get a shock when they get the results of their 360-degree evaluations," says Wieand. "I remember Jay asking me, 'Isn't there one person who sees it the way I do?' "

Then Wieand had Sidhu read an article by Peter Drucker about communication and then watch "The Browning Version," starring Albert Finney. During the movie's stirring farewell speech, in which a fiercely intellectual scholar, played by Finney, confesses that he wished he had been more "human," Sidhu had an epiphany. "Paul and I were discussing what Drucker says about communication," says Sidhu. "Communication is in the mind of the recipient: You're just making noise if the other person doesn't hear you. And when I saw this movie, I suddenly saw the power of communicating on an emotional level, without putting up a front."

Sidhu had been holding weekly meetings with about a dozen staffers in his 4,500-person organization, inviting anyone from tellers to senior executives to attend. But in their evaluations, staffers complained that it put them off when he called on them in those meetings. That's why Sidhu now begins each meeting by speaking candidly -- and, at times, emotionally -- about what he has been dealing with in the bank that week. And he's found that his candor has sparked true dialogue. "Everybody talks about the importance of building a family atmosphere within a company, but that means nothing unless you sit and talk on an emotional level." Sidhu says.

Some aspects of a personality cannot be changed, however. And Wieand pushes clients to take a close look at themselves and to accept their limitations. When John Matczak came to see Wieand, his company's sales growth had been slow for five years. Matczak wanted to grow his business from \$50 million to \$150 million in annual revenues. Discovering what was preventing Matczak from achieving that goal didn't take long. For those five years, Matczak had invested heavily in status symbols: a Lear jet, two oceanfront vacation homes, and a 60-foot yacht. And his sales staff had a high turnover rate -- 35% a year -- primarily because he was so domineering and did so much micromanaging.

Wieand knew that, with coaching, Matczak could change his weakness for "toys." (And he was right: Matczak ended up selling the homes, the yacht, and the Lear jet.) But, at 57, Matczak was unlikely to change his overcontrolling personality, nor was he the type of person who could keep many balls in the air -- a skill that's essential to running the affairs of a multimillion-dollar company. So Wieand pushed Matczak to do what so few mega-entrepreneurs have done: surround himself with people who had the management skills that he lacked. This year, Matczak has promoted his star employee, a 35-year-old master manager, to president and has given this manager equity. Matczak has also hired a vice president to oversee sales and marketing. "When you're an entrepreneur, you think you know everything already,"

he says. "I'm nervous about letting go. But I know that it's what I've got to do to grow the company."

A few of Wieand's clients are not as eager for such revelations. They have been sent to Wieand by their superiors, and they come reluctantly. The division president of a pharmaceutical giant, for instance, was sent to Wieand last year because of his arrogance and aggressiveness with his peers. Although his need to prove his mettle had gotten him into the "inner-inner circle," his superiors wanted to soften that drive now that he had become a peer.

But the 47-year-old executive fought Wieand -- attempting to intimidate him, as he had already done with his colleagues. Just as Wieand had used his financial skill to prove that he wasn't stupid, so this client was using aggression to hide a vulnerability. (Says the executive: "I knew I had a problem, but I didn't know what to do about it or where it stemmed from.") It wasn't until midway through the program that Wieand and his client discovered what that vulnerability was. The client was filling out a "life inventory" form when he came to the question "What are your secrets?" And then he just blurted out that he hadn't graduated from college.

To most people, that revelation was hardly earth-shattering. But this executive, surrounded by MDs and PhDs from Ivy League schools, had always felt inadequate. Although he had worked at the company for 18 years and had always been truthful on his personnel records, he had avoided discussing his education with his colleagues. "It just came to me," the executive says. "Perhaps I knew it all along." In an effort to strip the secret of its power, he disclosed it to a few of his colleagues, including the president of the company, who then proceeded to confess his own sense of insecurity. "It's amazing," says this client of Wieand's. "When you disarm yourself, you disarm others as well."

These days, this executive is debating whether to accept another promotion, which would require relocating his family, living apart from them, and seeing them only on holidays and occasionally on weekends. Like so many in Wieand's program, he has found that being "authentic" has forced him to reevaluate not just his work but also his personal life. "Before, I just would have taken the job and let my family deal with the consequences," he says. "Part of what I learned from Paul is to look at how you affect other people."

This year, he and Sidhu each hired Wieand to create a special leadership program that would help their top managers become more authentic leaders. "If you are aware of your weaknesses and are constantly learning, your potential is virtually limitless," Sidhu says. "You can build something that will be a legacy."

Such talk is encouraging to Wieand, who feels certain that a movement is slowly taking hold inside boardrooms. More and more companies are seeing "that the old style of ruling by fear doesn't work anymore. The good people will leave." He is haunted by the pain he caused, and he hopes that his work serves as a kind of penance. "There were so many people whom I hurt at Independence. I am still embarrassed about who I was then," he says. He pauses dramatically. "Being a leader is a hard job -- maybe the hardest job there is," he says. "But once you've chosen it, you have a moral obligation to be your best self."

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Sidebar: Why Is It So Hard to Be Yourself?

Strong leadership begins with a clear identity -- knowing who you are and what your values are. But, according to Paul Wieand, many high achievers have distorted self-images: They either think too much of themselves, or they simply don't know who they are. As a result, they're seen as weak, phony, or untrustworthy. Why is it so hard for leaders to be themselves? Wieand offers three explanations. Leaders resist soul-searching precisely when they need it the most.

Psychological research has shown that by the time you reach your mid-30s, your identity solidifies, making change intolerable, Wieand says. Yet the new world of work demands that leaders learn and grow constantly. "In today's free-flowing team environment, leaders have to have a strong core -- values that they remain true to -- but they also have to be adaptive," says Wieand. To achieve a flexible-yet-resilient identity, he adds, you have to be willing to look inward.

At some point, strengths become liabilities. Wieand tells the story of a former client of his who, because he was a "nice guy" and a financial whiz, became CFO of his company. But, as CFO, he needed to make tough decisions. When being a good guy didn't achieve results, he just kept trying harder to be nice, and suddenly he was seen as too nice. "Most of us have become successful by developing a set of strengths and working around our weaknesses, but inevitably we push these strengths too far, and they become weaknesses," says Wieand.

Leaders tend to define themselves by their work, rather than by who they are. Intoxicated by success, says Wieand, people begin to think of themselves only in terms of their role at work. Thus they lose sight of their weaknesses, they don't tolerate criticism, and eventually they lose their ethics -- doing whatever seems expedient. "To be a great leader, you not only need a deep knowledge of yourself; you also need to accept your limitations," Wieand says. "If you do that, you can't lose."

Sidebar: What Are You Doing Here?

According to Paul Wieand, real leadership starts with authenticity. But how do "authentic" leaders -- people who lead with empathy and values, and without manipulation -- perform on the job? He outlines three guiding principles of authentic leadership.

Surround yourself with people who are at least as talented as you are. "You can grow and stretch some aspects of yourself," Wieand says, "but there will always be some parts of your personality that you will never overcome, no matter how hard you work at changing them." Authentic leaders accept their limitations and hire people who have the strengths that they lack. Equally important: These leaders invite their staff to speak candidly to them -- and the more brutal the candor, the better. "It's only human to be self-deceptive," Wieand says. "But if you have the emotional courage to pay attention to what stings the most, you'll know where your blind spots are."

Communicate with emotion as well as with logic. According to Wieand, the latest research in neuroscience shows that the brain's limbic system, which controls our basic emotions and impulses, is more powerful than the brain's neocortex, which governs our intellect. That's the reason why emotional memories often override logic: The limbic system processes stimuli and prompts us to react long before the cortex has even begun to filter that stimuli.

As a result, if you establish an emotional connection with your staff by exposing your vulnerabilities, you will find that people will respond much more strongly than they will if you appeal to their intellect. When a client of Wieand's, who was known for his fierce competitive spirit, confessed his failings to 25 of his top managers, he prompted a wave of confessions from them. Not only did his candor help strengthen the bonds he had with those managers; it also helped spread authenticity throughout the organization. "Those 25 people became more open with their staff," says Wieand.

Make sure your private conversations mirror your public ones. When Wieand was president of Independence Bancorp, he would make ingratiating speeches to the board, thanking members for their support, even as he was saying something different to his colleagues. "The board members knew that I was lying. So they learned to distrust me, and eventually that cost me my job," says Wieand. A sure way to seem inauthentic is to vary your message according to your audience. "It's only a matter of time," Wieand says, "before everyone sees through you."

What is authenticity?

What can you be authentic about?

What is your secret?