

In 2010, we started a dialogue about traits that characterize the best leaders and asked you to share your thoughts. Many of you responded with new ideas and important nuances. We believe the conversation is worth continuing.

Now we turn to William C. Taylor for new perspectives about leadership – particularly as it relates to building human capital capacity and “getting the best contributions from the most people.”

Taylor is a co-founder of *Fast Company* magazine and author of Practically Radical: Not So Crazy Ways to Transform Your Company, Shake Up Your Industry, and Challenge Yourself. Published January 4th, it is already generating a lot of buzz.

Quoting Albert Einstein – “Problems cannot be solved at the same level of awareness that created them” – Taylor probes how 25 thriving companies and organizations have rethought the logic of leadership. The old definition was power – what a leader could control. Today’s mantra is freedom – what a leader can unleash.

Taylor enthusiastically celebrates tapping “the quiet genius locked deep inside of an organization” as a compelling competitive advantage. He chastises hierarchical structures where “good” ideas can only flow from the top down and where an employee’s worth is defined by title rather than by his or her insights.

Executives in these “graded ranks” companies can often be identified by their use of the pronouns “us” and “them” to differentiate between senior management and rank-and-file staffers. Such exclusionary language creates barriers that by definition limit an organization’s potential to compete.

Far more effective leaders are “humbitious” – a blend of humility and ambition that is a powerful antidote to the hubris that has characterized so many executives and entrepreneurs, particularly in the days leading up to the collapse of the global economy. The term was coined by IBM veteran Jane Harper who recognized that humbitious leaders understand how much of their success is due to the hard work of others at far lower rungs of the corporate ladder, luck, timing, and “a thousand factors out of their personal control.”

Today’s leadership challenge is to fully engage all of an organization’s talent by transforming employees’ attachment from transactional – pay for doing their jobs – to emotional – entrusted with the future direction of the enterprise.

Taylor’s examples are inspiring.

Rite-Solutions is a private provider of IT and engineering services to government and commercial customers. Every new employee (first day) receives \$10,000 of “opinion money” and is invited to be part of the company’s “internal stock market for ideas.” It has paid huge dividends.

Over the five-year period to mid-2009, 50 workable new ideas had been generated. Of these, fifteen were launched into the marketplace. They represented roughly 20% of Rite-Solutions’ revenue. And, lest you think that all of these employee ideas came from “techie braniacs,” one of the most lucrative was the suggestion from a new administrative assistant who thought a high tech Bingo game developed for the company’s Christmas party could be adapted to make her daughter more excited about homework.

FORTUNE 500® DaVita is a leading provider of kidney care in the United States, delivering dialysis services and education to patients with chronic kidney failure and end stage renal disease. Each year all of its managers with the title of vice president or above spend a week on the front lines of a dialysis center personally assisting nurses and technicians and interacting with “customers who are fighting for their lives.”

They experience the “highs and lows” and the “laughter and tears” of remarkable centers where, even with the industry’s best clinical outcomes, 17% of the patients die. The goal is for direct caregivers to teach the executives why their business matters and to keep their “empathy muscles from atrophying.”

As always, we welcome your thoughts.