LEADING FROM YOUR GUT

HOW YOU CAN SUCCEED BY Harnessing the Power of Your Values, Feelings, & Intuition

Dr. John Townsend

New York Times bestselling author of Boundaries
In *Leading from Your Gut*, John Townsend builds on the vital leadership ingredients of smarts and vision and the ability to motivate others with the more intangible quality of “gut,” which is essential to actually accomplishing change that lasts. Hands down, my new favorite leadership book.


I mean—honestly—reading what Dr. Townsend writes gives you a totally unfair advantage over everyone else. In *Leading from Your Gut*, Dr. Townsend—once again—helps us optimize our lives for personal and professional success. Read this one, now, and all of it because you need it.

**Johnnie Moore**, founder, The KAIROS Company; recipient of the “Medal of Valor,” Simon Wiesenthal Center

John takes the leader to a new level of performance by demonstrating there is more to leadership than traditional thinking would suggest. John’s principles take you to your logic and your gut, and they work; apply them, and you will become a more impactful and fulfilled leader.

**Greg Campbell**, former executive vice president, Coldwell Banker

Learning what motivates your leadership decisions “from your gut” will help you make the good ones and, just as important, avoid the bad ones. This book is an intriguing and thought-provoking analysis of effective leadership.

**Gary Daichendt**, former executive vice president for worldwide operations, Cisco Systems

Just another leadership book? Not hardly! John Townsend challenges us to look beyond the usual sources as we develop leadership skill. Describing the key tools in producing exceptional leaders, John presents a compelling case for going “beyond reason” to acquire all the essential components of a good leader. His thorough assessment of the importance of values, thoughts, emotions, relationships, and transformation is productive and thought provoking. Why would we settle for anything less than a complete toolbox?

**Bill Yingling**, former chairman and CEO, Thrifty Corp.
Dr. John Townsend’s new book, *Leading from Your Gut*, debuts at the perfect moment, amidst the bedlam of our turbulent times. It presents a magnificent challenge to both seasoned and aspiring leaders to approach leadership from a fresh and redemptive perspective, pivoting on the too long glossed over intangibles—values, thoughts, emotions, and relationships.

Allan O. Hunter Jr., cofounder, Rent.com

John reminds us we are in the *people* business. Many in leadership roles tend to ignore their emotions or assume their influence is negative and a threat to their effectiveness. John presents a compelling case for learning to recognize, integrate, and leverage our emotions for greater leadership results.

Fred Gladney, owner, Trinity Consulting; and former director and general manager of services, Compaq
Other Books by
Dr. John Townsend

Boundaries

The Entitlement Cure

Who’s Pushing Your Buttons?

Handling Difficult People

How to Have that Difficult Conversation You’ve Been Avoiding
To my parents John and Rebecca Townsend, who both passed away during the writing of this book. There is no way to thank you enough for the many years of love, nurturance, and development you built into my life;

and

To everyone who aspires to be the best possible leader.
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Chapter 1

HARNESSING YOUR INTUITION

The board of a large manufacturing company had asked me to work with their leadership team on improving performance. When I met with the team, I interviewed them one-on-one and also rounded out the picture by asking them for feedback on each other.

I quickly found out that the CEO, Alex, was a major concern to both the team and the board. Four years previously, he had been promoted internally from his position as CFO, a role in which he had excelled. He was brilliant in complex analytics and financial formulas. However, since taking the helm of the company, Alex had made a few costly missteps—mistakes that went well beyond the normal learning curve of a new leader.

The most obvious misstep was committing significant resources to a new product line, which ended up not working out and damaging the company’s financial state. Being a data-driven person, Alex had analyzed the metrics of the line and had created positive projections for its success. On a strictly numerical level, it should have all worked out. However, his key clients and his team didn’t think the product line was a fit for the company—it was too extreme a departure from their core business. And, as Alex himself later told me, he’d had the same “gut” thought, though it was not backed up by his projections. However, the data trumped the gut and he pulled the trigger, leading to a problem the company then had to dig its way out of.

When I asked Alex how he viewed his decision-making process, he said, “I think it’s pretty simple. I made a 100 percent data-driven decision. And I remember feeling anxious that we were too far away from our core. But I didn’t trust that anxiety. I thought it was weakening my logical thought processes. So I didn’t pay enough attention to what I and others were thinking and feeling about it, and it ended up being a bad call.”
This was the point at which I began to work with Alex and his team. Obviously, the analytic emphasis of the company wasn’t the broken part—that was strong and sound. It was the “inner voice” part I wanted to dig into. Why did Alex not listen to his gut, and to the input of those around him? If we could get to the bottom of that question, I felt confident we could turn things around—for both the company and for Alex. Alex could become a great senior-level leader if he could learn to draw on internal data as well as external data.

And that, quite simply, is the premise of this book. Great leaders succeed by harnessing the power of both the external world and the internal world. You, as a leader, are probably more trained, prepared, and experienced in the external world than you are in the internal one. Most likely, you are able to amass large amounts of valuable information from reports, research, journals, and input from colleagues. And you need that information; it is critical to your success as a leader. At the same time, you also need access to data within you that is just as valuable and helpful to how you lead, relate to others, and make decisions.

This book is designed to help you understand and access what is inside you—your intuition or your gut—so you can use that internal data to help you succeed.

Reason, in the sense of using rationality, logic, and objective sources of information, is clearly a necessary core component of leadership. No person of influence can function at high levels without it. However, there are also important leadership aspects that transcend pure reasoning. They are subjective, internal, and experiential. These intuitive aspects of leadership are not infallible, but they are highly significant and valuable. Leaders who want to keep growing, to be equipped and empowered for the next level, must know how to utilize all the resources and tools available to them. This is what separates the great leaders from the good ones.

**What Intuition IS—And What It Isn’t**

There are several ways to describe and recognize intuition. Sometimes it is referred to as your subjective, internal, or inner world. However, at
the end of the day, it is simply your immaterial life. Within you are values, thoughts, emotions, and passions. They cannot be seen or touched because they are not physical. But they are real, they exist, they are an essential part of you—and they will serve you well if you honor and develop them.

Some theorists define intuition as the ability to understand something without using conscious reasoning. My own definition is broader. I see intuition as the capacity to make decisions based on integrating objective and subjective truth. That is, when we access both internal and external information, we have a much more accurate understanding of reality, and a greater ability to make the right decisions. Thus, intuitive leaders—those who lead from the gut—pay attention not just to numbers and research, but also to their own heart, as well as other internal realities we’ll cover in this book.

I believe Jesus was referring to a similar dynamic when he said, “Love the Lord your God with all your heart and with all your soul and with all your mind” (Matthew 22:37, emphasis added). When we integrate all of ourselves in seeking him, our lives work better. In the same way, when we integrate all the avenues of truth we can access into our leadership, we can make much better decisions.

There are a few other terms that can be confused with this understanding of intuition, and it may help to clarify these:

- **Instinct:** Instinct is an innate, inborn behavior pattern that does not have its basis in learning. For example, birds build nests without seeing how their parents did it. And I have seen leaders act to protect their people without a thought for themselves, as a parent acts on instinct to save her child. A good illustration of this is a business owner friend who, hearing that an employee’s child was very sick, ran out of a board meeting and went straight to the hospital to help.
- **Impulse:** An impulse is an abrupt emotion that is strong enough to drive a behavior without thinking about it. For example, rather than thinking through the source of the frustration, a leader may impulsively lash out.
Spiritualization: Spiritualization is the tendency to use one’s faith to avoid making tough decisions. It can be driven by a fear of making mistakes, a fear of conflict, or even by laziness. For example, a CEO might say, “I’m waiting on the Lord for a leading about whether or not to acquire that company,” when the truth is that the CEO is avoiding time-consuming due diligence work or potential conflict with other leaders.

Intuition, as I use it with my clients, differs from instinct, impulse, and spiritualization. It is hard work that requires a lot of thinking, feeling, and talking things through, and then allowing all those aspects of decision-making to shake hands with one another. But time and time again, I have found that the best leaders make the best choices by engaging in this approach.

In this book, we’ll explore five key aspects that shape your intuitive world—values, thoughts, emotions, relationships, and transformation—and how you can use them not only to make better decisions but to significantly impact your leadership for the long haul. When used the right way, your gut intuition—all these internal aspects of who you are—will become a vital and essential part of your leadership repertoire.

How Intuitive Is Your Leadership?

If I asked you to assess the level of intuition in your leadership on a scale of one to ten (1 low, 10 high), what number would you choose? Go ahead and write it down. Then use the assessment that follows to help you gain additional insights about where you are in this dimension of your leadership.

Next to each of the statements below, write the number 1 if your response is yes, and 0 if your response is no.

_____ Overall, the leadership training I have received has placed as much emphasis on the value of my inner world and personal experience as it has on my external competencies and skills.
I have made “gut” leadership decisions that did not seem to be logical at the time, but ultimately proved to be the best decision.

I have ignored my gut in making decisions and later realized it was a mistake.

Based on my experience of emotions in leadership, I would say that paying attention to my feelings routinely helps me to reach my goals.

I esteem intuition (internal information) as much as objective information when considering decisions.

If asked, I could describe how I intentionally make use of intuition (my inner world) in leadership and also list several recent examples.

Even when I am under pressure to produce results, I rely on both externals and internals—hard facts and intuition—to implement strategies and navigate professional relationships.

I trust the power of my emotions as much as I trust the power of my intellect to help me make good leadership decisions.

I routinely reflect on my core values, which means I rarely make on-the-fly decisions that conflict with my values.

I spend as much of my time and energy on personal growth and transformation as I do in developing other areas of life that are important to me and impact my leadership effectiveness (for example, professional training/education, physical health and exercise, etc.).

Briefly review your responses and add up your total. How does the total compare to the number you wrote down before the assessment? Is it higher, lower, about the same?

If your responses to these statements landed your total in the lower numbers, don’t be discouraged. That is actually normal for most leaders. And there are some good reasons for this. You have a responsibility to create good outcomes and to help people achieve them. The outcomes are generally measurable, such as profits, customer service ratings,
attendance figures, or some other growth metric. Because leaders are evaluated in objective and measurable ways, you may tend to look only at the facts to help you achieve your goals.

The process is similar to the outcome, in that sense. You trust what you see and read, things that can be proven and measured. For example, a profit-and-loss statement is reliable. It has the facts. The information is there, in black and white, and it does not change. It is hard data. However, hard data rarely tells the whole story, and if you choose to ignore the soft data—your intuition—you do so at your peril. As we will see, leaders who don’t pay attention to their inner world miss a great deal of additional data, ranging from the gut data Alex ignored about the new product line, to the ability to relate to and understand those you work with and lead. Disregarding this essential information can not only negatively affect the quality of your judgments and decisions today but also undermine your long-term leadership impact.

There is another reason most leaders’ responses to the assessment statements tend to be more zeros than ones. It is the belief that the subjective world slows you down, blunts your edge, gets you off focus, or makes you too touchy-feely to be respected. You become concerned that inner matters will distract you from achieving your goals and mission or make you look weak. You begin to think that attending to your inner data will cloud rather than clarify your judgment and ultimately make you less decisive. And there is actually some logic to this thinking. If you, the leader, are to run ahead of your competition or meet the next challenging objective, doesn’t the process of stopping to see what you feel, sense, believe, or think slow things down? In the short term, certainly. Paying attention to your inside world takes some amount of time. But in the long term, I can promise you that learning to harness your internal data not only brings a high return on that investment, it also helps others to trust you as a person, creates a higher success rate of great decisions, and ultimately drives your organization’s mission in the right direction. That is one reason for the popularity of leadership books on values, emotional intelligence, and personal growth. The internal supports the external—and it produces results.
Scan Your Inner World

The simplest way to understand how you can put information from your inner world to work in leadership is to consider how you already do that with information from external sources. Most leaders regularly read the newspaper or get the news online or on TV. You subscribe to magazines and journals in your area of specialty. You receive reports and e-mails on your organization. Leaders are information junkies, and they need to be. You are constantly scanning the horizon to look at trends, the future, opportunities, threats, and people. Similarly, you also need to be able to do an interior scan—that is, you need the skill to access what’s going on inside you, regularly and on demand, so you can tap into that source as well. One of the major goals of this book is to help you hone the ability to scan the different aspects of your inner world. The more information you have about your inner world, generally the better you can decide and lead.

Not only that, but those you lead also have an inner world, a subjective experience. They have feelings, creativity, and their own thoughts. Their lives also have areas that are intuitive and beyond reason. As a leader, you must connect with their insides to develop them as people and contributors. This cannot be done if you are not in the process yourself. All of us have had the experience of being led by someone who may have been competent and principled but was simply clueless about subjective matters. You may have respected and liked the person, but you probably also found that he or she could not understand nuances of what you were trying to say, or differences you had, or your emotional experiences. And this lack of understanding was probably more than frustrating; it likely didn’t move the mission of the organization along. Leaders who can learn to understand what their gut is telling them, as Alex did in time, are better able to understand the fears of those they lead. As you scan your inner world, you help others scan theirs as well.

Not a 180 but an Addition

If you regularly read books on leadership and business, you are probably aware that there is a tendency for authors to present their approach as a
new paradigm that revolutionizes everything that has come before, so the new book will be a 180-degree change in direction for the leader and the organization. That is not the case for this book.

Though there are classics in leadership literature, must-reads for any leader, I shy away from 180-degree proclamations. Leadership has been studied and researched by many competent people for many years. I think most leadership books that make substantial contributions build on what has already been done well. They add to the leader’s repertoire of abilities and skills. They remove some unhelpful ways of thinking, conceptualizing, relating, and behaving. But they don’t remove the good stuff.

I want you to continue your own leadership training in this very significant aspect of the inner world and its contents. The principles described here are compatible with sound leadership theories and practices that already work for you. So look at this book as helping you to achieve great results by going deeper into what is already inside you.

Because of the importance of reason in successful leadership, part 2 will explain how leaders can improve and better utilize their thoughts and the thinking process.

**Why You Became a Leader**

Let’s clarify who this book is for, as leader is a broad term. Basically, this material is designed for you if you are engaged in influencing others to achieve results and goals. To influence someone is to have an effect on them. To make a difference. Much has been written about the power of influence, and this gives room for all sorts of people to qualify as leaders. Here are some examples:

- Corporate executives and managers
- Small business owners
- Physicians and those in the medical field
- Psychologists and those in the helping professions
- Pastors and ministry leaders
- Small group leaders and facilitators
- Teachers
It is a broad net. Effective leadership creates a setting in which people live better and are more productive, effective, creative, resourceful, and higher functioning. More than that, leaders make their organization one with better results.

You most likely became a leader for some reason that was beyond reason. Most of us don’t start out in life thinking, I don’t know what I want to be good at, but I want to lead some people. In fact, that could be an indication of a psychological problem. It’s more likely that something inside you gradually came alive the more you grew, learned, and interacted with people. In other words, your inner world led you to leadership. For example:

- You liked working in teams and people told you, “You’re good at motivating people.”
- You had a vision to build an organization and realized you would need to recruit, train, and keep good people around you.
- You were an expert in some competency field and felt that it wasn’t enough, that you wanted to reach out and connect with others in addition to your expertise.
- You wanted to make a difference in some specific area of life or work, and you loved seeing people grow and change in that difference.

You probably would not have taken on the hard work, pressure, and demands of leadership had not your world beyond reason been moving and pushing you. It informs us, drives us, keeps us going in tough times, gives us wisdom and discernment, and connects us to others. It is often the part of us that first resonated with the possibility that we might be a good leader doing a worthwhile endeavor.

Keeping Your Eye on the Ball

I consulted many friends in business and leadership during the process of writing this book, and they have all said something like this: “Show the reader how harnessing the power of the inner world brings results.” Leaders are under tremendous pressure to bring about outcomes and
results. The bottom line belongs to the leader, whether it is revenues, profits, production, lives changed, or number of meetings. Any way you look at it, leaders must keep their eye on the ball.

Dealing with the subjective world has everything to do with producing good results. It is an essential aspect of your own success and your ability to help others succeed. This book is not some kind of exercise in self-actualization that I hope will one day in the distant future make a difference. When you finish reading this book, my goal is for you to say, “I not only understand myself better, but I can also see leadership results from what I have learned.”

Whatever leadership niche you are in, from the corporate world to leading a small group, you will discover aspects of your interior world that will come to your aid. You were designed with both an external world and an inner world, and they work well together. Accessing both of these areas will take a little knowledge and a little work, but it will help you be the leader you want to be. So we will begin with the first and most foundational aspect of the inner world of the leader: your values.
A client and friend of mine, Dave Lindsey, founded and ran a large home security company for many years. Dave’s organization has experienced enormous growth over the years. One of his core tenets, and one he often speaks about to leadership groups, is this: “Businesses don’t grow, people do.” The implication is that when you invest in the growth of your people, you are investing in the business. Dave then follows that statement with this one: “Work on yourself more than you work on the business.” In other words, prioritize personal growth and self-improvement.

Think about this for a minute. If you consider Dave’s statements from a strictly logical and analytic point of view, they might sound a bit crazy. Wouldn’t this sort of approach lead people to lose their alignment to the organization’s vision, not to mention their focus on job performance? Yet, year after year, Dave’s employees have driven the organization to greater growth and success.

Dave has also consistently lived out these values in leading his company. It has worked, and is a powerful example of how important it is to think through your values so you can use them to become the effective and intuitive leader you want to be. Here are two
conclusions I draw from Dave’s story, and that of other leaders I have worked with:

1. *It is important to have values.*
2. *It is important to have the right values.*

I will add a third one to that, which we will examine in the next chapter:

3. *It is important for your values to be from inside you.*

Your values are a part of your internal DNA. That is, they are true and absolute for you, whether or not you think about them. Your values are simply aspects of reality that are guides for you. That is what discovering your values is all about, thinking through the process of determining what guidelines and principles will order our steps. Values are about what is right and what matters.

Your inside life is the repository of your values, so we begin with values because most of your life springs from them. Your values are the bedrock of your identity. And your leadership, as well as your life, will reflect your values, for good or for bad. Some people are in prison right now because their values guided them to that end. And others are succeeding beyond their wildest dreams for the same reason.
WHAT ARE VALUES?

When I am training a group of leaders, I often begin with this question, “Okay, how many of you can state your organization’s core values, the ones that are on your website?” The great majority will be able to recite them on the spot. They say things like:

- Integrity
- Excellence
- Great culture
- Customer-centric

Then I say, “That’s great! Now, how many of you can state your personal core values?” Most of the time, the room will go silent, or a few people will scratch their heads. Sometimes a brave soul will say something like, “Love God and people.”

The room goes silent because personal values tend to be something most of us haven’t thought through clearly enough. But here is the point for leaders: The internal values of the leader must cascade into the organizational values of the company, not the reverse. You have a thing called a life. Hopefully your life is driven by your values. And your organization is part of your life, not all of it. Your life is the horse, and your work is the cart, or that’s how it’s supposed to be. So it’s worth working out, imprinting on your brain, and then living out what your own internal values are. And that leads well into being the intuitive, integrated leader you were designed to be.

I am not trying to shame anyone when I ask these questions during a leadership training. In fact, years ago, I came to all of this the hard way myself—after I had started a second business and had to go backward
Leading from Your Gut

How You Can Succeed by Harnessing the Power of Your Values, Feelings, and Intuition

By Dr. John Townsend

Dr. John Townsend knows that a leader’s internal world—the world of intuition, creativity, emotion, and spirituality—is just as important as the external world of data and best practices. Who you are on the inside determines your success as a leader even more than the things you do or the things you know.

In Leading from Your Gut, you’ll learn how to excel not just through external competencies and skills but by drawing on your internal world and personal experience. You’ll explore how to harness the power of your values, thoughts, emotions, and relationships to better meet the complex demands of leadership.

As you apply the principles in this book, you’ll experience the kind of personal transformation that will enable you to lead as a whole person. Whether you’re an emerging or veteran leader, Leading from Your Gut will help you hone your intuition and grow as an effective and successful leader.

Available at major retailers including: