Leading the Way

Where have you gone, Abraham Lincoln? Today we look back on the 16th president of the United States as an almost mythical figure—“The Great Emancipator”—whose name adorns untold numbers of school buildings and regularly tops rankings of great American presidents, whose bust is one of four carved into a mountainside in South Dakota (Mount Rushmore) and whose uncharacteristically well-kempt haircut can be seen every time you receive a five-dollar bill or a penny in change. Yet in his time, Lincoln was viewed as a controversial leader of questionable intellect—a rube in over his head. In reality, Lincoln was a smart and gifted politician who used his talents in that profession to positive ends. His motivation was not merely an altruistic pursuit of the common good, but rather a desire to make the kind of important and positive impact that would cause his name to be remembered centuries later. The pages of this magazine need not recount his triumphs as a leader—they have been ingrained into every school-age American. But the way in which we have honored those triumphs says something about the importance of leadership in America.

The most powerful physical manifestation of this honor is the Lincoln Memorial in Washington, D.C. Completed in 1922, it was built from limestone and marble drawn from quarries in Colorado and Georgia. In the center of the memorial—visited by more than three million people each year—sits a statue of Lincoln (the statue alone weighs 175 tons), and above that statue this dedication appears: “In this temple, as in the hearts of the people for whom he saved the Union, the memory of Abraham Lincoln is enshrined forever.”

One of the reasons Lincoln has taken on such mythical status is an ingrained psychological reference in our culture between powerful leaders and archetypal parental figures. Thus, “the Founding Fathers,” “the Father of the Constitution,” “Father of the Country,” etc. Each of these posits modern Americans as children benefiting from the work of a larger, powerful, all-knowing (and older) person. It is not surprising that this type of parental leadership garners an important place in the political arena because parents represent to anyone the first first exposure of leadership (or lack thereof).

Parenting is a perfect example of leadership, and perhaps the most common testing ground when it comes to leadership. It is the acceptance of responsibility for risk management while working to leave things better than you found them. Most parents want a better life for their children and take the responsibility for making decisions to reach that ideal. Indeed, as Henry Kissinger (who knows a few things about leaders and leadership) has said: “The task of the leader is to get his people from where they are to where they have not been.” Parents make decisions about the life of their child with an awareness of what could be. This is what separates the parent from the child (the leader from the follower) in the relationship: Both can contemplate who the child is, what is best for him or her, what his or her options are, but only the parent is truly aware of what could lie ahead for the child and with that knowledge comes the responsibility to lead him or her. These decisions are often unpopular and even uncomfortable for a child (think of the first day of school or going to the orthodontist to get braces), but they are necessary.

All of this is not to say that being a parent (or a president, for that matter) makes you a leader. Parenting, rather than just being a parent, provides opportunities for leadership. Parenting in a certain way for fear of what the neighbors will say is not leadership. Parenting in a certain way because that’s the way your parents did it is not leadership.

All this speaks to a larger issue facing our industry: the deafening leadership vacuum. This industry needs leadership—maybe even your leadership—and it needs it now more than ever before.
Radical, Industry-altering Transformation Is Possible Only In the Hands of a Skilled Change Agent Who’s not Afraid to Face Adversity Head-on. We’ve Seen It Happen Before (Think Abe Lincoln), but Is Emancipation Possible in Today’s Leadership-lacking Landscape?

Through all the blame tossed around in relation to the bursting of the housing bubble, a few points of consensus seem to have emerged: With easy credit came too much leverage, too much leverage used to secure assets whose value was based on flawed assumptions. Yet who is speaking to this? Beyond throwing more money at the system, who is offering a way for buyers to just pay what a home is worth, rather than paying based on those flawed assumptions? Continued reliance on the flawed assumptions that got us here is not leadership. Saying prices will always go down as a result of powers beyond our control.

Even more troubling than the absence of industry leadership is the lack of understanding as to what true leadership would even look like. There has been a viral abdication of responsibility and with it the leadership so badly needed. We present ourselves as fiduciaries, as middlemen, powerless to correct the errors of the investors or the borrowers or the government. Everyone has their explanation of victimhood and their blame theory at the ready when needed, prepared to draw them like a six-shooter. There is absolutely no parental feel—no sense of stewardship.

Imagine a parent shrugging to another and saying, “I sure wish someone would feed my kid” or “It’s Hank Paulson’s fault that my kid got bad grades—it is out of my control.” We need to take responsibility before we can demonstrate leadership.

And let’s say a leader emerged, fully prepared to lead this industry out of the wilderness. Would we even know when this legitimate change agent arrived on the scene? There are a few keys to keep in mind while on the lookout, mostly related to the message this true leader will put forward.

First, the message will be uncomfortable. Just as it is difficult to write about a lack of leadership in our industry—much less to hear it—when that leader offers a message of change, it will make many uncomfortable. The old way of doing things will be challenged, and the rocking of the boat may cause seasickness for a few. After all, there’s a reason “the way it’s always been done” has always been done. Entrenched interests and lazy supplicants have benefited from the current system and fear any change that could pry away their grip on the process. But as Martin Luther King, Jr., once declared, “The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy.”
Second, the message will be new. If you hear, “The most important thing is keeping people in their homes!” you’re not hearing a leader who will bring about change in our industry. Albert Einstein had something similar in mind when he remarked that “today’s problems cannot be solved with the same thought processes that created them.” The same old ideas, even if left untried, become comfortable and easier to ignore. There may also be a reason they haven’t led to change—perhaps they just don’t work.

The third way we will be able to identify a legitimate change agent in our industry is that making his or her message a reality will be hard. This is something that substantial leaders—from Elizabeth I to Nelson Mandela—have been successful in doing—not only delivering a message of change but delivering a message not easy to realize. Sacrifice was required. Reality showed that difficult problems are difficult to overcome—that’s what makes them difficult. Upon the retreat of Allied troops from France to English shores, Winston Churchill addressed the British people by radio after having only a few weeks under his belt as prime minister and having just seen the last buffer between his homeland and the Nazis fall. Rather than blame his predecessors or speak of an unstoppable military force headed to crush Great Britain (as the Nazis had done to anyone else in their way at that point), Churchill stepped forward as a leader and painted a portrait of necessary sacrifice and the importance of every citizen: “Even though large tracts of Europe and many old and famous states have fallen or may fall into the grip of the Gestapo and all the odious apparatus of Nazi rule, we shall not flag or fail. We shall go on to the end, we shall fight in France, we shall fight on the seas and oceans, we shall fight with growing confidence and growing strength in the air, we shall defend our island—whatever the cost may be—we shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills; we shall never surrender . . . .” And as we know they did not, in spite of bombings and other hardships. The leader, or leaders, who will bring effective change to this industry will face adversity as well—and that’s how we will know they are authentic.

In the end, a great leader can come from anywhere. Leaders are not born, they are made. One of the great lessons of America to the world is that individual initiative trumps heredity any day of the week. What leadership requires is for an individual to feel responsible, take responsibility, and then bring others along to—as Kissinger said—take people where they have not been. In this space, one alternative viewpoint has long been proposed: That at least for vacant or soon-to-be-vacant property, the sales process should become fully transparent, competitive, and time-definite to lower the waste, risk, and costs and restore stewardship over the currently inherently speculative process. That is one competing proposal. There are others out there, some other venues and some still rattling around in the heads of people reading this publication—people who don’t think they have the platform (and if that’s the case, e-mail me and we’ll remove that roadblock) or the time or the job security to do it. But to succumb to these fears is to abdicate opportunity for needed leadership by skirting your responsibility to your industry, your neighbors, your family—anyone who knows who values real estate. And as Abraham Lincoln—whose memory (as the memorial declares) is enshrined in the hearts of America forever because of his leadership—knew and believed and told to those who would listen: “You cannot escape the responsibility of tomorrow by evading it today.” This industry needs leadership—maybe even your leadership—and it needs it now more than ever before.