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“The truth is, great people are everywhere. There's a sacred light that dwells within us all. Everyone has value to contribute and the ability to lead. The idea is to turn the corporation inside out. In the old model, employees were commodities that sacrificed and served the organization. In the new model, the organization becomes a conduit for serving individuals within a company. For example, self-actualization, one employee at a time becomes the goal. Profit, while enhanced is now the outcome of a higher purpose.” (20:05-20:39)

Peter: Hello, and welcome to the Bregman Leadership Podcast. I'm Peter Bregman, and I believe that the best leaders don't try to do it alone. As the CEO of Bregman Partners, my mission for over 30 years, and the mission of this podcast, is to help successful people like you close your leadership gaps, grow as leaders, and inspire your team, inspire all the people around you to get great results.

With us today is Kevin Hancock. Kevin is the CEO of [Hancock Lumber Company](#). It's one of the oldest and best-known family businesses in America. He's the recipient of the Ed Muskie Access to Justice award, the Habitat for Humanity Spirit of Humanity award, the Boy Scouts of America Distinguished Citizens award, was the Timber Processing Magazine Person of the Year award. We can go on and on. He's written most recently the book, [The Seventh Power: One CEO's Journey Into the Business of Shared Leadership](#).

In 2012, Kevin was diagnosed with [spasmodic dysphonia](#), 'SD' as it's otherwise known. It's a rare, neurological speaking disorder that makes communicating difficult. And you'll hear a little bit of that challenge in this podcast though, you'll be able to understand everything that the two of us talk about. And it's this partial loss of his voice, which initially was a real challenge and considered a hindrance, that eventually became in his view and in the way he led, a gift and an invitation and calling to lead differently. So I'm delighted to have Kevin on the podcast. Kevin, welcome to the Bregman Leadership Podcast.

Kevin: Peter, hello. Thanks so much for having me. I'm happy to be here.

Peter: Kevin, can you share with us a little bit your story in brief, because we'll go into it. How did you get into the CEO role? Let's start there.

02:04 Kevin: Yeah. So our company is a family business that goes back to 1848. So before the Civil War. And I'm part of the sixth generation of my family to work for the company. And my dad, who

had run the company before me died quite young in 1997. And I took over the company at the age 31. And as 31-year-olds tend to think, I was sure I was perfectly ready for it.

Peter: And can you maybe describe a little bit, just in a couple of sentences, the way you led when you first became CEO?

Kevin: Yeah, it was very traditional. I was always present, always speaking. I was quite literally the voice of our company.

Peter: And then you became sick, you got SD in 2012.

Kevin: Correct. It kicked him a little bit earlier around 2010, right at the peak of the housing and mortgage market collapse. Which was a really difficult time for our company and industry, as I'm sure you can imagine.

Peter: Did you consider leaving the role of CEO?

Kevin: That's an interesting question. That thought never crossed my mind. But it did throw me off at first because - and I laugh about this now, Peter - but I said to myself, well, what possible good could a CEO be who can't talk all the time? But it ending up bringing me, kind of forcing me, into a very different approach to leadership that I've come to really embrace and love and promote.

04:00 **Peter:** So I'm very curious to talk about that. And originally when you first got in the role, from what I've read in the book, you really defined yourself by your role. You were CEO, and that meant a whole bunch of things to you. What did it mean to you in that moment?

Kevin: Yeah. I think when you grow up in a family business, and your own name is attached to the business, that it's quite easy for your personal identity to become lost in the business itself, and for you to really wake up one day and feel like the performance of the business is really the measurement of myself as an individual. I just had gotten that intertwined with the company. And it's actually, I think, why I had gotten sick when the company really went through that difficult period with the housing mortgage market collapse. I don't think I could distinguish between a wound to the company and a wound to myself. That's how intertwined the two had got.

Peter: And was becoming sick how you escaped that sort of role?

Kevin: Yeah. Because it forced me to stop, to think, and to reassess. And again during that period to do a lot more personal inquiry. You know, when it's hard to talk, you talk less. When you talk less, you're quiet more. When you're quiet more, you think more. When I thought more, that pulled me inward at that kind of launched what turned out to be a really, for me, kind of glorious adventure and Renaissance that I became quite thankful for it. But I didn't see any of it coming at first. It was just a voice disorder threw me off balance.

06:17 **Peter:** So Kevin, I'm so interested. I want to get to the point where you have this sort of blissful acceptance and inner depth that you drew from the disease and where you are now. Before we get there, I'm so interested in those very challenging, difficult - or if they were challenging or difficult - it sounds like they were transitional moments. Like I want you to bring yourself back to the place where you're CEO, you're running this thing you're on, I don't know if you're on the top of the world, but you're certainly at the top of the company. You lead by speaking and then that's taken away from you. Like what in those moments is going on for you?

Kevin: Yeah, I've been a very competitive person. So initially I just dug in and kept fighting. The challenge - was which is not the case today - but then it was really difficult to talk. It took like a major athletic feat to push out just a few short sentences. So what I really had to do was figure out how to lead while doing a lot less talking.

Peter: And you don't feel that now, meaning it's not a physical feat to speak?

Kevin: I've gotten a lot better. My condition is considered incurable today, but one of my personal goals has been to help prove that it's not. And you can tell when you hear me that my voice is a bit unique, but I can talk and talk today, and it doesn't really bother me in any way. So I've actually covered quite a bit across the course of a decade.

Peter: Okay. So I guess what's important for me to know is, I'm not putting you through a bunch of pain by asking you a bunch of questions and having you answer.

Kevin: That's correct.

08:28 **Peter:** Okay, good. So you lose your ability. It's not like you went through this personal transformation and changed your leadership. You lose your ability to lead the way, you don't lose your position, but you lose your ability to lead in the way that you've always led. And how do you begin to figure out that might be an advantage?

Kevin: Yeah, I think the same way anyone else does when a real unexpected shock or change shows up. It's I would say really by trial and error is what happened initially. When it's hard to talk, you quickly develop strategies for doing less of it. And my instinctive strategy, Peter, was simply to answer a question with a question, thereby putting the conversation right back on the other person.

So if I might do a quick example. People would come up to me at work because I was the CEO or the boss and ask a question. Historically, I would have provided an answer. But I now started saying, "Well, that is a good question. What do you think we should do about it?"

Peter: Were you afraid that you would lose credibility? Were you afraid that it would reveal that you didn't know an answer w you know where you would did? What was the emotional relationship to shifting in that way?

Kevin: Yeah, I didn't have any of that. And when you think about it, if that happened to you, how would the people around you who love you have responded to that? They would have been super, super supportive, and that's what happened to me. So, I didn't experience really any anxiety that way. I just had to talk a lot less.

Peter: Right. When I was a NOLS instructor I went very quickly – NOLS is National Outdoor Leadership School. And we ran 30-day expeditions teaching leadership on them. And we I went very quickly from never having camped before in my life to suddenly leading camping trips. And I found that I can answer any question that everybody asked me with one of three things. Which is, put on a hat, drink more water, and then if it wasn't something that could be answered with 'put on a hat' or to 'drink more water', I merely just said, 'what do you think?' And then let them figure it out.

And it turned out that those were also very highly rated leadership characteristics born from my own ignorance of being able to answer those questions. But I guess the answer is, it doesn't matter.

Because people have ideas, people think things, and they end up getting more ownership when they answer their own questions.

11:36 Kevin: Yeah, exactly. And that's what I experienced. What struck me after months and months of answering a question with a question, was people already knew what to do. This is what really got me thinking differently about leadership. They didn't actually need a top-down, management-centric directive to the vast majority of questions and challenges that they faced during the course of a workday. They already knew what to do. All they really needed was the confidence and the courage to trust their own judgment and voice, and a safe work culture to know that it would be okay to make a mistake or have something they chose to do not go perfectly.

Peter: I think that's so profound, Kevin, And I could twist it in more of a negative way, which is not usually my style. But like people ask me questions because they don't want to take ownership of the consequences of their actions. And then if you say, "Yes, go do this" and they could do it, and then they're not responsible.

I sort of prefer the way you're saying it. Which is that we need to help people have the confidence and recognize that people generally act in good faith. And that if they fail, they're not happy about that either. And by the way, they are a lot less happy about it if they're pursuing their own idea than if they pursue your idea, then they could say, "Well, Kevin's idea didn't work."

Kevin: That's so well said. So what happened in our company over time, as you can imagine, is that accountability actually went way up. Because suddenly everybody was making their own leadership decisions.

So when leadership changes towards the perspective of sharing power versus collecting it, it does then change followership to the point you were talking about. And one safe thing about followership, is if things go wrong, it wasn't your fault because it was someone else's idea. So the cultural approach of sharing power, dispersing leadership, really I've found strengthens accountability because if people are making it, owning their own choices, and then we try to do that in a safe way. Which is, if it doesn't work, fine. We'll go back at it and fix it or make it better.

14:30 Peter: Right. It's great. I love it. So it requires a couple of things, I think. And I'm kind of curious how you manage that. One is, it actually requires competence and good faith effort and capability among the people who are answering their own questions. Meaning that confidence isn't enough, you also need competence. Because if you build confidence without competence, you're buying yourself a lot of trouble.

And then the other question and the other piece of it is, if everybody's making their own decisions but they're not clearly unified behind a common vision and objective, and they don't all know - the language I use is 'big arrow'. Like everybody's these little arrows and they're moving in all sorts of different directions. And unless there's a really clear, cogent, big arrow, what is the most important thing for us to achieve? How are we achieving? What are our values? That can guide people in making those decisions then you risk anarchy. You risk an organization where everybody's making any decision they want to make, and everything's all over the place. How do you manage those two elements that are required? And is there anything I'm missing that's required to make that happen? And I know you have a seven-process model, which I really liked. So, we can go through that.

Kevin: Yeah. So glad you brought that up though. Because the fear is that this approach of shared leadership and dispersed power will mean chaos or lack of organization and people all over the place doing whatever they want to do. And what we found is just the opposite.

First, to your point, a company must have a really clear set of values that are super clear guideposts, and a really clear mission that serves as a guidepost. And then, next though, our focus has been to include employees in discussions around the most important choices that affect them. But that never means that every single opinion or answer carries the day. If we're sitting in a circle with a work team, talking about an issue, there will be a variety of different opinions. And they won't all carry the day about what the immediate outcome is going to be.

But what we've found is that if people feel they aren't being included in a transparent, authentic process of making decisions, that they are much more apt to support those outcomes. Our safety director is fond of saying that people support that, which they help to create. So we've actually seen by having authentic dialogue, is the discipline to core systems and best practices actually improves. It doesn't weaken or fray, it actually strengthens.

Peter: It's great. It's actually interesting. I was in a conversation with someone in a business, and I asked them to do something. And their answer was, "Yeah, I think that's the right thing to do. I need to ask permission." And I think if you're ever in a situation where you have to ask permission, you're probably in a leadership environment that is more sort of prohibitively closed in a way that prevents people from showing up in their maximum potential.

Kevin: I totally agree. I think that the great opportunity in work cultures in the 21st century is to make them safe for people to actually say what they think, and for people to learn, act, react, and grow. And the key to making the culture safe really is restrain.

One of the thesis in my book is that throughout human history leaders, those who have the most power, have often overreached, gone too far, taken too much control, exerted too much influence. And I suggest in the 21st century, overreachings opposite is what's needed. Which is leadership restraint. Which I define as having the power, but having the patience, and the discipline and the trust for humanity to not always use it. It's actually about managers learning counter-intuitively, Peter, to do a bit less, not a bit more. Which is a very tough kind of conceptual transition for people to make. Because we're all ingrained in this idea of, management is get up earlier, cover more ground, talk to more people, supervise more outcomes. And we're really trying to go in a very different direction from that.

19:59 Peter: So I want to read you something from you, and then ask you a question around it. *"The truth is, great people are everywhere. There's a sacred light that dwells within us all. Everyone has value to contribute and the ability to lead. The idea is to turn the corporation inside out. In the old model, employees were commodities that sacrificed and served the organization. In the new model, the organization becomes a conduit for serving individuals within a company. For example, self-actualization, one employee at a time becomes the goal. Profit, while enhanced is now the outcome of a higher purpose."*

And I love that paragraph, and I have a question about it. Which is, the profit being enhanced part. That's sort of a leap of faith for leaders, right? I mean, if we say our job as leaders is self-actualization of our employees, are we sort of crossing our fingers and hoping that self-actualization will lead to enhanced profits and a smoother running organization?

Kevin: Yeah. Perhaps if you haven't done it, that would be the concern. So I'm really glad you asked that question. So we've been at this now for about a decade, in terms of this cultural transformation along the lines of the quote that you just read. And it could well be coincidence, but in that decade, we earned more profit than we had from 1848 to 2009. Our reinvestment in our own company was more in that decade, 2010 to 2020, than 1848 to 2009. Our productivity metrics, our accuracy, our efficiency, safety, went through the roof. Now, those things are multi-causal. Someone could

argue there's not a link. But we spent a decade at this, and our results changed dramatically as now the outcome that - to your point - important outcome of a higher calling.

Peter: And so maybe the leap of faith for leaders is more of an emotional courage one, a willingness to let go of control and trust. And I guess if your people aren't competent, they really shouldn't be there anyway, whether you're guiding them or leading them or not. And if they are, then you should give them direction and unleash them to do what they do best.

Kevin: Correct. Totally. And this is a tough leap to make because the momentum of how leaders have led for thousands of years, it's counter to this. It's been about you build empires by collecting power. You pull power into the center. And the more power you can pull to the center, the bigger, better, your empire becomes. So this model is advocating for the opposite. But here's the thing we have to remember, humanity evolves. So this is not an indictment on the traditional model for the time that it was in place. This is simply saying it is now the 21st century and humanity is evolving. And individual understanding of our own sacredness on a personal level is, I think, the dominant theme of the 21st century. And organizations are going to have to adapt their leadership approach in order to keep pace with the way humanity is changing.

24:10 **Peter:** I'm curious about how you think of profits in the organization as the leader, and whether this might be a delicate question to ask you. You're still 100% the owner?

Kevin: Well, our family is, correct.

Peter: So on the one hand, we're talking about sort of leadership serving the organization. And that the goal is not to have people who are commodities sacrifice and serving the organization. On the other hand, there's a way in which all of the workers are serving you and the family. And I'm kind of curious to know how you think about that and how the family thinks of that.

Kevin: Yeah. So I guess I would say that my feeling about profit is that it is a super important outcome of a higher calling. I think about it as the fuel that powers a company's ability to do good. The more profitable we are, the more fuel we have to go, move, do, and change. And I'm also a big believer in being really transparent with society about what happens to profit. So \$0.95 cents out of every dollar we make or more is either gonna go in taxes to government, or it's going to be reinvested right back in the company. And when you really show people what happens to profit, I think people's acceptance that profit is actually a universally beneficial objective goes way up. Everybody in the organization is better off when the company does better, and everybody in the organization is worse off when the company does worse.

And if I might just add there, I think we're really in a time when we've got to think differently about winning and losing. You know, that traditional model winning has meant someone has to lose. You know, workers versus corporations, empire versus empire, religion versus religion. But in this new age we're in where this planet is so connected, there is no winning anymore that doesn't include everybody. And the idea that corporate success doesn't benefit everyone, and shouldn't benefit everyone, to me is an outdated way to think about corporate performance.

Peter: Again, this might be an awkward question, but it's really coming out of this place of curiosity of how the sort of leadership philosophy plays out. Do workers in the organization, do people know how much you and the family make?

Kevin: We definitely are very transparent about the profit performance, and everyone in the organization has incentives tied to the profit performance. So everyone's income moves together, and

our ability to keep improving the workplace through reinvestment moves with it as well. I find it's better to be transparent about all of that, than protective or secretive. Because that really fits again the shared leadership approach. Everyone really needs to see and understand these things that used to be the secret, corporate center, black box of books for the company. That stuff needs to be out there and shared.

Peter: Have you faced employees who are resentful of what you are making, or no, that it's more of a shared experience?

28:34 **Kevin:** Yeah. I mean, I'm not so naive to think that every single person always thinks it's great. But our engagement levels now are running close to 90% in a country where engagement is below 33%. So nearly 9 out of 10 employees will self-define their experience at Hancock lumber as being super meaningful to them. And that's really what I go by.

Peter: What is the 'seventh power'?

Kevin: So the 'seventh power', the idea it's the individual human spirit. It's about turning inward to find strength. Every human being turning inward to find solutions. It's an individual-centric approach to communal health. And it's about leaders thinking about individuals before the entity itself.

Now where I saw this, I've spent a lot of time on the [Pine Ridge Indian](#) reservation in South Dakota. It's a place I've been over 20 times. And one of my early trips there, I had someone show me the Lakota medicine wheel, which honors the six great powers; the west, north, east, south, sky, and earth. But that individual then showed me that those who still remember the old ways of the Sioux, know that at the center of that wheel, a seventh power exists. And that seventh power is you. It is me. It is the individual human spirit.

So the seventh power to me is like that iconic Rudyard Kipling line, "The strength of the pack is the Wolf", and the idea that every individual is speaking with their own true voice and being their authentic self and living in a way that makes that person light up. That is the best way to make a family, a community, a company, a state, a nation, or a planet thrive.

Peter: And you have in your book, the seven lessons for the age of shared leadership. Your format is not east, west, north, south, or sky, individual. But are those seven lessons in some ways reflective of those sort of seven directions?

Kevin: Well, they are. Yeah. So I had a bit of a personal awakening, thanks to my voice condition. And we then turned that into a bit of a corporate awakening. I'm like, well, could this actually be applied to an entire company? Went at that for a decade, concluded it could. Then I said to myself, well, got greedy in the best sense of the term, could this be applied to an entire planet?

So this book is a bit of a travel adventure that goes out in search of kind of validation or further learning about this idea of dispersed power. The book begins on the Navajo reservation, east of Flagstaff on the edge of the Colorado Plateau, and it makes seven stops ending up in Kyiv in the Ukraine of all places. Where at each stop, I pick up what I believe is a different lesson or fundamental component of the age of shared leadership.

32:30 **Peter:** I love that. And so one of the questions is, you had this awakening because of SD and how it impacted your voice and your ability to lead in the way that you would always lead. What you're hoping is other people can have this transformation without necessarily getting SD or without

getting sick or without having something that they consider to be an essential element of who they are taken away from them. Have you found that to be the case? Meaning, is it reasonable to think that the rest of us can go through this whatever transformation we need to go into without necessarily going through the illness or the suffering or the challenge of something dear taken away?

Kevin: Yes, I definitely believe that is the case. I have seen it time and again now, but also believe that leaders - my book in some ways is really a call to leaders - leaders can really help transform the planet by creating a new culture within their organizations that encourages the individual human spirit, and that makes it safe for people to look inward and to find their own strength and voice, and to pursue it that we really can accelerate this by leading differently.

Peter: We have been speaking with Kevin Hancock. He is the CEO of Hancock Lumber, and also the author of *The Seventh Power: One CEO's Journey Into the Business of Shared Leadership*. Kevin, thank you so much for your openness and generosity in the journey that you're on and your willingness to share it with us.

Kevin: Well, thank you, Peter. I'm really appreciative of you having me on and helping me to share my voice. Thank you.

Peter: Well, we've enjoyed your voice. Thanks for being on the Bregman Leadership podcast.