

HARVARD BUSINESS REVIEW

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# BLUE OCEAN LEADERSHIP



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Renée Mauborgne

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**I**t's a sad truth about the workplace: just 30% of employees are actively committed to doing a good job. According to Gallup's 2013 *State of the American Workplace* report, 50% of employees merely put their time in, while the remaining 20% act out their discontent in counterproductive ways, negatively influencing their coworkers, missing days on the job, and driving customers away through poor service. Gallup estimates that the 20% group alone costs the

US economy around half a trillion dollars each year.

What's the reason for the widespread employee disengagement? According to Gallup, poor leadership is a key cause.

Most executives—not just those in America—recognize that one of their biggest challenges is closing the vast gulf between the potential and the realized talent and energy of the people they lead. As one CEO put it, “We have a large workforce that has an appetite to do a good job up and down the ranks. If we can transform them—tap into them through effective leadership—there will be an awful lot of people out there doing an awful lot of good.”

Of course, managers don't intend to be poor leaders. The problem is that they lack a clear understanding of just what changes it

would take to bring out the best in everyone and achieve high impact. We believe that leaders can obtain this understanding through an approach we call “blue ocean leadership.” It draws on our research on blue ocean strategy, our model for creating new market space by converting noncustomers into customers, and applies its concepts and analytic frameworks to help leaders release the blue ocean of unexploited talent and energy in their organizations—rapidly and at low cost.

The underlying insight is that leadership, in essence, can be thought of as a service that people in an organization “buy” or “don’t buy.” Every leader in that sense has customers: the bosses to whom the leader must deliver performance, and the followers who need the leader’s guidance and support to