Richard L. Daft

The **Leadership** Experience

Eighth Edition

Eighth Edition

The Leadership Experience

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Vanderbilt University

With the assistance of Patricia G. Lane

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To the teachers and leaders who shaped my growth and development as a leader and as a human being.

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About the Author

Richard L. Daft, Ph.D., is the Brownlee O. Currey, Jr., Professor of Management in the Owen Graduate School of Management at Vanderbilt University. Professor Daft specializes in the study of leadership and organization theory. Dr. Daft is a Fellow of the Academy of Management and has served on the editorial boards of *Academy of Management Journal, Administrative Science Quarterly,* and *Journal of Management Education.* He also served as the associate dean at the Owen School, was the associate editor-in-chief of *Organization Science* and served for three years as associate editor of *Administrative Science Quarterly.*

Professor Daft has authored or coauthored 14 books. His latest books include *Management* (Cengage, 2022), *Organization Theory and Design* (Cengage, 2021), and *Understanding Management* (with Dorothy Marcic, Cengage, 2022). He is also the author of *The Executive and the Elephant: A Leader's Guide to Building Inner Excellence* (Jossey-Bass, 2010), *Building Management Skills: An Action First Approach* (with Dorothy Marcic, Cengage/Southwest, 2014), and *Fusion Leadership: Unlocking the Subtle Forces That Change People and Organizations* (with Robert Lengel, Berrett-Koehler, 2000). He has also authored dozens of scholarly articles, papers, and chapters. His work has been published in *Organizational Dynamics, Administrative Science Quarterly, Academy of Management Journal, Academy of Management Review, Strategic Management Journal, Journal of Management, Accounting Organizations and Society, Management Science, MIS Quarterly, California Management Review, Leadership Excellence, Leader to Leader,* and *Organizational Behavior Teaching Review.*

Dr. Daft also is an active teacher and consultant. He has taught leadership, leading change, management, organizational theory, and organizational behavior. He has also produced for-profit theatrical productions and helped manage a start-up enterprise. He has been involved in management development and consulting for many companies and government organizations, including the National Academy of Science, Oak Ridge National Laboratory, American Banking Association, Auto-Zone, Aegis Technology, Bell Canada, Aluminum Bahrain (Alba), Bridgestone, TVA, Cardinal Healthcare, Pratt & Whitney, Allstate Insurance, State Farm Insurance, the United States Air Force, the U.S. Army, Central Parking System, USAA, Bristol-Myers Squibb, Eli Lilly, Vulcan Materials, and the Vanderbilt University Medical Center.

Preface

The events of the past few years have challenged today's leaders as they've never been challenged before. The effects of the COVID-19 pandemic, shifting economic conditions, supply chain crises, and widespread social and political unrest have forced leaders in all organizations to adapt to new ways of working and examine their assumptions about the best ways to help followers and organizations succeed. Leaders are struggling to make sense of the shifting environment, keep up with fast-changing events, and learn how to lead the people in their companies effectively and successfully in the midst of turmoil. This edition of *The Leadership Experience* addresses themes and issues that are directly relevant to the current fast-shifting environment. My vision for the eighth edition is to give students an exciting, applied, and comprehensive view of what leadership is like in today's world. *The Leadership Experience* integrates the most recent leadership ideas and applications with established scholarly research in a way that makes the topic of leadership come alive. Organizations are undergoing major changes, and this textbook addresses the qualities and skills leaders need in this rapidly evolving world.

Recent chaotic events, combined with factors such as a growing need for creativity and innovation in organizations, the widespread use of social media, the growth of e-commerce and mobile commerce, the use of virtual and remote teams, globalization, and other ongoing transformations, place new demands on leaders that go far beyond the topics traditionally taught in courses on management or organizational behavior. My experiences teaching leadership to students and managers, and working with leaders to change their organizations, have affirmed for me the value of traditional leadership concepts while highlighting the importance of including new ideas and applications.

The Leadership Experience thoroughly covers the history of leadership studies and the traditional theories but goes beyond that to incorporate valuable ideas such as leading hybrid work and remote teams, igniting individual purpose, follower engagement, the leader's duty to followers, fixed versus growth mindsets, the importance of trust, challenges of diversity and inclusion, leadership vision, shaping a healthy vs toxic culture and values, leadership courage, and the importance of moral leadership. The book expands the treatment of leadership to capture the excitement of the subject in a way that motivates students and challenges them to develop their leadership potential.

New Concepts and Examples in the Eighth Edition

A primary focus for revising *The Leadership Experience*, eighth edition, has been to relate leadership concepts and theories to real events in today's organizations and give

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students opportunities to practice and build leadership skills. Each chapter has been revised and updated to bring in current issues and events that leaders are facing.

Topics and application examples that have been added or expanded in the eighth edition include:

- leading agile teams
- hybrid work and remote teams
- using fixed vs growth mindsets
- leading with humility
- the rise of mindfulness and meditation
- positive leadership (leading with love vs fear)
- moral awareness
- optimism bias
- the meaning of courage

- leading with grit
- enhancing follower engagement
- the leader's duty to followers
- igniting individual purpose
- addressing microaggressions
- becoming an ally for inclusion
- collective activism
- toxic vs healthy cultures
- leadership coaching and feedback
- the change-leadership iceberg

Some of the new examples of leaders and leadership within organizations that show practical applications of key concepts include:

- Judith McKenna, Walmart International
- Hamdi Ulukaya, Chobani
- Julia Paige, Uber
- Jeff Bezos, Amazon
- Haier Group
- Greta Thunberg
- Academy of Motion Picture Arts and Sciences
- Luz Damaris Rosario, Goya Foods
- George Zimmer, Men's Wearhouse
- Martha Stewart, Martha Stewart Living Omnimedia
- Tho Bella Dinh-Zarr, former vice chair of National Transportation Safety Board
- Vijay Sankaran, TD Ameritrade
- Kevin Warren, Big Ten Athletic Conference
- COVID-19 response team at Cherry Springs Village
- Jack Ma, Alibaba Group Holding Ltd.
- Miranda Wang, BioCellection
- New York Police Department
- Dan Lin, Rideback
- Elon Musk, Tesla
- Roz Brewer, Starbucks
- Sharon Daniels, Arria NLG

- Pfizer and BioNTech
- Cancer Treatment Centers of America
- NASCAR
- Caroline Lim, PSA International
- Wegmans Food Markets
- Suzanne Shank, Siebert Williams Shank & Company
- Mark Zuckerberg, Facebook
- Cheng Wei, Didi Chuxing Technology Company
- Pete Carroll, Seattle Seahawks
- Eileen Fisher, Inc.
- Evan Spiegel, Snap
- ButcherBox
- First Nations leaders
- António Horta-Osório, Lloyd's Banking Group
- Buurtzorg
- Sadler's Wells Theatre
- Dorothee Ritz, Microsoft
- Ed Catmull, Walt Disney Animation Studios
- Jane Fraser, Citigroup
- Urban Meyer, Jacksonville Jaguars
- Thomas Marting, GOJO Industries
- Ed Stack, Dick's Sporting Goods

New and Distinguishing Features

This book has a number of special features that are designed to make the material accessible and valuable to students.

New Real-World Examples *The Leadership Experience*, eighth edition, is loaded with nearly 250 new examples of leaders in both traditional and contemporary organizations. Each chapter opens with a real-life example that relates to the chapter content, and several additional examples engage students within the chapter by their highlighting with red typeface. The many examples in each chapter spotlight real leader activities within a wide variety of organizations including education, the military, government agencies, businesses, and nonprofit organizations.

New Put It Into Practice Mini Exercises A significant new feature, *Put It Into Practice*, challenges students to take a small first step in practicing leadership thinking and behaviors. Each chapter contains about eight new *Put It Into Practice* mini exercises, approximately one for each major chapter section. This new feature helps students apply the chapter concepts in their own lives and challenges them to take a small step to practice a leadership behavior, mindset, or influence to develop leadership thinking and skills. These mini exercises use both mental and physical action to gain student involvement in their skill development. Mental action is in the form of reflective practices by analyzing their own experiences, or by using mental imagery to visualize new behavior. Physical action is in the form of taking a first step toward a new leadership behavior, or by taking a step toward influencing others when in a team or leadership role.

There are multiple ways instructors can assign specific practices. Instructors might use some combination of the following:

- Have students select a few mini practices and write a brief paper describing their experiences and what they learned
- Have students try specific practices and arrange student peer discussions in-class or online about their experiences
- Have students try a select number of practices each week or from each chapter
- Have students repeat self- or instructor-selected practices multiple times until students feel competent with those practices
- Have students do the exercises completely on their own according to their own preference

A few examples of the topics covered in these exercises involve expressing positive support toward others, practicing democratic and autocratic leadership styles, practicing humility, enhancing personal optimism, assessing follower readiness, and practicing better focus.

Think on This Each chapter contains a *Think on This* box that is personal, compelling, and inspiring. This box may be a saying from a famous leader, or wisdom from the ages. These *Think on This* boxes provide novel and interesting material to expand the reader's thinking about the leadership experience.

Leader's Bookshelf In this edition, eight of the 15 chapters have new Leader's Bookshelf reviews. A unique feature of *The Leadership Experience* is that each chapter includes a review of a recent book relevant to the chapter's content. The Leader's Bookshelf connects students to issues and topics being read and dis-

cussed in the worlds of academia, business, military, education, and nonprofit organizations.

Leadership Practice: Know Yourself An important aspect of learning to be a leader involves looking inward for greater self-understanding, and the eighth edition provides many opportunities for this type of self-reflection. Each chapter includes three short questionnaires that enable students to learn about their own leadership beliefs, values, competencies, and skills. These exercises help students gauge their current standing and connection to the chapter concepts and examples for expanding their own leadership abilities. A few of the Know Yourself topics involve engagement, networking, ethical maturity, grit, leading diverse people, communicating with candor, leadership courage, and positive leadership. Know Yourself assessments related to basic leadership abilities such as listening skills, emotional intelligence, motivating others, and using power and influence are also included. Additional self-assessments are available within MindTap.

New Team-Focused Experiential Exercises The practice-based focus of this text is enhanced with 15 new experiential exercises, called *Leadership Skill-Building Exercises*. There are now two engaging, informative, and practical skill-building exercises at the end of each chapter that will involve students in applying chapter concepts in small groups to learn more about applying leadership practices while gaining new self-insights. Many of these exercises are designed so students can complete them on their own outside of class and are specifically designed to use in class or online as part of a group activity.

Cases for Analysis The second end-of-chapter activity, *Leadership Skills Application: Cases for Analysis*, provides two short, problem-oriented cases for analysis. These cases test the student's ability to apply concepts when dealing with real-life leadership issues. While the *Leadership Skill-Building* exercises and the feedback questionnaires assess the student's progress as a leader, the cases challenge the student's cognitive understanding and problem-solving applications of leadership ideas.

Supplements

Additional instructor resources for this product are available online. Instructor assets include an Instructor's Manual, PowerPoint® slides, and a test bank powered by Cognero®. Sign up or sign in at www.cengage.com to search for and access this product and its online resources.

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Richard L. Daft
Nashville, Tennessee

Introduction to Leadership

What Does It Mean to Be a Leader?

Chapter Outline

Your Leadership Challenge

After reading this chapter, you should be able to:

1-1 Explain the full meaning of leadership and see the leadership potential in yourself and others.

1-2 Describe the five fundamental transformations facing today's leaders and organizations.

1-3 Summarize the fundamental differences between leadership and management.

1-4 Explain how leadership has evolved and how historical approaches apply to the practice of leadership today.

1-5 Identify the primary reasons for leadership derailment and the new paradigm skills that can help you avoid it.

1-6 Discover how to use this textbook to learn the most about leadership.

Abraham Lincoln was born in a one-room log cabin, had little formal education, and had less leadership experience than any previous U. S. president, yet when historians rank the "greatest presidents," Lincoln often tops the list. There are many facets to the greatness of the country's 16th president, but among the characteristics most frequently cited are the empathy, humility, self-awareness, and self-discipline that enabled him to communicate and connect with others, establish a sense of purpose, build trust, accept criticism and advice, and incorporate opposing viewpoints to build a collaborative working environment.

During the Civil War, Lincoln formed a cabinet made up of political rivals. He kept his own principles clear, but he was always open to criticism and debate. Lincoln had a strong commitment to serve the higher interests of the American people rather than his personal goals and ego. His ability to control his emotions and stay committed to a vision even under intense hardship, his commitment to go into the field and establish connections with soldiers and the general public, and his willingness to listen to dissenting opinions and to share credit for successes and take blame for failures all tapped into a deep longing within people for genuine leadership.[1]

Abraham Lincoln was a highly visible leader who had a significant influence on people across the United States and around the world. Yet the leadership qualities Lincoln exemplified are especially relevant to the many leaders who quietly go about the business of leading teams, companies, and communities day after day. Every company, sports team, government agency, family, nonprofit organization, social cause, and community group needs good leadership to succeed.

1-1 Why We Need Effective Leadership

Many of us think of leadership in a way similar to what U.S. Supreme Court Justice Potter Stewart said about obscenity in reviewing a 1964 pornography case: we may not be able to define it but "we know it when we see it."[2] People can clearly see leadership in the life and career of Abraham Lincoln, but many are having a hard time seeing it in some current political, business, military, and even religious leaders. Nearly every month brings a new report of a leader somewhere lying to, misleading, or cheating employees, customers, or the community. Leaders have a big impact, and their impact can be positive or negative.

Consider what happened at Wells Fargo. The company's long-time stellar reputation was seriously tarnished when it was discovered that employees were opening fake bank and credit card accounts and forcing customers into unnecessary fee-generating products in order to meet impossibly high sales goals set by top leaders. Eventually, the U.S. Consumer Financial Protection Bureau revealed that the scheme lasted more than a decade and involved around 5,000 employees. The bank's CEO and other high-level leaders resigned and were punished financially after first trying to shift the blame to lower-level employees.[3]

Leadership is difficult. For anyone in a leadership position, things can quickly go wrong, and weak skills, lax attention to ethics, or carelessness can intensify the difficulty. Within one week, the lofty aspirations of three chief executives ended in disappointment. The CEO of WeWork stepped down after an inflated company valuation was revealed while taking the company public; the chief of

eBay stepped down during disagreements with the board and questions about performance; and the reigning chief executive of Volkswagen was charged with market manipulation and misleading investors. Soon after these events, the CEO of luggage company Away stepped down after an investigative article revealed a toxic work culture.[4]

Yet there are successful leaders working in every organization, large and small. In fact, quality leadership is all around us every day, in all facets of our lives. Before we can examine what makes an effective leader, we need to know what leadership means. Scholars and other writers have offered hundreds of definitions of the term *leadership*, prompting James McGregor Burns to conclude that leadership "is one of the most observed and least understood phenomena on earth."[5] Defining leadership has been a complex and elusive problem largely because the nature of leadership itself is complex.

1-1a Defining Leadership

Leadership studies are an evolving discipline, and the concept of leadership will continue to develop. For the purpose of this book, we will focus on a single definition that delineates the essential elements of the leadership process: **Leadership** is an influence relationship among leaders and followers who intend real changes and outcomes that reflect their shared purposes.[6]

Exhibit 1.1 summarizes the key elements in this definition. Leadership involves influence; it occurs among people; those people intentionally desire significant changes and improvements; and the changes reflect purposes shared by leaders and followers. *Influence* means that the relationship among people is not passive; however, also inherent in this definition is the concept that influence is multidirectional and noncoercive. The basic cultural values in North America make it easiest to think of leadership as something a leader does to a follower.[7] However,

Leadership
an influence relationship among leaders and followers who intend real changes and outcomes that reflect their shared purposes

Exhibit 1.1

What Leadership Involves
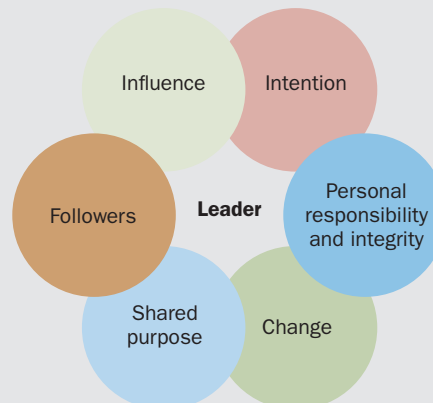
leadership is reciprocal. In most organizations, superiors influence subordinates, but subordinates also influence superiors. The people involved in the relationship want substantive *changes*—leadership involves creating improvements, not maintaining the status quo. In addition, the changes sought are not dictated by leaders but reflect *purposes* that leaders and followers share. Moreover, change is toward an outcome that both the leader and the followers want, a desired future or shared purpose that motivates them toward this more preferable outcome. An important aspect of leadership is influencing others to come together around a common vision. Thus, leadership involves the influence of people to bring about change toward a desirable future.

Stacey Abrams, the former minority leader in the Georgia state House of Representatives, united people around a vision of making sure all people in the United States have the opportunity to thrive and all eligible voters can have their voices heard. Abrams founded the voting rights organization Fair Fight in 2019 to address issues of voter suppression and enhance voter protection measures. Many have credited Abrams' vision and strategy of increasing voter turnout among Georgia's Black, Latino, and Asian voters for laying the groundwork for President Joe Biden's victory and the election of other Democratic candidates in that state. "It's been an uphill battle," said Felicia Davis, a long-time voter organizer in Clayton County, Georgia. Because here, we're not just women, we're Southern women. And we're not just Southern women, we're Southern Black women."[8]

Also, leadership is a *people* activity and is distinct from administrative paperwork or planning activities. Leadership occurs *among* people; it is not something done *to* people. Since leadership involves people, there must be *followers*. An individual performer who achieves excellence as a scientist, musician, athlete, or cabinet maker may be a leader in their field of expertise but is not a leader as defined in this book unless followers are involved. Followers are an important part of the leadership process, and all leaders are sometimes followers as well. Good leaders know how to follow, and they set an example for others. The issue of *intention* or will means that people—leader and followers—are actively involved in the pursuit of change. Each person takes personal responsibility to achieve the desired future.

One stereotype is that leaders are somehow different, that they are above others; however, in reality, the qualities needed for effective leadership are the same as those needed to be an effective follower.[9] Effective followers think for themselves and carry out assignments with energy and enthusiasm. They are committed to something outside their own self-interest, and they have the courage to stand up for what they believe. Good followers are not "yes people" who blindly follow a leader. Effective leaders and effective followers may sometimes be the same people, playing different roles at different times. At its best, leadership is shared among leaders and followers, with everyone fully engaged and accepting higher levels of responsibility.

1-1b Emergent Leadership

Using this definition of leadership makes clear that leadership can come from anyone. **Emergent leadership**, also called **informal leadership**, is the extent to which an individual with no formal status or authority is perceived by members of a group as demonstrating leader-like influence.[10] Emergent or informal leaders get

Emergent leadership
the extent to which an individual with no formal status or authority is perceived by members of a group as demonstrating leader-like influence

their authority based on personal qualities such as having a mission, being able to inspire others, and demonstrating passion.

When we stop equating leadership with greatness and public visibility, it becomes easier to see our own opportunities for leadership and recognize the leadership of people we interact with every day. Leaders come in all shapes and sizes, and many true leaders are working behind the scenes. Leadership that has big outcomes often starts small.

- In September 2018, when she was 16 years old, environmental activist Greta Thunberg started skipping school on Fridays so she could protest government inaction on climate change at Sweden's Parliament in Stockholm. By March 15, 2019, the one-person sit-in had turned into more than 1,700 "climate strikes" under Thunberg's "Fridays for Future" banner. The mass protest attracted the attention and support of formal leaders and got Thunberg nominated for the Nobel Peace Prize.[11]
- To attack the anxiety, stress, and fearfulness among nurses caring for COVID-19 patients, Emily Fawcett, a nurse at Lenox Hill Hospital, started "hope huddles," in which nurses and doctors gather on either side of a hallway to cheer COVID patients being discharged. The practice, which spread to hospitals nationwide, replaces negative feelings with positive emotions and makes people feel more hopeful about their work. "It really brings a smile to everyone's day and . . . keeps them going through another long shift," Fawcett said.[12]

Put It Into Practice 1.1

Do not wait for a formal leader position to start practicing leadership. Identify right now a need or opportunity for informal leadership within your current situation and write it down.

Informal leaders often emerge in ambiguous and unstructured situations such as the environmental activism movement and other social causes. They also emerge in business organizations when there is ambiguity and a lack of formal leadership. In fact, a comparative analysis of the difference between formal and informal leaders on six leadership competencies—shared vision, communication, relationships, community, guidance, and character—found that informal leaders scored higher in every area.[13]

There are opportunities for leadership all around us that involve influence and change toward a desired goal or outcome. The leaders of tomorrow's organizations will come from anywhere and everywhere, just as they always have. Do you have the capacity and commitment required for taking a leadership role in your school, community, or workplace? You can start now, wherever you are, to practice leadership in your own life. Leadership is an everyday way of acting and thinking that has little to do with a title or formal position in an organization. As we will discuss in the following section, business leaders need to understand this tenet more than ever in the world of the twenty-first century.

Remember This:

- Every company, team, government agency, family, nonprofit organization, social cause, and community group needs good leadership to succeed. Leaders have a lot of impact, and their influence can be positive or negative. Without effective leadership, things can quickly go wrong.

- **Leadership** is an influence relationship among leaders and followers who intend real changes and outcomes that reflect their shared purposes. Thus, leadership involves people in a relationship, influence, change, a shared purpose, and taking personal responsibility to make things happen.

- Most of us are aware of famous leaders, but most leadership that changes the world starts small and may begin with personal frustrations about events that prompt people to initiate change and inspire others to follow them.

- **Emergent leadership**, also called informal leadership, is the extent to which an individual with no formal status or authority is perceived by members of a group as demonstrating leader-like influence.

- Greta Thunberg is an example of an emergent or informal leader in the worldwide environmental movement.

- Your leadership may be expressed in the classroom, at work, or in your neighborhood, religious community, or volunteer organizations.

1-2 The New Reality for Leaders

Social media. COVID-19 pandemic. Remote work and virtual teams. Globalization. Artificial intelligence. Social justice movements. Geopolitical wars. Climate change and resource scarcity. Redistribution of economic power. Massive changes in the world mean today's leaders are facing challenges they couldn't even imagine just a few years ago. In a survey by the Center for Creative Leadership, 84 percent of leaders surveyed say the demands of effective leadership changed significantly within the first few years of the twenty-first century.[14] And that was even *before* digital technologies and social media began reshaping everyday life and work. Social connectedness and mobility have become central aspects of every leader's job. The Leader's Bookshelf describes what it takes to lead effectively in today's digital world.

Some historians and other scholars believe our world is undergoing a transformation more profound and far-reaching than any experienced since the dawn of the modern age and the Industrial Revolution more than 500 years ago. This transformation requires a transition from a traditional to a new leadership paradigm, as outlined in Exhibit 1.2.[15] A **paradigm** is a shared mindset that represents a fundamental way of thinking about, perceiving, and understanding the world.

Although many leaders are still operating from an old-paradigm mindset, as outlined in the first column of Exhibit 1.2, they are increasingly ineffective. Successful leaders will respond to the new reality outlined in the second column of the exhibit.

Paradigm
a shared mindset that represents a fundamental way of thinking about, perceiving, and understanding the world

Exhibit 1.2

The New Reality for Leaders

From	Old Paradigm Leader	To	New Paradigm Leader
	Stabilizer		Crisis Manager
	Controller		Facilitator
	Competitor		Collaborator
	Diversity Avoider		Diversity Promoter
	Hero		Humble
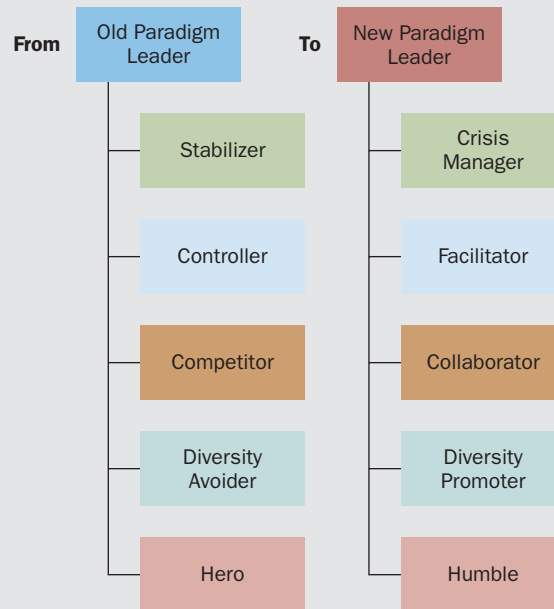
1-2a From Stabilizer to Crisis Manager

In the past, many leaders assumed that if they could just keep things running on a steady, even keel, the organization would be successful. Yet today's world is in constant motion, and nothing seems certain anymore. The COVID-19 pandemic irrevocably shattered the illusion of stability for leaders around the world in 2020, but numerous other incidents have challenged leaders' belief that they can be successful without good crisis management abilities. Consider the following recent events:

- At the start of 2019, Boeing had won more orders for the 737 MAX jetliner than any model in the company's history. Less than three months later the plane was grounded and Boeing was in the middle of a crisis, trying to explain two fatal crashes that caused 350 deaths. The failure of Boeing's then-CEO and other top leaders to quickly step forward and assuage the concerns of regulators and the public allowed the crisis to escalate. Boeing's board of directors voted to suspend production of the troubled jetliner and ousted the CEO. The 737 MAX crisis led to Boeing losing its title of world's largest plane maker to rival Airbus.[16]
- The CEO of Volkswagen resigned and several other high-level leaders were fired in 2015 after the company acknowledged using software in diesel

Leader's Bookshelf

Leading in the Digital World: How to Foster Creativity, Collaboration, and Inclusivity   **by Amit S. Mukherjee**

Amit Mukherjee, professor of leadership at Hult International Business School, argues that the massive growth of digital technology has fundamentally changed what is required to be an effective leader. Mukherjee draws on a global survey of 700 middle and senior executives, along with interviews of top leaders around the world, to lay out the crucial practices for leading in a digital era.

How to Lead in the Digital Era
Mukherjee first categorizes the effects of new digital technology on reshaping organizations and the nature of effective leadership. Digital technologies, he says, require globally dispersed organizations that cannot fill key leadership positions from a single homogenous group. Moreover, digital technologies distribute work over space and time. For example, networks of companies co-design automobiles and airplanes. Hence, leaders cannot rely on their skills of hierarchical control of a single organization. Finally, leaders can no longer rely on assembly line-type efficiency and productivity when digital technologies and events are changing fast, demanding new levels and types of value creation. For example,

new app platforms host armies of developers and social media offer unprecedented access to the personal lives of users.

Leading in the Digital World then offers insight into the mindsets and practices for leadership success in a digital world, including the following broad guidelines:

- **Commit to Inclusivity.** At a time when work and talent may be located anywhere in the world, the best leaders embrace diversity as an asset. Mukherjee decries the "bro culture" mindset that continues to characterize some organizations and emphasizes that, "[i]nclusionary mindsets, behaviors, and actions are essential because limiting one's access to talent is unfathomably illogical."

- **Emphasize Collaboration.** In a digital world, Mukherjee asserts that the generalist (a leader with broad knowledge, who is always open to learning) is more effective than the specialist (a leader with deep knowledge in a specific area). Broad knowledge and a willingness to learn enables a leader to embrace worldwide collaboration across traditional boundaries at the

team and organizational levels. "Collaboration is critically important, because the digital . . . world requires leaders to bring together knowledge, resources, and diverse people in the pursuit of goals," Mukherjee writes.

- **Make Creativity a Top Priority.** Emphasizing collaboration and inclusivity, in turn, supports creativity. Today, organizations must be continually changing and adapting. The old mindset of "managing for productivity, not creativity" is a significant obstacle in a digital world. Leaders need a new approach to take the risks that nurture creativity and bring new ideas to life.

Conclusion
Mukherjee makes a compelling case that digital technologies require leaders in all types of organizations and situations to embrace inclusiveness, collaboration, and creativity. *Leading in the Digital World* doesn't provide all the answers, but it is a great starting point for leaders to delve into the questions they face in the rapidly evolving digital world.

Source: *Leading in the Digital World,* by Amit S. Mukherjee, is published by MIT Press.

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vehicles designed to cheat U.S. emissions tests. Actual exhaust emissions turned out to be up to 40 times higher than the emission tests revealed. The company continues to suffer from the emissions crisis.[17]

Most leaders, whether in business, politics, the military, education, social services, the arts, or the world of sports, recognize that trying to maintain stability in a world of unexpected and far-reaching change is a losing battle. "You have to be able to react very quickly," said Ellen Kullman, retired CEO of DuPont. "And the world is so connected that the feedback loops are more intense."[18]

Today's best leaders accept the inevitability of change and crisis and tap into them as potential sources of energy and self-renewal. Adaptability is the watchword of the day.

Put It Into Practice 1.2

Prepare in advance by writing down your response to a potential change or crisis on the horizon for you.

1-2b From Controller to Facilitator

Leaders in powerful positions once believed strict control was needed for the organization to function efficiently and effectively. Rigid organizational hierarchies, structured jobs and work processes, and detailed, inviolate procedures let everyone know that those at the top had power and those at the bottom had none.

Today, the old assumptions about the distribution of power are no longer valid. A recent Bain & Company survey of executives around the world found a decided trend toward pushing power and responsibility to front-line employees in organizations. Nearly 80 percent of survey respondents agreed with the statement "Today's business leaders must trust and empower people, not command and control them," with only 5 percent disagreeing with that sentiment.[19] An emphasis on control and rigidity serves to squelch motivation, innovation, and morale rather than produce desired results. Effective leaders share power rather than hoard it and find ways to increase an organization's brainpower by getting everyone in the organization involved and committed. Rather than being a controller, the leader is a facilitator who helps people do and be their best by removing obstacles to performance, getting people what they need, providing learning opportunities, and offering support and feedback.

During the COVID-19 pandemic, when many people were working from home, one team at a European company launched a virtual open-door policy. People could access a videoconference link at any time to share concerns, ask for help and advice, or simply check in. Top leaders loved the idea and decided to set up a dedicated crisis team, opening the videoconference link to all employees as well as to clients, providing a form of always-on virtual feedback and support.[20]

One reason for the shift from controller to facilitator is that the financial basis of today's economy is becoming *information* rather than the tangible assets of land, buildings, and machines. This means human capital is becoming more important than financial capital, which increases the power of employees. When all an organization needed was workers to run machines eight hours a day, traditional command-and-control systems generally worked quite well, but success today depends on the intellectual capacity of all employees. One of the leader's most challenging jobs is to enable people to embrace and use their power effectively.[21]

1-2c From Competitor to Collaborator

Digital technologies and social media have "put connectivity on steroids," blurring and sometimes obliterating boundaries within and between organizations.[22] In a hyperconnected, networked age, collaboration becomes more important than competition. Successful leaders harness and make the most of ideas, talent, and resources from across boundaries of all kinds. Although some companies still encourage internal competition and aggressiveness, most successful leaders stress teamwork, compromise, and cooperation. Self-directed teams and other forms of horizontal collaboration spread knowledge and information throughout the organization.

Effective leaders also work collaboratively with suppliers, customers, governments, universities, and other organizations. There is a growing trend within companies to think of themselves as teams that create value jointly rather than as autonomous entities in competition with all others. Jennifer Loving created a nonprofit organization called Destination: Home to bring together nonprofit agencies, government officials, Silicon Valley technology companies, and other

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Put It Into Practice 1.3

Practice facilitation now by sharing helpful information with an associate or by introducing people who may benefit from knowing each other.

Put It Into Practice 1.4

Initiate a collaboration for an activity that you would normally do alone.

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private sector organizations to collaborate on creating permanent housing for the thousands of homeless people in Santa Clara County, California. Loving believed a lot of money was being wasted on trying to solve the problem of homelessness because of a lack of coordination and collaboration. She started Destination: Home as a private-public partnership to get people working together on the problem. Since 2015, the partnership has housed more than 5,000 formerly homeless people.[23]

Collaboration presents greater leadership challenges than did the old concept of competition. Leaders first have to develop their own collaborative mindset and then create an environment of teamwork and community that fosters collaboration and mutual support. They learn to keep the lines of communication open and use influence rather than wielding their authority to quell harmful politicking, get buy-in on important matters, and move things forward.[24]

1-2d From Diversity Avoider to Diversity Promoter

Many of today's organizations were built on assumptions of uniformity, separation, and specialization. People who think alike, act alike, and have similar job skills are grouped into a department, such as accounting or manufacturing, separate from other departments. Homogenous groups find it easy to get along, communicate, and understand one another. The uniform thinking that arises, however, can be a disaster in a world becoming more multinational and diverse.

Leaders who promote a diverse workforce have been shown to improve their organization's chances of success. After taking over as head of Amazon Studios, Jennifer Salke found that a lack of diversity was a primary reason the studios had released six flops in a row. "I don't think we had diverse-enough points of view," Salke said. She has pushed for a more diverse team to move Amazon Studios into more diverse storytelling that will reach broader audiences. Salke doesn't want talented people pitching original ideas to be turned away because they don't "check off all the boxes. Nobody wants to be bored by a mass volume of the same type of show. . . . The opportunity for global storytelling—that's where the wins are."[25]

Diversity has become a key concern for leaders because of the vast changes occurring in the environment. For example, the Academy of Motion Picture Arts and Sciences has been under growing criticism for years because of its lack of diverse representation. As social justice movements spread across the United States and around the world in 2020, the Academy created a task force to revise rules and procedures to expand diversity and inclusion within the filmmaking industry. It elected several women and people of color, including Whoopi Goldberg and Ava DuVernay, to the board of governors, implemented a requirement that all Academy governors, branch executive committee members, and staff attend unconscious bias training, and revised rules to require that Oscar nominees meet certain diversity and inclusion requirements.[26]

Just as movie studios are under growing pressure to change, so are leaders in other types of organizations. The Millennial generation, which will make up 75 percent of the workplace by 2030, is notably more concerned about diversity and inclusion than their predecessors. Nearly 50 percent of Millennials surveyed say they actively look for diverse and inclusive workplaces when considering new jobs. Many leaders over the next decade will be in this demographic, with an ability to influence the creation of workplaces where everyone can feel welcome and have opportunities to thrive.[27]

> **Put It Into Practice 1.5**
> Strike up a conversation with someone outside of your normal circle.

Leadership Practice: Know Yourself 1.1

Your Learning Style: Using Multiple Intelligences

Instructions: Multiple-intelligence theory suggests that there are several different ways of learning about things in a topsy-turvy world; hence there are multiple "intelligences," of which five are interpersonal (learn via interactions with others), intrapersonal (own inner states), logical-mathematical (rationality and logic), verbal-linguistic (words and language), and musical (sounds, tonal patterns, and rhythms). Most people prefer one or two of the intelligences as a way of learning, yet each person has the potential to develop skills in each of the intelligences.

The following items will help you identify the forms of intelligence that you tend to use or enjoy most, as well as the forms that you use less. Please check each item below as Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. I like to work with and solve complex problems.	_____	_____
2. I recently wrote something that I am especially proud of.	_____	_____
3. I have three or more friends.	_____	_____
4. I like to learn about myself through personality tests.	_____	_____
5. I frequently listen to music on my smartphone or other device.	_____	_____
6. Math and science were among my favorite subjects.	_____	_____
7. Language and social studies were among my favorite subjects.	_____	_____
8. I am frequently involved in social activities.	_____	_____
9. I have or would like to attend personal growth seminars.	_____	_____
10. I notice if a melody is out of tune or off key.	_____	_____
11. I am good at problem solving that requires logical thinking.	_____	_____
12. My conversations frequently include things I've read or heard about.	_____	_____
13. When among strangers, I easily find someone to talk to.	_____	_____
14. I spend time alone meditating, reflecting, or thinking.	_____	_____
15. After hearing a tune once or twice, I am able to sing it back with some accuracy.	_____	_____

Scoring and Interpretation

Count the number of items checked Mostly True that represent each of the five intelligences as indicated below.

Questions 1, 6, 11: Logical–mathematical intelligence.
Mostly True =_____.
Questions 2, 7, 12: Verbal–linguistic intelligence.
Mostly True =_____.
Questions 3, 8, 13: Interpersonal intelligence.
Mostly True =_____.
Questions 4, 9, 14: Intrapersonal intelligence.
Mostly True =_____.
Questions 5, 10, 15: Musical intelligence.
Mostly True =_____.

Educational institutions tend to stress the logical–mathematical and verbal–linguistic forms of learning. How do your intelligences align with the changes taking place in the world? Would you rather rely on using one intelligence in depth or develop multiple intelligences? Any intelligence above for which you received a score of 3 is a major source of learning for you, and a score of zero means you may not use it at all. How do your intelligences fit your career plans and your aspirations for the type of leader you want to be?

Sources: Based on Kirsi Tirri, Petri Nokelainen, and Martin Ubani, "Conceptual Definition and Empirical Validation of the Spiritual Sensitivity Scale," *Journal of Empirical Theology* 19 (2006), pp. 37–62; and David Lazear, "Seven Ways of Knowing: Teaching for Multiple Intelligences" (Palatine, IL: IRI/Skylight Publishing, 1991).

Think on This: Should Leaders Live by the Code of the West?

Many classic Western movies, such as those starring Gene Autry and those featuring the husband-and-wife team of Roy Rogers and Dale Evans, as well as Western novels by writers such as Louis L'Amour and Zane Grey, refer to the Cowboy Code or the Code of the West. These basic values that provided an informal code of conduct for pioneers settling the western American frontier have been distilled into ten principles that may still be applicable to leaders and others in the modern world.

1. Live each day with courage.
2. Take pride in your work.
3. Always finish what you start.
4. Do what has to be done.
5. Be tough, but fair.
6. When you make a promise, keep it.
7. Ride for the brand.
8. Talk less and say more.
9. Remember that some things aren't for sale.
10. Know where to draw the line.

What do you think?

Source: Various unwritten codes of honor distilled by James P. Owen and presented in James P. Owen and David R. Stoecklein, *Cowboy Ethics: What Wall Street Can Learn from the Code of the West* (Stoecklein Publishing, 2005); and the Center for Cowboy Ethics and Leadership, http://cowboyethics.org/cowboy-ethics/ (accessed February 10, 2021).

1-2e From Hero to Humble

Another shift is the move from celebrating the "leader-as-hero" to recognizing the hard-working behind-the-scenes leaders who quietly build strong, enduring companies by supporting and developing others rather than touting their own abilities and successes.[28] This chapter's *Think on This* box presents ten principles from the Code of the West that may be applicable to new-paradigm leaders even today.

One reason for the shift from hero to humble is that it is less and less realistic for an individual leader to meet all the challenges a team or organization faces in a complex and rapidly changing world. Another is that ambitious, highly self-confident, charismatic leaders have been at the forefront of some of the ethical scandals and business failures of recent years. The hero leader may make more risky and daring decisions, often without considering the greater good, whereas humble leaders seek advice and take time to think through the possible consequences of their actions.[29] Several studies over the past few years have found that humility is a key quality of leaders who inspire collaborative teamwork, rapid learning, and high performance in their teams.[30]

Jim Collins, author of *Good to Great* and *Great by Choice*, calls this new breed "Level 5 leaders."[31] In contrast to the view of great leaders as larger-than-life personalities with strong egos and big ambitions, Level 5 leaders often seem shy and unpretentious and have no need to be in the limelight. They are more concerned

with the success of the team or company than with their own success. Collins's research found that Level 5 leaders generated the most successful companies.

Level 5 leaders are characterized by an almost complete lack of ego (humility), coupled with a fierce resolve to do what is best for the organization (will). **Humility** means being unpretentious and modest rather than arrogant and prideful. **Will** means having a very strong intention about the organization's future. In contrast to the view of great leaders as larger-than-life personalities with strong egos and big ambitions, Level 5 leaders often seem shy and self-effacing. Although they accept full responsibility for mistakes, poor results, or failures, Level 5 leaders typically give credit for successes to other people. Such leaders build organizations based on solid values that go far beyond making money, with the confidence and unwavering resolve to do whatever is needed to make the company successful over the long term.[32]

One corporate example of a leader who demonstrates Level 5 leadership qualities is Satya Nadella, CEO of Microsoft. Many people were surprised when the quiet, relatively unknown Nadella, who had joined Microsoft in 1992 at the age of 25, was picked to lead the giant technology company in 2014. Top executives inside the company were even more surprised when one of Nadella's first acts was to ask them to read Marshall Rosenberg's *Nonviolent Communication,* a book about empathic collaboration. It was the beginning of Nadella's efforts to transform Microsoft leaders from a "know-it-all" to a "learn-it-all" mindset. Within four years, Nadella had reinvigorated the company's workforce and achieved astonishing results, generating more than $250 billion in market value—more value growth than Uber, Airbnb, Netflix, and Snapchat combined. He accomplished it with a calm, steady, and team-oriented approach. "I'm wired to be fairly confident in myself and to let others shine," Nadella says in talking about his willingness to delegate and give credit to others for company successes.[33]

Although most research regarding the new type of leader has been on corporate CEOs like Satya Nadella, it is important to remember that new-paradigm or Level 5 leaders are in all positions in all types of organizations.

Humility
being unpretentious and modest rather than arrogant and prideful

Will
having a very strong intention about the organization's future

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Put It Into Practice 1.6

Channel your ambition on a current project toward a higher goal rather than to feed your own ego. Write down that higher goal.

Remember This:

- A big challenge facing leaders today is the rapidly changing world that wants a new paradigm of leadership.

- A **paradigm** is a shared mindset that represents a fundamental way of thinking about, perceiving, and understanding the world. Effective leaders are shifting to a new paradigm mindset that responds to the new reality for leaders and organizations.

- The new reality involves a shift from stability to change and crisis, from control to empowerment, from competition to collaboration, and from uniformity to diversity and inclusion.

- In addition, the concept of leader as hero is giving way to that of the humble leader who develops others and shares credit for accomplishments. Studies have found that humility and will are key characteristics of leaders, described by James Collins as Level 5 Leaders, who inspire collaborative teamwork, rapid learning, and high performance.

- **Humility** means being unpretentious and modest rather than arrogant and prideful. **Will** means having a very strong intention about the organization's future.
- These dramatic changes suggest that a philosophy based on control and personal ambition (an old paradigm mindset) will probably fail in today's world. The challenge for leaders is to evolve to a new mindset that relies on human skills, integrity, and collaboration.
- One example of a corporate leader who embraces a new paradigm mindset is Satya Nadella, CEO of Microsoft.

1-3 How Leadership Differs from Management

Management can be defined as the attainment of organizational goals in an effective and efficient manner through planning, organizing, staffing, directing, and controlling organizational resources. So, what is it that distinguishes the process of leadership from that of management? Managers and leaders are not inherently different types of people. There are managers at all hierarchical levels who are also good leaders, and many people can develop the qualities needed for effective leadership and management. Both are essential in organizations and must be integrated effectively to lead to high performance.[34] That is, leadership cannot replace management; the two have to go hand-in-hand.

Exhibit 1.3 compares management to leadership in five areas crucial to organizational performance—providing direction, aligning followers, building relationships, developing personal qualities, and creating leader outcomes.[35]

1-3a Providing Direction and Purpose

Both leadership and management are concerned with providing direction for the organization, but there are differences. Management focuses on establishing detailed plans and schedules for achieving specific results, then allocating resources to accomplish the plan. Leadership calls for creating a compelling vision of the future, setting the context within which to view challenges and opportunities, and developing farsighted strategies for producing the changes needed to achieve the vision. Whereas management calls for keeping an eye on the bottom line and short-term results, leadership means keeping an eye on the horizon and the long-term future. Miranda Wang, cofounder and CEO of BioCellection, provides an example. Her firm's vision is to tackle and solve the hard-to-recycle plastic packaging waste problem. The firm's initial focus is on plastic-film waste, including plastic bags, soiled plastic that covers microwaveable food, and bubble wrap. Plastic film in the ocean is particularly dangerous to aquatic life. Wang's leadership vision has produced a process that turns contaminated film waste into useful chemicals for business and industry.[36]

A **vision** is a picture of an ambitious, desirable future for the organization or team. It can be as lofty as Motorola's aim to "become the premier company in the World" or as down-to-earth as the Swedish company IKEA's simple vision "to create a better everyday life for many people."

Management
the attainment of organizational goals in an effective and efficient manner through planning, organizing, staffing, directing, and controlling organizational resources

Put It Into Practice 1.7
Verbalize to someone the higher purpose for a project or assignment on which you are currently working.

Vision
a picture of an ambitious, desirable future for the organization or team

Exhibit 1.3

Comparing Management and Leadership

	Management	Leadership
Direction and Purpose:	• Plan and budget • Minimize risk for sure results • Focus on bottom line	• Create vision and strategy • Maximize opportunity • Keep eye on horizon
Alignment:	• Organize and staff • Direct and control • Create structure and order	• Create shared culture and values • Provide learning opportunities • Encourage networks and flexibility
Relationships:	• Invest in goods • Use position power • Focus people on specific goals	• Invest in people • Use personal influence • Inspire with purpose and trust
Personal Qualities:	• Emotional distance • Expert mind • Talking • Conformity • Insight into organization	• Emotional connections (Heart) • Open mind (Mindfulness) • Listening (Communication) • Nonconformity (Courage) • Insight into self (Character)
Outcomes:	• Maintain stability; create a culture of efficiency	• Create change and a culture of agility and integrity

Sources: Based on Tanya Prive, "Where Does Management Stop and Leadership Start?" *Inc.* (October 30, 2020), www.inc.com/tanya-prive/where-does-management-stops-leadership-start.html (accessed February 11, 2021); John P. Kotter, *A Force for Change: How Leadership Differs from Management* (New York: The Free Press, 1990) and ideas in Kevin Cashman, "Lead with Energy," *Leadership Excellence* (December 2010), p. 7; and Henry Mintzberg, *Managing* (San Francisco: Berrett-Koehler, 2009).

1-3b Aligning Followers

Management entails organizing a structure to accomplish the plan; staffing the structure with employees; and developing policies, procedures, and systems to direct employees and monitor implementation of the plan. Leadership is concerned instead with communicating the vision and developing a shared culture and set of core values that can lead to the desired future state. Whereas the vision describes the destination, the culture and values help define the journey toward it so that everyone is lined up in the same direction. The leadership of New Zealand Prime Minister Jacinda Ardern successfully limited the spread of COVID-19 by aligning government officials, public health experts, business owners, and the public around a vision of stamping out the virus rather than simply slowing its spread. Ardern closed borders and imposed strict lockdowns

beginning in late March 2020. In her frequent televised news conferences, she persuaded people to accept the strict measures using phrases such as "go early and go hard," and "team of five million," a reference to New Zealand's entire population. Ardern also used Facebook Live chats and more formal daily briefings to keep everyone focused on the goal of no new cases.[37] Aligning everyone produced the most successful national pandemic response, with only 25 COVID-19 deaths in New Zealand, and the virus was stamped out, allowing people to return to work, school, sports stadiums, and restaurants without restrictions.[38]

Leadership provides learning opportunities so people can expand their minds and abilities and assume responsibility for their own actions. Think about classes you have taken at your college or university. In some classes, the professor tells students exactly what to do and how to do it, and many students expect this kind of direction and control. Have you ever had a class where the instructor instead inspired and encouraged you and your classmates to find innovative ways to meet goals? The difference reflects a rational management versus a leadership approach.

1-3c Building Relationships

In terms of relationships, management focuses on getting the most results out of people so that production goals are achieved and goods and services are provided to customers in a timely manner. Leadership, on the other hand, focuses on investing more in people so they are energized and inspired to accomplish goals. Michel Feaster, co-founder and CEO of Usermind, a customer-engagement software company, encapsulates this distinction by saying that leadership "is the commitment to unlock the employee" so that people can understand and express their strengths while being aware of their weaknesses so that they can perform at their best.[39]

Whereas the management relationship is based on position and formal authority, leadership is a relationship based on personal influence and trust. For example, in an authority relationship, both people accept that a manager can tell a subordinate to be at work at 7:30 A.M. or the employee's pay will be docked. Leadership, on the other hand, relies on influence, which is less likely to use coercion. The role of leadership is to attract and energize people, motivating them through purpose and challenge rather than rewards or punishments.[40] Andrew Glincher, CEO and managing partner of the big law firm Nixon Peabody LLC, leads primarily by soliciting feedback and listening. Glincher tries to give everyone opportunities to lead, no matter their role in the organization. Leadership, says Glincher, is about "emotional intelligence and connecting—if you can't connect with your folks, if you can't build trust, you really don't have much of anything."[41] The differing source of power is one of the key distinctions between management and leadership. Take away a manager's formal position, and will people choose to follow that individual? That is the mark of a leader.

1-3d Developing Personal Leadership Qualities

Leadership is more than a set of skills; it relies on a number of subtle personal qualities that are hard to see but are very powerful. These include things like

> ❝ Change is not a solo sport. All great change has been done by great teams, great communities, great networks."
>
> Bret Taylor, president and COO of Salesforce

enthusiasm, integrity, courage, and humility. First of all, good leadership springs from a genuine caring for the work and a genuine concern for other people. The process of management generally encourages emotional distance, but leadership means being emotionally connected to others. Where there is leadership, people become part of a community and feel that they are contributing to something worthwhile. Whereas management means providing answers and solving problems, leadership requires the courage to admit mistakes and doubts, to listen, and to trust and learn from others.

Developing personal leadership qualities takes work. For leadership to happen, leaders may have to undergo a journey of self-discovery and personal understanding.[42] Consider Michelle Peluso, senior vice president of digital sales and chief marketing officer at IBM. The most difficult part of the pandemic virtual world for her was not having moments with colleagues or team members in the hallway or getting coffee, when she would often pick up on when somebody needed more support. Peluso took on the difficult task of reading body language cues during video calls. "You have to really train yourself to know who needs help or maybe who isn't coping as well."[43]

Leadership experts agree that a top characteristic of effective leaders is that they know who they are and what they stand for. In addition, leaders have the courage to act on their beliefs. True leaders tend to have open minds that welcome new ideas rather than closed minds that criticize new ideas. Leaders listen and discern what people want and need more than they talk to give advice and orders. Leaders are willing to be nonconformists, to disagree and say no when it serves the larger good, and to accept nonconformity from others rather than try to squeeze everyone into the same mindset.

1-3e Creating Outcomes

The differences between management and leadership create two differing outcomes, as illustrated at the bottom of Exhibit 1.3. Management maintains a degree of stability, predictability, and order through a *culture of efficiency.* Leadership, on the other hand, uses creative change, often radical change, within a *culture of agility and integrity* that helps the organization thrive over the long haul by promoting openness and honesty, positive relationships, and long-term innovation. Leadership facilitates the courage needed to make difficult and unconventional decisions that may sometimes hurt short-term results.

One example of creating outcomes comes from Capital One. When David Castillo took over as the company's vice president of machine learning, he realized that business units would send their problems to Capitol One's Center for Machine Learning and leave it up to the AI team to come up with solutions, which limited the number of projects the center could take on. Under Castillo's leadership, the center shifted to a collaborative model, with members of the AI team working side-by-side with business unit data scientists, subject matter experts, and software engineers. The collaborative approach multiplied by ten the number of projects the center can participate in, and the typical development for a project takes no longer than 12 weeks.[44]

Leadership Practice: Know Yourself 1.2

Your Leadership Potential

Instructions: Questions 1–6 below are about you right now. Questions 7–14 are about how you would like to be if you were the head of a major department at a corporation. Answer Mostly False or Mostly True to indicate whether the item describes you accurately or whether you would strive to perform each activity as a department head.

Now	Mostly False	Mostly True
1. When I have a number of tasks or homework assignments to do, I set priorities and organize the work to meet the deadlines.	_____	_____
2. When I am involved in a serious disagreement, I hang in there and talk it out until it is completely resolved.	_____	_____
3. I would rather sit in front of my computer than spend a lot of time with people.	_____	_____
4. I reach out to include other people in activities or when there are discussions.	_____	_____
5. When solving problems, I prefer analyzing things myself to working through them with a group of people.	_____	_____
6. I know my long-term vision for career, family, and other activities.	_____	_____

Head of Major Department	Mostly False	Mostly True
7. I would help subordinates clarify goals and how to reach them.	_____	_____
8. I would give people a sense of long-term mission and higher purpose.	_____	_____
9. I would make sure jobs get out on time.	_____	_____
10. I would scout for new product or service opportunities.	_____	_____
11. I would give credit to people who do their jobs well.	_____	_____
12. I would promote unconventional beliefs and values.	_____	_____
13. I would establish procedures to help the department operate smoothly.	_____	_____
14. I would verbalize the higher values that I and the organization stand for.	_____	_____

Scoring and Interpretation

Count the number of Mostly True answers to even-numbered questions: _____. Count the number of Mostly True answers to odd-numbered questions: _____. Compare the two scores.

The even-numbered items represent behaviors and activities typical of leadership. Leaders are personally involved in shaping ideas, values, vision, and change. They often use an intuitive approach to develop fresh ideas and seek new directions for the department or organization. The odd-numbered items are considered more traditional management activities. Managers respond to organizational problems in an impersonal way, make rational decisions, and work for stability and efficiency.

If you answered yes to more even-numbered than odd-numbered items, you may have potential leadership qualities. If you answered yes to more odd-numbered items, you may have management qualities. Management qualities are an important foundation for new leaders because the organization first has to operate efficiently. Then leadership qualities can enhance performance. Both sets of qualities can be developed or improved with awareness and experience.

Sources: Based on John P. Kotter, *Leading Change* (Boston, MA: Harvard Business School Press, 1996), p. 26; Joseph C. Rost, *Leadership for the Twenty-first Century* (Westport, CT: Praeger, 1993), p. 149; and Brian Dumaine, "The New Non-Manager Managers," *Fortune* (February 22, 1993), pp. 80–84.

Remember This:

- The "soft" skills of leadership complement the "hard" skills of management, and both are needed to effectively guide organizations.
- **Management** is the attainment of organizational goals in an effective and efficient manner through planning, organizing, staffing, directing, and controlling organizational resources.
- Leadership, when compared to management, is more about creating a vision for the future, designing social architecture that shapes culture and values, inspiring and motivating followers, developing personal qualities, and creating change within a culture of integrity.
- A **vision** is a picture of an ambitious, desirable future for the team or organization.
- At BioCellection, people are inspired by a vision of solving the hard-to-recycle plastic packaging waste problem. Miranda Wang's leadership vision has produced a process that turns contaminated plastic film waste into useful chemicals.
- Leadership can be integrated with management to achieve the greatest possible outcomes. Many managers already have the qualities needed to be effective leaders, but they may not have gone through the process needed to bring these qualities to life.

1-4 Evolving Theories of Leadership

To understand leadership as it is viewed and practiced today, it is important to recognize that the concept of leadership has changed over time. Leadership typically reflects the larger society, and theories have evolved as norms, attitudes, and understandings in the larger world have changed.[45]

1-4a Historical Overview of Major Approaches

The various leadership theories can be categorized into six basic approaches, each of which is briefly described in this section. Many of these ideas are still applicable to leadership studies today and are discussed in various chapters of this text.

Great Man Theories This is the granddaddy of leadership concepts. The earliest studies of leadership adopted the belief that leaders (who were always thought of as male) were born with certain heroic leadership traits and natural abilities of power and influence. In organizations, social movements, religions, governments, and the military, leadership was conceptualized as a single "Great Man" who put everything together and influenced others to follow along based on the strength of inherited traits, qualities, and abilities.

Trait Theories Studies of these larger-than-life leaders spurred research into the various traits that defined a leader. Beginning in the 1920s, researchers looked

to see if leaders had particular traits or characteristics, such as intelligence or energy, that distinguished them from nonleaders and contributed to success. It was thought that if traits could be identified, leaders could be predicted, or perhaps even trained. Although research failed to produce a list of traits that would always guarantee leadership success, the interest in leadership characteristics has continued to the present day.

Behavior Theories The failure to identify a universal set of leadership traits led researchers in the early 1950s to begin looking at what leaders do rather than who they are. One line of research focused on what leaders actually do on the job, such as various management activities, roles, and responsibilities. These studies were soon expanded to try to determine how effective leaders differ in their behavior from ineffective ones. Researchers looked at how a leader behaved toward followers and how this correlated with leadership effectiveness or ineffectiveness. Chapter 2 discusses trait and behavior theories.

Contingency Theories Researchers next began to consider the contextual and situational variables that influence what leadership behaviors will be effective. The idea behind contingency theories is that leaders can analyze their situations and tailor their behavior to improve leadership effectiveness. Major situational variables are the characteristics of followers, characteristics of the work environment and follower tasks, and the external environment. Contingency theories, sometimes called *situational theories*, emphasize that leadership cannot be understood in a vacuum separate from various elements of the group or organizational situation. Chapter 3 covers contingency theories.

Influence Theories These theories examine influence processes between leaders and followers. One primary topic of study is *charismatic leadership* (Chapter 12), which refers to leadership influence based not on position or formal authority but, rather, on the qualities and charismatic personality of the leader. Related areas of study are *leadership vision* (Chapter 7) and *organizational culture* (Chapter 14). Leaders influence people to change by providing an inspiring vision of the future and shaping the culture and values needed to attain it. Several chapters of this text relate to the topic of influence because it is essential to understanding leadership.

Relational Theories Since the late 1970s, many ideas of leadership have focused on the relational aspect, that is, how leaders and followers interact and influence one another. Rather than being seen as something a leader does to a follower, leadership is viewed as a relational process that meaningfully engages all participants and enables each person to contribute to achieving the vision. Interpersonal relationships are considered the most important facet of leadership effectiveness.[46] Two significant relational theories are *transformational leadership* (Chapter 12) and *servant leadership* (Chapter 6).

Other important relational topics covered in various chapters of the text include the personal qualities that leaders need to build effective relationships, such as emotional intelligence, a leader's mind, integrity and high moral standards, and personal courage. In addition, leaders build relationships through motivation and engagement, leadership communication, team leadership, and embracing diversity.

1-4b A Model of Leadership Evolution

Exhibit 1.4 provides a framework for examining the evolution of leadership from the early Great Man theories to today's relational theories. Each cell in the model summarizes an era of leadership thinking that was dominant in its time but may be less appropriate for today's world.[47]

Leadership Era 1 This era may be conceptualized as pre-industrial and pre-bureaucratic. Most organizations were small and were run by a single individual who many times hired workers because they were friends or relatives, not necessarily because of their skills or qualifications. The size and simplicity of organizations and the stable nature of the environment made it easy for a single person to understand the big picture, coordinate and control all activities, and keep things on track. This is the era of Great Man leadership and the emphasis on personal traits of leaders. A leader was conceptualized as a single hero (typically male) who saw the big picture and how everything fit into a whole.

Leadership Era 2 In Era 2, we see the emergence of hierarchy and bureaucracy. Although the world remains stable, organizations have begun to grow so large that they require rules and standard procedures to ensure that activities are performed efficiently and effectively. Hierarchies of authority provide a sensible

Exhibit 1.4

Leadership Evolution

Environment

	Stable	Turbulent
Organization	**Era 2** **Rational Management** • Behavior theories • Contingency theories Organization: • Vertical hierarchy, bureaucracy • Functional management	**Era 3** **Team or Lateral Leadership** • Influence theories Organization: • Horizontal organization • Cross-functional teams
Individual	**Era 1** **Great Person Leadership** • Great Man theories • Trait theories Organization: • Pre-bureaucratic organization • Administrative principles	**Era 4** **Enlightened Leadership** • Relational theories • Level 5 leadership Organization: • High-performance culture • Shared vision, alignment • Facilitate change and inclusion

(Scope: Organization / Individual)

mechanism for supervision and control of workers, and decisions once based on rules of thumb or tradition are replaced with precise procedures. This era sees the rise of the "rational manager" who directs and controls others using an impersonal approach. Employees aren't expected to think for themselves; they are expected to do as they're told, follow rules and procedures, and accomplish specific tasks. The focus is on details rather than the big picture.

The rational manager was well-suited to a stable environment. The behavior and contingency theories worked here because leaders could analyze their situation, develop careful plans, and control what happened. But rational management is no longer sufficient for leadership in today's world.

Leadership Era 3 This era represented a tremendous shock to managers in North America and Europe. Suddenly, the world was no longer stable, and the prized techniques of rational management were no longer successful. Beginning with the OPEC oil embargo of 1972–1973 and continuing with the severe global competition of the 1980s and early 1990s, many managers saw that environmental conditions had become chaotic. The Japanese began to dominate world commerce with their ideas of team leadership and superb quality. This became an era of great confusion for leaders. They tried team-based approaches, downsizing, reengineering, quality programs, and empowerment as ways to improve performance and get more motivation and commitment from employees.

This is the era of the team leader and the change leader. Influence was important because of the need to change organizational structures and cultures. This era sees the emergence of knowledge work, an emphasis on horizontal collaboration, and a shift to influence theories. Rather than conceiving of leadership as one person always being firmly "in charge," leadership is often shared among team leaders and members, shifting to the person with the most knowledge or expertise in the matter at hand.[48]

Leadership Era 4 Enter the digital, mobile, social-media age. It seems that everything is changing and changing fast. Era 4 represents **enlightened leadership**, which means giving up control in the traditional sense to ensure organizational flexibility and responsiveness to a diverse and changing environment. Leaders influence others through relationships and networks and through shared vision and values rather than through hierarchical power and control. Enlightened leaders are constantly experimenting, learning, and changing, in both their personal and professional lives, and they encourage the development and growth of other people and the organization. Era 4 requires the full scope of leadership that goes far beyond rational management or even team leadership.

Implications The flow from Great Man leadership to rational management to team leadership to enlightened leadership echoes trends in the larger world. The implication is that leadership reflects the era or context of the organization and society. Most of today's organizations and leaders are still struggling with the transition from a stable to a chaotic environment and the new skills and qualities needed in this circumstance. Thus, Era 3 issues of diversity, team leadership, empowerment, and horizontal relationships are increasingly relevant. In addition, many leaders are rapidly shifting into Era 4 leadership by focusing on change management and facilitating a vision and values to encourage inclusive cultures, high performance, agility, and continuous

Put It Into Practice 1.9
Identify the leadership theory or leadership era with which you personally feel most comfortable and write down why that one feels more comfortable than others do.

Enlightened leadership
giving up control in the traditional sense and encouraging the growth and development of others to ensure organizational flexibility, responsiveness, and inclusivity.

adaptation in a fast-shifting world. One leader who made a conscious move toward Era 4 leadership is Vikram (Vik) Verma, former CEO of cloud communications platform 8 X 8. Verma began regularly soliciting feedback at work after a costly personal mistake made him realize that his know-it-all tendencies led him to surround himself with people who agreed with him. Verma began requiring job candidates to call him an idiot during interviews and point out something he was doing wrong with the company, and he began encouraging staff members to challenge him "if you ever see me doing something stupid."[49] Enlightened leaders align themselves with new technologies that can create networks of leaders throughout the organization. Era 3 and Era 4 leadership is what much of this book is about.

Remember This:

- Concepts of leadership have evolved over time. Major research approaches include Great Man theories, trait theories, behavior theories, contingency theories, influence theories, and relational theories. Elements of all these approaches are still applicable to the study of leadership.
- A framework for examining the evolution of leadership includes four eras: "great person" leadership, rational management, team leadership, and enlightened leadership.
- **Enlightened leadership** means giving up control in the traditional sense and encouraging the growth and development of others to ensure organizational flexibility, responsiveness, and inclusivity.

1-5 Leadership Can Be Learned

Many leaders are caught in the transition between the practices and principles that defined the industrial era and the new reality of the twenty-first century. Attempts to achieve collaboration, empowerment, diversity, and inclusion in organizations may fail because the beliefs and thought processes of leaders as well as employees are stuck in an old paradigm that values control, stability, and homogeneity. It is difficult for many leaders to let go of methods and practices that have made them and their organizations successful in the past. Yet leaders can make the leap to a new paradigm by intentionally practicing and applying new paradigm principles.

1-5a Leader Fatal Flaws

Derailment
a phenomenon in which a manager with an impressive track record reaches a certain level but goes off track and can't advance because of a mismatch between job needs and personal skills and qualities

One of the most important aspects of shifting to the new paradigm of leadership is intentionally using soft, interpersonal skills to build a culture of performance, trust, collaboration, and inclusion. A few clues about the importance of acquiring new leadership skills are brought to light by studies that look at what causes managers to "derail" in their careers. **Derailment** refers to a phenomenon in organizations in which a manager with an impressive track record reaches a certain level but goes off track and can't advance because of a mismatch between job needs and the manager's personal skills and qualities.[50] Studies conducted in numerous organizations in different countries indicate that managers fail more frequently because they are deficient with soft,

Exhibit 1.5

Five Fatal Flaws That Cause Derailment

1. Performance Problems	2. Problems with Relationships	3. Difficulty Changing	4. Difficulty Building and Leading a Team	5. Too Narrow Management Experience
Failing to meet business objectives because of too much time promoting themselves and playing politics, a failure to fulfill promises, or a lack of attention to priorities.	*Being insensitive, manipulative, critical, and not trustworthy in relationships with peers, direct reports, customers, and others.*	*Not learning from feedback and mistakes; defensive, unable to handle pressure, unable to change management style to meet new demands.*	*Poor management of direct reports; inability to get work done through others; not identifying and hiring the right people.*	*Inability to work effectively or collaborate outside their current function; failing to see big picture when moved into general management position over several functions.*

Source: Based on Yi Zhang, Jean Brittain Leslie, and Kelly M. Hannum, "Trouble Ahead: Derailment Is Alive and Well," *Thunderbird International Business Review* 55, no. 1 (January–February 2013), pp. 95–102.

human skills rather than a lack of hard work or technical skills.[51] Derailed managers are successful people who excelled in a functional area and were expected to go far, but they reached a plateau, were fired, or were forced to retire early.

Researchers at the Center for Creative Leadership in Greensboro, North Carolina, have been looking at what causes manager derailment for decades.[52] They conclude that there are five top flaws that cause managers to derail, as shown in Exhibit 1.5. Note that many of these flaws relate to the lack of human skills. Unsuccessful managers fail to meet business objectives because they spend too much time promoting themselves rather than working. They are overly ambitious and selfish and may not follow through on promises. They are often insensitive and critical, not trustworthy, do not learn from feedback and mistakes, can't build and develop the right teams, and are unable to see the big picture when promoted into a general management position. Additional studies confirm that the biggest leader mistakes are people mistakes rather than technical ones.[53]

1-5b Leader Good Behaviors

The best leaders, at all levels, are those who are genuinely interested in other people and find ways to bring out the best in them. Successful organizations pay attention to developing leaders in the soft skills needed to effectively lead people in a changing environment.

Even at a company such as Google, which depends on technical expertise, human skills are considered essential for leaders. When Google analyzed performance reviews and feedback surveys to find out what makes a good leader of technical people, it found that technical expertise ranked low on the list of desired qualities, as shown in Exhibit 1.6. The exhibit lists ten effective behaviors of good leaders. Notice that almost all of them relate to human skills, such as communication, coaching, and teamwork. People want leaders who listen to them, build positive relationships, and show an interest in their lives and careers. Google incorporates these ten desirable leader behaviors into leadership performance and evaluation systems as well as into feedback and training programs. When the company targeted unsuccessful leaders and coached them to develop soft skills and display these behaviors, the managerial ranks improved, with collective feedback scores going up every year.[54]

Put It Into Practice 1.10

Identify the fatal flaw in Exhibit 1.5 to which you are most susceptible. Think of a specific action that, practiced now, will help prevent possible future derailment.

Leadership Practice: Know Yourself 1.3

Are You on a Fast Track to Nowhere?

Instructions: Many people on the fast track toward positions of leadership find themselves suddenly derailed and don't know why. Many times, a lack of people skills is to blame. To help you determine whether you need to work on your people skills, take the following quiz, answering each item as Mostly False or Mostly True. Think about a job or volunteer position you have now or have held in the past as you answer the following items.

People Skills	Mostly False	Mostly True
1. Other people describe me as very good with people.	_____	_____
2. I often smile and laugh with teammates or classmates.	_____	_____
3. I often reach out to engage people, even strangers.	_____	_____
4. I often express appreciation to other people.	_____	_____

Dealing with Authority	Mostly False	Mostly True
1. I quickly speak out in meetings when leaders ask for comments or ideas.	_____	_____
2. If I see a leader making a decision that seems harmful, I speak up.	_____	_____
3. I experience no tension when interacting with senior managers, either inside or outside the organization.	_____	_____
4. I have an easy time asserting myself toward people in authority.	_____	_____

Networking	Mostly False	Mostly True
1. I spend part of each week networking with colleagues in other departments.	_____	_____
2. I have joined multiple organizations for the purpose of making professional contacts.	_____	_____
3. I often use lunches to meet and network with new people.	_____	_____
4. I actively maintain contact with peers from previous organizations.	_____	_____

Scoring and Interpretation

Tally the number of "Mostly Trues" checked for each set of questions.

People Skills: _____ Dealing with Authority: _____

Networking: _____

If you scored 4 in an area, you're right on track. Continue to act in the same way.

If your score is 2–3, you can fine-tune your skills in that area. Review the questions where you said Mostly False and work to add those abilities to your leadership skill set.

A score of 0–1 indicates that you may end up dangerously close to derailment. You should take the time to do an in-depth self-assessment and find ways to expand your interpersonal skills.

The skills on Google's list of desirable behaviors can help leaders avoid the fatal flaws that derail careers. In addition, today's successful leaders intentionally value change over stability, empowerment over control, collaboration over competition, diversity and inclusion over uniformity, and integrity over self-interest, as discussed earlier.

Exhibit 1.6

Google's Ten Rules for Good Leader Behaviors

To determine how to build better leaders, Google executives studied performance reviews, feedback surveys, and award nominations to see what qualities made a good leader. Here are the "Top Ten Behaviors" Google found, in order of importance:

1. Be a good coach.
2. Empower your team and don't micromanage.
3. Create an inclusive team environment, showing concern for success and well-being.
4. Be productive and results-oriented.
5. Be a good communicator and listen to your team.
6. Support career development and discuss performance.
7. Have a clear vision and strategy for the team.
8. Have key technical skills so you can help advise the team.
9. Collaborate across Google.
10. Be a strong decision maker.

Sources: Melissa Harrell and Lauren Barbato, "Great Managers Still Matter: The Evolution of Google's Project Oxygen," *Google Blog* (February 27, 2018), https://rework.withgoogle.com/blog/the-evolution-of-project-oxygen/ (accessed January 8, 2019); and Adam Bryant, "Google's Quest to Build a Better Boss," *The New York Times*, March 12, 2011. Courtesy of Google, Inc.

> **Put It Into Practice 1.11**
> Be a good coach by listening 20 percent more in a single conversation today than you normally would.

Remember This:

- Studies have found that most of the top flaws that cause managers to "derail" in their careers are related to deficient soft, human skills rather than to weak technical or job skills.
- **Derailment** is a phenomenon in which a manager with an impressive track record reaches a certain level but goes off track and can't advance because of a mismatch between job needs and personal skills and qualities.
- Google used performance reviews and surveys to identify what makes a good leader and noted that most of the top ten effective leader behaviors relate to human skills, such as communication, coaching, and teamwork.

1-6 How to Use This Book to Learn Leadership Competencies

There's an age-old question: Are leaders born or made? In one survey, 19 percent of top executives said leaders are born, 52 percent said they are made, and 29 percent said they are both born and made.[55] It may be true that some inborn qualities and personality characteristics can provide a foundation for being a good leader, but most people can learn to be effective leaders no matter their innate characteristics.

Becoming an effective leader is partly a matter of developing an awareness of your strengths and weaknesses, applying the knowledge and experience of your past, and consciously choosing to do the difficult yet rewarding work of learning and enhancing the skills and qualities that will help transform you into an excellent leader.[56] Psychologist Abraham Maslow refers to the ultimate mastery of a skill as attaining *unconscious competence*. This means you become so practiced in doing something well that it occurs without thinking, without special effort. Becoming unconsciously competent as a leader, as with any endeavor, typically means progressing through four stages, as illustrated in Exhibit 1.7.

The mastery of any skill, such as driving a car, snowboarding, or the soft skills of leadership, begins at stage 1 of being unconsciously incompetent. This means that you don't have any competence with the skill and are not even aware that you lack competence. If you have ever tried a new sport like golf or volleyball, recall the first time you tried it. You likely discovered your incompetence and realized you needed help to move forward. By reading, watching videos, or taking lessons, you became conscious of what is required to do well at the sport. This is stage 2 of Exhibit 1.7, where you become conscious of what is required to do well but are still personally incompetent. With practice, your conscious awareness of the correct thing to do gradually transforms into competence. Stage 3 is where the practice of the sport becomes a real pleasure. You receive positive feedback from your skill and are aware of how well you are doing, but you still consciously make a special effort to do well, which sets

Exhibit 1.7

Self Awareness and Skill Building Increase Leadership Competence

Stage 4:
Unconsciously
Competent

Stage 3:
Consciously
Competent

Stage 2:
Consciously
Incompetent

Stage 1:
Unconsciously
Incompetent
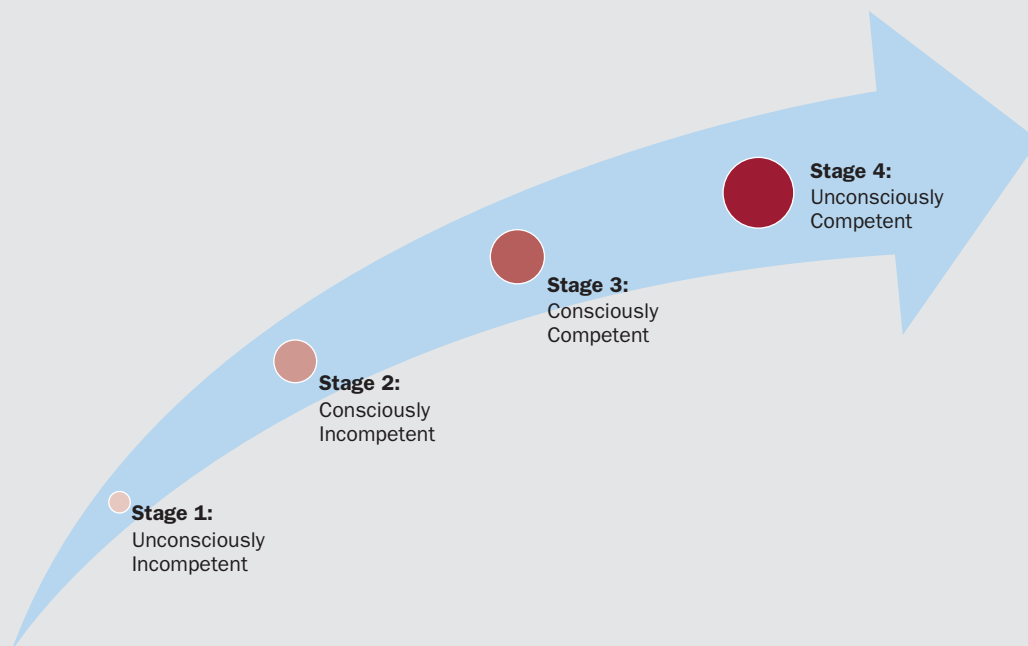
up the transition to Stage 4. In Stage 4, the skill becomes an integral part of who you are. Good performance occurs naturally, without conscious thought or effort. If you've been driving a car for a while, this is how you now drive to school or work—you drive automatically while your mind might be thinking about other things.

The same process applies to becoming unconsciously competent in the skills of leadership. It all starts with using the features within this textbook to first become consciously aware (stage 2 of Exhibit 1.7) and then work to improve both your consciousness and competence for leadership. Exhibit 1.8 identifies how this textbook can help you grow from unconscious incompetence to unconscious competence as a leader.

1. *Active conceptual learning*, as shown in the top bubble of Exhibit 1.8, will help you become conscious of what you don't know about being a leader, such as what it takes to build trust, be an effective communicator, or create a collaborative team. Engaging in active conceptual learning involves reading the chapter text and examples, examining the Leader's Bookshelf reviews, studying the Remember This sections of each chapter, and thoughtfully applying yourself to the Discussion Questions. By exploring leadership in both business and society, you will gain conscious understanding (stage 2) of what leadership is all about, including the difficulties and challenges of being a leader. Progressing to higher-level stages shown in Exhibit 1.7 involves these activities and more. Within each chapter, there are a number of practice exercises that will help you grow in self-awareness and leadership skill.

Exhibit 1.8

How to Use This Book to Learn Leadership

1. Active Conceptual Learning
2. Leadership Practice: Know Yourself
3. Put It Into Practice in Your Everyday Life
4. Expand Your Leadership Skills
5. Apply Your Leadership Skills
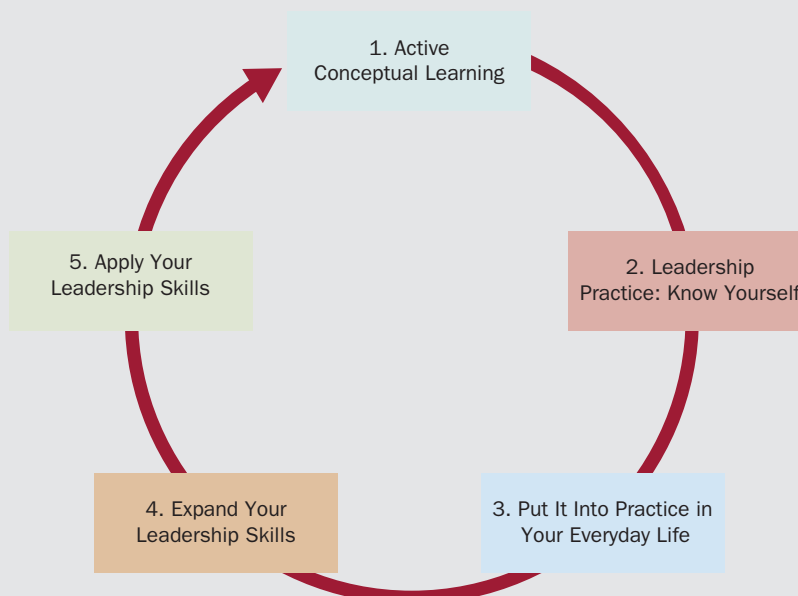
2. Each chapter includes three *Leadership Practice: Know Yourself* brief questionnaires that help you gain personal awareness of your strengths and weaknesses regarding leadership traits and behaviors. These questionnaires provide personal feedback that builds the consciousness needed for progress to stages 2 and 3 in Exhibit 1.7.

3. The *Put It Into Practice* activities, of which several are included in the margins of each chapter, challenge you to take small steps to apply the concepts you have learned and to practice specific leadership skills in your everyday life. These exercises are intentionally small because small steps are easier to start with than are large steps. These small practices are important for starting to build the competencies required for Stage 3 and Stage 4 in Exhibit 1.7.

4. *Leadership Skill-Building Exercises* near the end of each chapter enable you to expand specific leadership skills. These two larger skill-building exercises focus on increasing both your consciousness of leadership skills and your competence via applications, role-plays, and other practice exercises.

5. Finally, each chapter concludes with two cases for analysis that give you the opportunity for *Leadership Skills Application*. The cases illustrate problems that leaders face and give you an opportunity to use your ability to apply both leadership awareness and competence to solve them. During discussions of these cases you will also expand your thinking based on how other students would address the case problems.

Overall, the text and practical exercises in this book are designed to move you up the stairway of both consciousness and competence to become an effective leader. The chapters in this book are designed to help you gain a firm knowledge of what leadership means and enable you to practice some of the skills and qualities that make a good leader. Although this book and your instructors can guide you in your development, only you can apply the concepts and principles of leadership in your daily life. Learning to be a leader starts now, with you. Are you up to the challenge?

Remember This:

• Leadership is an intentional act. It is important to remember that most people are not born with natural leadership skills and qualities, but leadership can be learned and developed.

• Becoming an effective leader typically means progressing through four stages, from unconscious incompetence to unconscious competence.

• Learning to be an effective leader starts with becoming consciously aware and intentionally choosing to do the difficult yet rewarding work of learning and enhancing the skills and qualities that will transform you into a leader.

• This textbook provides a package of opportunities for your leadership growth via *Active Conceptual Learning* of chapter content, *Leadership Practice: Know Yourself* brief personal feedback questionnaires, bite-sized *Put It Into Practice* exercises, larger *Leadership Skill-Building* exercises, and *Leadership Skills Application* cases for analysis.

1-7 Organization of This Book

The plan for this book reflects the shift to a new paradigm summarized in Exhibit 1.2 and the discussion of management versus leadership summarized in Exhibit 1.3. The framework in Exhibit 1.9 illustrates the organization of the book.

Part 1 introduces leadership, its importance, and the transition to a new leadership paradigm. Part 2 explores basic research perspectives that evolved during a more stable time when rational management approaches were effective. These basic perspectives, including the Great Man and trait theories, behavior theories, and contingency theories, are relevant to dealing with specific tasks and individuals and are based on a premise that leaders can predict and control various aspects of the environment to keep the organization running smoothly.

Parts 3, 4, and 5 focus on leadership perspectives that reflect the paradigm shift to the turbulent, unpredictable nature of the environment and the need for fresh leader approaches. Part 3 discusses the personal side of leadership and looks at some of the qualities and forces that are required to be effective in the new reality. These chapters emphasize the importance of self-awareness and self-understanding, the development of one's own leadership mind and heart, moral leadership and courage, and creating vision and purpose. Part 4 is about building effective relationships, including motivating

Exhibit 1.9

Framework for the Book

Part 1: Introduction to Leadership
Chapter 1 What Does It Mean to Be a Leader?

Part 2: Research Perspectives on Leadership
Chapter 2 Traits, Behaviors, and Relationships
Chapter 3 Contingency Approaches to Leadership

Part 3: The Personal Side of Leadership
Chapter 4 The Leader as an Individual
Chapter 5 Leading with Head and Heart
Chapter 6 Courage and Moral Leadership
Chapter 7 Leadership Vision and Purpose

Part 4: The Leader as a Relationship Builder
Chapter 8   Motivation and Engagement
Chapter 9   Leadership Communication
Chapter 10 Leading Teams
Chapter 11 Leading Diversity and Inclusion
Chapter 12 Leadership Power and Influence

Part 5: The Leader as Social Architect
Chapter 13 Setting the Stage for Followership
Chapter 14 Shaping Culture and Values
Chapter 15 Leading Change

and engaging others, communicating as a leader, leading teams, embracing the diversity of today's world, and using power and influence.

Part 5 brings together all of these ideas to examine the leader as builder of a social architecture that can help an organization create a brighter future. These chapters deal with appreciating the role of followership, aligning culture and values to achieve the vision, and leading change.

Taken together, the sections and chapters paint a complete portrait of the leadership experience as it has evolved to the present day and emphasize the new paradigm skills and qualities that are relevant from today and into the future. This book blends systematic research evidence with real-world experiences and impact.

Discussion Questions

1. Go online to search for examples of leaders. Identify one leader who seems to illustrate the "leader-as-hero" mindset and one who seems more typical of the humble Level 5 leader described in the chapter. Describe their differing characteristics. Which was easier to find?

2. What do you consider your own strengths and weaknesses for leadership? Discuss your answer with another student.

3. Of the elements in the leadership definition as illustrated in Exhibit 1.1, which element is the easiest for you? Which is hardest? Explain.

4. How might the paradigm shift from competition to collaboration make the job of a leader more difficult? Could it also make the leader's job easier? Discuss.

5. Describe the best leader you have known. How did this leader acquire competence?

6. Why do you think there are so few people who succeed at both management and leadership? Is it reasonable to believe someone can be good at both? Discuss.

7. Discuss some recent events and societal changes that might have contributed to a shift "from hero to humble." Do you agree or disagree that humility is important for good leadership?

8. "Leadership is more concerned with people than is management." Do you agree? Discuss.

9. What personal competencies should a person develop to be a good leader versus those developed to be a good manager?

10. Why is practice considered important for learning leadership?

Leadership Skill-Building Exercises

Draw Yourself a Leader

Before reading additional paragraphs of this exercise, take a piece of paper and a pen or pencil and *draw an effective leader.* Right now. Do not worry about your artistic ability. Do not worry about getting it right. Just use simple stick figures to sketch out what comes to mind for your image of an effective leader.

When you are finished, take a good look at your drawing. What is the essence of your image of leadership? Did you draw an aspect of someone you know? A lone figure? Multiple people? One person might draw the leader as the center of a network or at the top of a hierarchy. Another person might sketch a figure taller or higher than other figures, perhaps pointing toward the horizon.

Drawing a picture stimulates the brain differently than writing a leadership definition. Drawing an effective leader allows you to surface a deeper understanding of and assumptions about yourself and your view of leadership.

In Class or Online (optional as indicated by your instructor): Form into small groups of 3 to 4 people. Each person in turn can show their drawing and explain what it means. Members may ask each other questions for better understanding of a drawing.

As a group, with each member participating, answer the following questions:

1. Does your picture contain elements of your own leadership style? Which parts?

2. Does your picture show the leadership style to which you aspire? Explain.

3. What gender is the leader in each drawing? Research shows that most people draw a male figure. Were male figures drawn in your group? What does that mean?

Sources: Eric J. McNulty, "Draw Yourself a Leader," *Strategy + Business* (April 5, 2019), www.strategy-business.com /blog/Draw-yourself-a-leader?gko=64fd2 (accessed February 9, 2021); and Heather Murphy, "Picture a Leader. Is She a Woman?" *The New York Times* (March 16, 2018), www.nytimes.com/2018/03/16/health/women-leadership -workplace.html (accessed February 10, 2021).

Leadership Right–Wrong

Leader Wrong: Think of a specific situation in which you were working with someone who was in a leadership position over you and that person was doing something that was wrong for you. This person might have been a coach, teacher, team leader, employer, immediate boss, family member, or anyone who had a leadership position over you. "Wrong for you" means that person's behavior reduced your effectiveness, made you or your coworkers less productive, and was demotivating to you or your colleagues. *Write a few words below that describe what the leader was doing that was wrong for you.*

_____
_____

Think of a second situation in which someone in a leadership position did something wrong for you. *Write a few words below that describe what the leader was doing that was wrong for you.*

_____
_____

Leader Right: Think of a specific situation in which you were working with someone who was in a leadership position over you and that person was doing something that was *right* for you. This person might have been a coach, teacher, team leader, employer, immediate boss, family member, or anyone who had a leadership position over you. "Right for you" means that person's behavior made you

or your coworkers more productive, highly motivated you or others, and removed barriers to make you more successful. *Write a few words below that describe what the leader was doing that was right for you.*

_____

_____

Think of a second situation in which someone in a leadership position did something right for you. *Write a few words below that describe what the leader was doing that was right for you.*

_____

_____

The previous answers are data points that can help you understand the impact of leader behaviors. Analyze your four incidents—what are the underlying qualities of leadership that enable you to be an effective performer? Discuss your answers with another student. What leadership themes are present in the eight combined incidents? What do these responses tell you about the qualities you want and don't want in your leaders?

In Class or Online (optional as indicated by your instructor): An interesting way to use this exercise in class is to have students write (five words maximum) their leader "rights" on one board and their leader "wrongs" on another board. The instructor can ask small groups to identify underlying themes in the collective set of leader data points on each board to specify what makes an effective versus an ineffective leader. After students establish four or five key themes, they can be challenged to identify the one key theme that distinguishes leaders who are effective from those who are not.

Source: Based on Melvin R. McKnight, "Organizational Behavior as a Phenomenological, Free-Will Centered Science," Working Paper, College of Business Administration, Northern Arizona University, 1997.

Leadership Skills Application: Cases for Analysis

Software Coding Division

When JCT International, a manufacturer of refinery equipment, brought in John Nystrom to manage its Software Coding division, company executives informed him of the urgent situation. The demand for new software was skyrocketing for the thousands of sensors placed seemingly everywhere in customers' refineries as part of the big data movement. Software Coding, with 20 engineers and highly trained coders, was well paid, well educated, and the least-productive division in the company. The instructions to Nystrom: Turn it around. Nystrom called a meeting of the engineers and coders. He showed great concern for their personal welfare and asked point blank: "What's the problem? Why can't we produce? Why does this division have such turnover?"

Without hesitation, employees launched a hail of complaints. "I was hired as an engineer, not a pencil pusher." "We spend over half of our time writing asinine reports for top management, and no one reads the reports." "We have to account for every penny, which doesn't give us time to work with customers or new developments."

After a two-hour discussion, Nystrom began to envision a future in which employees were free to work with customers and join self-directed teams for product improvement. Nystrom concluded he had to get top management off the engineers' and coders' backs. He promised them, "My job is to stay out of your way so you can do your work, and I'll try to keep top management off your backs, too." He called for the day's reports and issued an order effective immediately that the originals be turned in daily to his office rather than mailed to headquarters. For three weeks, technical reports piled up on his desk. By month's end, the stack was nearly three feet high. During that time no one called for the reports. When other managers entered his office and saw the stack, they usually asked, "What's all this?" Nystrom answered, "Technical reports." No one asked to read them.

Finally, at month's end, a secretary from finance called and asked for the monthly travel and expense report. Nystrom responded, "Meet me in the president's office tomorrow morning."

The next morning the engineers and coders cheered as Nystrom walked through the department pushing a cart loaded with the enormous stack of reports. They knew the showdown had come.

Nystrom entered the president's office and placed the stack of reports on his desk. The president and the other senior executives looked bewildered. "This," Nystrom announced, "is the reason for the lack of productivity in the Software Coding division. These are the reports your people require every month. The fact that they sat on my desk all month shows that no one reads this material. I suggest that the engineers' and coders' time could be used in a more productive manner, and that one brief monthly report from my office will satisfy the needs of the other departments."

Questions

1. Does John Nystrom's leadership style fit the definition of leadership in Exhibit 1.1? Is it part of a leader's job to try to change things? To manage upward? Explain.

2. With respect to Exhibit 1.4, in what leadership era is Nystrom? In what era is headquarters? Explain.

3. What approach would you have taken in this situation? What do you think the response of the senior executives will be to Nystrom's action?

The Rushmore Plan

Kelly Dakota was recognized by associates and competitors as *a woman on a mission*. One of four members of the design team for a large chair manufacturing corporation, Dakota's obsession with the creation of comfortable seating dated to a childhood back injury and a lifetime of pain. She recognized, more than most in the industry, the importance of designing chairs that offered some relief to those suffering from debilitating back, hip, and neck pain as well as helping people of all ages to avoid problems with proper posture. In her early days with the company the staff jokingly called her approach the Rushmore Plan, after America's Mount Rushmore in South Dakota. Like someone fighting

to save the world, Kelly Dakota brought passion and a creative intensity to design meetings as if each drawing, each design tweak would change civilization as we knew it.

Single and with no apparent family or friendship ties, Dakota was married to her work. She seemed to thrive on 70-hour work weeks, although as a salaried manager, she received no overtime pay. Even her "down time" at meals or on weekends was spent sketching, studying the latest in ergonomics, or reconnoitering each design adjustment by competitors.

"When you visit a furniture store, you fully expect to see Dakota skulking about, checking to see what the competition is offering," says fellow team member John Craddock. "We all laugh about it. The woman brings—actually brings—chairs to meetings and tears them apart to show us some miniscule *discovery*."

This obsession with chairs, pain, and gravity, and one-upping the competition has made Dakota a valuable employee and earned her a reputation in the industry for creative design. Not since Peter Opsvik's Gravity Balans ergonomic chair of the 1970s has anyone made such an impact on the industry. The effect of Dakota's work on company profits is undeniable. The intense competition with imported furniture makes her more valuable in the eyes of top executives. The fact that competitors are chomping at the bit to lure her away is also undeniable.

But the Rushmore Plan comes at a price. Over the 15 years she has worked with the company, 5 as leader of the design group, there has been a constant turnover within the design group as frustrated workers leave the company to "get away from Dakota."

"Anything you could learn from this brilliant and dedicated woman is destroyed by her cold, calculating attitude," Craddock complains. "I came to this company excited about the chance to work with her. But any knowledge she possesses is carefully guarded. Her design ideas are perfect in her mind, while ours are picked apart. We all swear she has listening devices scattered around everywhere, because if the rest of the team huddles in some corner of the world to discuss a design idea, *Voila!* She walks into the next meeting with *our* idea. Once when she was a few minutes late to a meeting, we thought we had beaten her and quickly presented our idea. Just then, she walks in, and announces, 'Ideas must be in the air. I have something very similar,' and throws her completed design on screen. Guess who won?"

Dakota presents a continuing challenge to company management, having both incredible positive and negative influence on the culture. While her contributions to design and profits far exceed those of other employees, her negative effect on the culture and her team's creativity and morale results in the loss of talented people and a climate of suspicion and discontent. Dakota's threat, "I can take my talents elsewhere," hangs over top executives like a sledgehammer.

Now, Craddock and Leslie Warren, other talented members of the design team, have approached management with their own ultimatum: *Do something about Dakota or we resign*.

Questions

1. If you were a top leader, how would you respond to the ultimatum? Be specific. Explain why.

2. What is Dakota missing with respect to her leadership abilities? How do you explain her poor leadership behavior?

3. If you were Dakota's manager, how might you increase Dakota's awareness of the negative impact she is having on her team? How would you guide her toward better team leadership, sharing her knowledge with others, and mentoring her team members? Be specific.

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Research Perspectives on Leadership

Traits, Behaviors, and Relationships

Chapter Outline

Your Leadership Challenge

After reading this chapter, you should be able to:

2-1 Outline some personal traits and characteristics that are associated with effective leaders.

2-2 Identify your own traits that you can transform into strengths and bring to various leadership roles.

2-3 Recognize autocratic versus democratic leadership behavior and the distinction between task-oriented and people-oriented leader behavior.

2-4 Explain how the theory of individualized leadership has broadened the understanding of relationships between leaders and followers.

2-5 Describe some key leader traits for handling a crisis.

It surprises some people to learn that Ulysses S. Grant, the Union general who led the United States to victory over the Confederate States of America, had traits that came across as a laidback and maybe even a slipshod person. Yet his performance on the battlefield prompted U.S. President Abraham Lincoln to say of him, "I can't spare this man." In March 1864, Lincoln promoted Grant to lieutenant general and gave him command of all the armies of the United States.

Grant was a low-key and unassuming leader. At his first regimental leadership assignment, he showed up in civilian clothing, prompting one soldier to wisecrack, "He don't look as if he knew enough to find cows if you gave him hay." Grant wore a simple blue coat and black hat throughout most of the war. His demeanor was similarly unpretentious. Grant was known to be fair, respectful of others, and even-tempered, yet he always made clear what he expected from others and that he would hold people accountable. When he noted an alarming lack of discipline in his new regiment, he quickly imposed rules, punished deserters, and implemented daily drills. Grant also had a bias toward action and was tenacious in the pursuit of victories. Yet the general also showed a softer side. When news that Grant had accepted Robert E. Lee's unconditional surrender on April 9, 1865, reached the front lines and Union soldiers began firing a salute in honor of the victory, Grant immediately sent word to have it stopped. He had known failure, and said of the Confederates, "[They] were now our prisoners, and we did not want to exult over their downfall."[1]

Hundreds of historians, biographers, and other scholars have examined what it was that made Ulysses S. Grant so effective as a military leader. Many of these have looked at Grant's personal traits. Personal traits captured the imagination of the earliest leadership researchers, but if we look at any two successful and effective leaders, they will likely share some traits but have others that are quite dissimilar. Each individual has a unique set of qualities, characteristics, and strengths to bring to a leadership role. In addition, leaders can learn to overcome some potentially limiting traits, such as a lack of self-confidence or a quick temper. Consequently, many researchers have examined the behavior of leaders to determine what behavioral features comprise leadership style and how particular behaviors relate to effective leadership.

This chapter first examines the evolution of the trait approach and the importance of leaders understanding and applying their own unique leadership strengths. Then we provide an overview of the behavior approach and introduce the theory of individualized leadership, which looks at behavior between a leader and each individual follower, differentiating one-on-one behavior from leader-to-group behavior. The path illuminated by the research into leader traits and behaviors is a foundation for the field of leadership studies and still enjoys remarkable dynamism for explaining leader success or failure.

2-1 The Trait Approach

Traits are the distinguishing personal characteristics of a leader, such as intelligence, humility, dependability, honesty, and self-confidence. Research early in the twentieth century examined leaders who had achieved a level of greatness and hence became known as the Great Man approach. Fundamental to this theory was the idea that some people are born with traits that make them natural leaders. The

Traits
the distinguishing personal characteristics of a leader, such as intelligence, honesty, self-confidence, and appearance

Great Man approach

a leadership perspective that sought to identify the inherited traits leaders possessed that distinguished them from people who were not leaders

Great Man approach sought to identify the traits successful leaders (who were thought of as male) possessed that distinguished them from people who were not leaders. Generally, research found only a weak relationship between personal traits and leader success, and the assumption that great leaders are men has certainly been discredited. Indeed, the diversity of traits that effective leaders possess indicates that leadership ability is not a genetic endowment.[2]

Nevertheless, with the advancement of the field of psychology during the 1940s and 1950s, trait approach researchers expanded their examination of personal attributes by using aptitude and psychological tests. In a 1948 literature review,[3] Stogdill examined more than 100 studies based on the trait approach. He uncovered several traits that appeared consistent with effective leadership, including general intelligence, initiative, interpersonal skills, self-confidence, drive for responsibility, and personal integrity. Stogdill's findings also indicated, however, that the importance of a particular trait was often relative to the situation. Initiative, for example, may contribute to the success of a leader in an entrepreneurial situation, but it may be irrelevant to a leader in a stable bureaucracy. Thus, possessing certain personal characteristics is no guarantee of success.

In recent years, there has been a resurgence of interest in examining leadership traits. Studies have examined a wide range of traits and characteristics and how they influence leadership effectiveness and outcomes.[4] Consider some of the traits of Roz Brewer and how they have contributed to her effectiveness as COO of Starbucks and head of the company's American business. Brewer, like General Ulysses S. Grant described in the chapter opening example, has a bias for focus, structure, and action. "She's into the details," said Indra Nooyi, former CEO of PepsiCo, who did business with Brewer when Brewer was an executive at Walmart. "She's not a fluffy person. She gets things done." Those traits were just what Starbucks needed when Brewer was hired in late 2017, as sales growth was slowing and leaders and employees at all levels were struggling with too many balls in the air. Brewer set three priorities and killed off any of the projects that didn't fit, gaining a reputation for making tough decisions and sticking to them. When Starbucks faced accusations of racial bias after a manager called the police on two Black men in one of the company's Philadelphia stores, Brewer faced a personal challenge as the incident evoked what she calls the "motherly fear" she had long felt raising her Black male child. She became actively involved in creating racial bias training for company employees. "We were busy. We were in the middle of a turnaround," she says. "But probably the most important thing we can do is face the reality" and fix the problem.[5]

In summary, trait research has been an important part of leadership studies throughout the twentieth century and continues into the twenty-first. This chapter's Leader's Bookshelf suggests that a trait of *selflessness* may be the secret to genuine and lasting leadership success. Several other traits, including humility, optimism, and a cheerful attitude, have gained attention as important for successful leaders. Britain's Royal Navy takes cheerfulness so seriously that it tracks how leader cheerfulness affects morale and effectiveness.[6] As discussed in Chapter 1, humility, including a willingness to admit mistakes and make oneself vulnerable, has emerged as an important trait in today's collaborative world.[7]

Exhibit 2.1 presents some of the traits and their respective categories that have been identified through trait research over the years. Many researchers still contend that some traits are essential to effective leadership, but only in combination

| **Leader's Bookshelf** | Give and Take: A Revolutionary Approach to Success | by Adam Grant |

Contrary to popular belief, good guys don't always finish last. In fact, in the book *Give and Take: A Revolutionary Approach to Success*, Adam Grant asserts that a trait of selflessness can help leaders be more effective and more successful. Grant, the youngest tenured professor ever at the Wharton School at the University of Pennsylvania, suggests that good leaders are those who give the most and view their success as "individual achievements that have a positive impact on others."

Are You a Giver, a Taker, or a Matcher?
Grant proposes that we all assume one of three basic approaches toward others—that of a *giver*, a *taker*, or a *matcher*.

- *Givers focus on what others need and give selflessly.* They give time and energy, or anything else that is asked of them, without expecting anything in return. Grant uses the example of billionaire Jon Huntsman Sr.,

founder of Huntsman Chemical, who once left $200 million on the table when negotiating with a man whose wife had just died, simply because he thought it was the right thing to do. As leaders, givers more easily delegate and collaborate with others, listen to others, give credit to others, and share power and responsibility.

- *Takers put their own interests first.* Takers are selfish people who want to win, no matter who else loses. As leaders, they typically try to influence others by gaining dominance and control over them. They collaborate only when it benefits them personally and rarely share credit for successes. Takers often win in the short run, but they are much less likely to build success over the long term.
- *Matchers strive for a balance of giving and taking.* Matchers try to achieve an equal balance between what they give and what they get in return. As leaders,

they network and collaborate strategically, expecting something in return that will be of benefit to them. They play a juggling act in an effort to serve their individual interests while still being fair to others.

Does it Pay to Be Nice?
Grant applies scientific research and weaves in numerous real-life stories to support his premise that givers end up being the most successful among the three groups. His advice is to "focus attention and energy on making a difference in the lives of others, and success might follow as a by-product." Leaders who are givers help a wide range of people in the organization, develop everyone's skills to support the greater good, and strive to bring out the best in everyone. By investing in the success of their followers, leaders who are givers build their own success and a legacy of enduring greatness.

Source: *Give and Take,* by Adam Grant, is published by Viking.

with other factors. A few traits typically considered highly important for leadership are optimism and self-confidence, honesty and integrity, and humility.

2-1a Optimism and Self-Confidence

Optimism refers to a tendency to see the positive side of things and expect that things will turn out well. Numerous surveys indicate that optimism is the single characteristic most common to top executives. People rise to the top because they can see opportunities where others see problems and can instill in others a sense of hope for the future. Leaders at all levels need some degree of optimism to see possibilities even through the thickest fog and rally people around a vision for a better tomorrow.

The value of optimism is revealed in a finding by Met Life that applicants who failed the regular sales aptitude test but scored high on optimism made 21 percent more sales in their first year and 57 percent more sales in their second year than those who passed the sales test but scored high on pessimism.[8] Although experiments support the notion that people possess ingrained tendencies toward

❝What I've really learned over time is that optimism is a very, very important part of leadership.... People don't like to follow pessimists.❞

Robert Iger,
Executive Chairman and former CEO of The Walt Disney Company

Optimism
a tendency to see the positive side of things and expect that things will turn out well

Exhibit 2.1

Some Leader Characteristics

Personal Characteristics	Social Characteristics
Energy	Sociability, interpersonal skills
Passion	Cooperativeness
Humility	Ability to enlist cooperation
Physical stamina	Tact, diplomacy
Intelligence and Ability	**Work-Related Characteristics**
Intelligence, cognitive ability	Drive, desire to excel
Knowledge	Dependability
Judgment, decisiveness	Fair-mindedness
Personality	Perseverance, tenacity
Optimism	**Social Background**
Cheerfulness	Education
Self-confidence	Mobility
Honesty and integrity	
Charisma	
Desire to lead	
Independence	

Sources: Stephen J. Zaccaro, Jennifer P. Green, Samantha Dubrow, and MaryJo Koize, "Leader Individual Differences, Situational Parameters, and Leadership Outcomes: A Comprehensive Review and Integration," *The Leadership Quarterly* 29 (2018), pp. 2-43; *Bass and Stogdill's Handbook of Leadership: Theory, Research, and Management Applications,* 3rd ed. (New York: The Free Press, 1990), pp. 80–81; and S. A. Kirkpatrick and E. A. Locke, "Leadership: Do Traits Matter?" *Academy of Management Executive* 5, no. 2 (1991), pp. 48–60.

Optimism bias
the tendency to under-estimate the possibility of experiencing negative events

Put It Into Practice 2.1

To enhance your optimism, the next time you encounter a challenging situation, intentionally focus on the positive rather than the negative aspects of dealing with that situation. Write down the positive aspects you identified.

either optimism or pessimism, leaders can train themselves to deliberately focus on the positive rather than the negative and interpret situations in more positive, optimistic ways.[9]

Inherent optimism was essential to Gail McGovern when she took over as CEO of the American Red Cross. The Red Cross was in deep financial trouble. She had to make painful cuts by laying off people and slashing the bureaucracy, for which she was severely criticized. McGovern saw the transformation through during a time of major disasters. The Red Cross is on its feet again, probably because, "I am an eternal optimist," McGovern said.[10]

Leader over-optimism, however, can have a downside. **Optimism bias** is the tendency for people to underestimate the possibility of experiencing negative events. This bias can cause inaccurate strategic projections of costs, demand, and other aspects of planning.[11] Acting on over-optimism can cause a leader to misjudge decisions and project outcomes and mislead followers and others. For example, although it is important for leaders to be optimistic, they must also be accurate with followers, customers, and other stakeholders. Dennis Muilenburg, the former CEO of Boeing, may have allowed optimism bias to lull him into overconfidence and an unwillingness to tell people the hard truth. After

Boeing's 737 MAX jet was involved in two fatal crashes, Muilenburg kept assuring directors, regulators, employees, and the public that the problems were easily fixed and that the jet would soon be flying again. His overly optimistic projections misled the U.S. Congress, the airlines, and the public and led to his replacement.[12] Optimism, it is clear, must be paired with "reality testing," conscientiousness, and accuracy.[13]

A related characteristic is having a positive attitude about oneself. Leaders who know themselves develop **self-confidence**, which is general assurance in one's own judgments, decision making, ideas, and capabilities. Self-confidence doesn't mean being arrogant and prideful but rather knowing and trusting in oneself. Self-confidence is related to *self-efficacy*, which refers to a strong belief that one can successfully accomplish a specific task or outcome.[14] Leaders who have positive self-images and display certainty about their ability to achieve an outcome foster confidence among followers, gain respect and admiration, and create motivation and commitment among followers for the mission at hand.

Active leaders need self-confidence and optimism. How many of us willingly follow leaders who are jaded and pessimistic, or those who obviously don't believe in themselves? Leaders initiate change, and they often must make decisions without adequate information. Without the confidence to move forward and believe things will be okay, even if an occasional decision is wrong, leaders could be paralyzed into inaction. Setbacks have to be overcome. Risks have to be taken. Competing points of view have to be managed, with some people left unsatisfied. The characteristics of optimism and self-confidence enable a leader to face these challenges.[15]

2-1b Honesty and Integrity

Effective leaders are ethical leaders. One aspect of being an ethical leader is being honest with followers, customers, shareholders, and the public, and maintaining one's integrity. **Honesty** refers to truthfulness and nondeception. It implies an openness that followers welcome. For example, António Horta-Osório, CEO of Lloyd's Banking Group, decided to be honest with everyone about his struggles with mental health. He had no idea what would happen, since admitting to mental health struggles had previously been inconceivable for a top leader. However, the honesty helped followers feel more trust in him, and his openness generally brought praise rather than criticism.[16] **Integrity** means that a leader's character is whole, integrated, and grounded in solid ethical principles, and the leader acts in keeping with those principles, even when no one is looking. Leaders who model their ethical convictions through their daily actions command admiration, respect, and loyalty.

Honesty and integrity are the foundation of trusting and productive relationships between leaders and followers. Many people today are wary of authority and the deceptive use of power, and they are hungry for leaders who hold high moral standards. Successful leaders have also been found to be highly consistent, doing exactly what they say they will do when they say they will do it. Successful leaders prove themselves trustworthy. They adhere to basic ethical principles and consistently apply them in their leadership. One survey of 1,500 managers asked the values most desired in leaders. Honesty and integrity topped the list. The authors concluded:

Self-confidence
assurance in one's own judgments, decision making, ideas, and capabilities

Honesty
truthfulness and nondeception

Integrity
the quality of being whole and integrated and acting in accordance with solid ethical principles

> *Honesty is absolutely essential to leadership. After all, if we are willing to fol-*
> *low someone, whether it be into battle or into the boardroom, we first want to*
> *assure ourselves that the person is worthy of our trust. We want to know that he*
> *or she is being truthful, ethical, and principled. We want to be fully confident*
> *in the integrity of our leaders.*[17]

2-1c Humility

Humility
being unpretentious and modest rather than arrogant and prideful

Another important leadership trait that has gained growing attention in recent years is humility. As defined in Chapter 1, **humility** means being unpretentious and modest rather than arrogant and prideful. Leader humility incorporates five essential characteristics:[18]

1. A clear and accurate self-awareness
2. An appreciation of others and recognition of the contributions of others
3. An openness to learning from others
4. A modest ego and low self-focus
5. An orientation toward serving others

Leadership Practice: Know Yourself 2.1

Rate Your Optimism

Instructions: This questionnaire is designed to assess your level of optimism as reflected in your hopefulness about the future. There are no right or wrong answers. Please indicate your personal feelings about whether each statement is Mostly False or Mostly True by checking the answer that best describes your attitude or feeling.

	Mostly False	Mostly True
1. I nearly always expect a lot from life.	_____	_____
2. I try to anticipate when things will go wrong.	_____	_____
3. I always see the positive side of things.	_____	_____
4. I often start out expecting the worst, although things usually work out okay.	_____	_____
5. I expect more good things to happen to me than bad.	_____	_____
6. I often feel concern about how things will turn out for me.	_____	_____
7. If something can go wrong for me, it usually does.	_____	_____
8. Even in difficult times, I usually expect the best.	_____	_____
9. I am cheerful and positive most of the time.	_____	_____
10. I consider myself an optimistic person.	_____	_____

Scoring and Interpretation

Give yourself one point for checking Mostly True for items 1, 3, 5, 8, 9, 10. Also give yourself one point for checking Mostly False for items 2, 4, 6, 7. Enter your score here: _____ If your score is 8 or higher, it may mean that you are high on optimism. If your score is 3 or less, your view about the future may be pessimistic. For the most part, people like to follow a leader who is optimistic rather than negative about the future. However, too much optimism may exaggerate positive expectations that are never fulfilled. If your score is low, what can you do to view the world through a more optimistic lens?

Source: These questions were created based on several sources.

Leaders can get into trouble if positive attitudes such as optimism and self-confidence are not tempered by humility. Good leaders do not let self-confidence lead to arrogance and blind them to their own failings. They work for a clear awareness of their weaknesses as well as their strong points, are open to learning from others, and express appreciation for the contributions of others. These leaders may sometimes be highly ambitious and competitive, but they serve the best interests of followers and the organization rather than their own egos. Jim Kavanaugh, a former professional soccer player with a blue-collar background, provides an illustration. Kavanaugh founded World Wide Technology LLC on a shoestring when he was 28 years old and built it into a global enterprise with $13.4 billion in annual revenue and about 7,000 employees. Now with a net worth of $2.3 billion, Kavanaugh is praised for his humble and collaborative leadership style as CEO of the company. Kavanaugh says, "Ego can destroy great companies and [prevent] great teams from ever getting to their full potential."[19]

Kavanaugh ranked number 9 on a list of the 25 highest-rated U.S. CEOs for their leadership during the COVID-19 pandemic, based on a survey of employee approval ratings by Glassdoor. Humility helps to build the trust that is essential to help people through difficult times. Halla Tómasdóttir, CEO of The B Team and co-founder of Reykjavik University, said, "what [the COVID] crisis has shown us is that the leadership style of 'I know it all' is not a good leadership style for this moment or any other challenge we . . . need to deal with collectively, collaboratively, with compassion, and with care."[20]

The now-former CEO of Great Canadian Gaming Corporation demonstrated the opposite of humility when he violated quarantine rules and jumped vaccine lines during the pandemic, traveling to a remote, largely indigenous town in northern Canada and getting the vaccine after claiming to be a new employee at an area motel. John Streicker, Yukon's Community Services Minister, said, "I am outraged by this selfish behavior." Great Canadian's board wasn't pleased either, and the CEO resigned soon after the incident.[21]

Some companies, including apparel company Patagonia and Mumbai-based Indian Hotels, which operates the luxury Taj Hotels in the United States, have started screening for humility among candidates for jobs or promotions because humble people are more inclusive and collaborative, inspire better teamwork, and promote more rapid learning and higher performance.[22]

2-1d Good and Bad Traits as Perceived by Followers

The appropriateness of a trait or set of traits often depends on the leadership situation, but some traits are valuable for all leaders. In addition to characteristics such as humility, optimism, honesty, and self-confidence, described in the previous sections, a leader's knowledge and work ethic, intelligence, and interpersonal skills contribute to effective leadership. Exhibit 2.2 shows the 10 most common traits that people disliked in "bad managers" compared to the 10 most common traits people saw in those considered "great managers," based on a survey of nearly 5,000 people in the United States.[23] People want leaders who work hard, are honest and self-confident, and maintain a positive attitude. Review the other characteristics in Exhibit 2.2 and see where you think your traits and strengths as perceived by others might fit.

> **Put It Into Practice 2.2**
> Practice humility for four hours today by making no comparisons of yourself or your work to others and by not judging others negatively. If you find yourself feeling superior to or mentally criticizing another person, say to yourself, "Make no comparisons."

Exhibit 2.2

Perceived Traits of Bad versus Great Organizational Leaders

The 10 Most Common Traits among Bad Leaders		The 10 Most Common Traits among Great Leaders

The 10 Most Common Traits among Bad Leaders

Doesn't communicate clear expectations
58%

Plays favorites
57%

Doesn't show concern for my career and personal development
55%

Bad-mouths people behind their backs
54%

Isn't open or interested in feedback
54%

Wants to prove they are right
52%

Isn't self-aware
51%

Betrays trust
51%

Doesn't listen
50%

Puts their needs first
48%

The 10 Most Common Traits among Great Leaders

Has a strong work ethic
82%

Is honest
80%

Has a sense of humor
79%

Is confident
79%

Has a positive attitude
79%

Makes good decisions
78%

Recognizes me when I do good work
76%

Is passionate about their job
75%

Is highly knowledgeable in the area they manage
75%

Has a good grasp of the entire business
75%

Source: The Predictive Index People Management Study, June 2018 online survey of 4,273 respondents in 22 industries, www.predictiveindex.com /management-survey-2018/ (accessed July 17, 2020).

In Chapter 4, we will further consider individual characteristics and qualities that play a role in leadership effectiveness. However, good leaders know it isn't just about identifying specific individual traits but rather understanding one's own unique set of strengths and capabilities and learning how to make the most of them.

Remember This:

- A large number of personal traits and abilities have been associated with successful leaders, but traits themselves are not sufficient to guarantee effective leadership.
- Some traits associated with effective leadership include optimism, self-confidence, honesty, and humility.
- **Optimism** is the tendency to see the positive side of things and expect that things will turn out well. **Optimism bias** is the tendency to underestimate the possibility of experiencing negative events.
- Former Boeing CEO Dennis Muilenburg may have allowed optimism bias to prevent him from seeing the hard reality about the 737 MAX jet, which escalated the crisis that occurred after two fatal crashes of the jet.
- **Self-confidence** means assurance in one's own judgments, decision making, ideas, and capabilities.
- **Honesty** means truthfulness and nondeception. **Integrity** is the quality of being whole and integrated and acting in accordance with solid ethical principles.
- Leader humility incorporates five essential characteristics: clear and accurate self-awareness, appreciation of others and recognition of the contributions of others, openness to learning from others, modest ego and low self-focus, and an orientation toward serving others.

2-2 Know Your Strengths

Some people tend to think a leader should have a complete set of skills, characteristics, and abilities to handle any problem, challenge, or opportunity that comes along.[24] This myth of the "complete leader" can cause stress and frustration for leaders and followers, as well as damage to the organization.[25] *Interdependence* is the key to effective leadership. Sixty percent of leaders in one survey acknowledge that leaders face challenges that go beyond any individual's capabilities.[26] Therefore, the best leaders recognize and hone their strengths while trusting and collaborating with others to make up for their weak points.

Everyone has strengths, but many leaders fail to recognize and apply them, often because they are hampered by the idea that they should be good at everything. Benjamin Franklin referred to wasted strengths as "sundials in the shade."[27] Only when leaders understand their strengths can they use these abilities effectively to make their best contribution.

2-2a What Are Strengths?

A **strength** arises from a natural talent that has been supported and reinforced with knowledge and skills.[28] Talents can be thought of as innate traits and naturally recurring patterns of thought, feeling, and behavior. One person might be naturally outgoing and curious, for example; another might have a natural talent for being organized. Once recognized, talents can be turned into strengths by consciously developing and enhancing them with learning and practice. Unless they

Strength
a natural talent or ability that has been supported and reinforced with learned knowledge and skills

are honed and strengthened and put to use, talents are merely aspects of one's potential.

Nancy Dubec, CEO of Vice Media and previous CEO of A&E Networks, believes people typically have strengths that fall into the categories of "thinker, doer, or feeler." The right balance, she says, is essential for any team or organization to perform well. Dubec realizes that her strengths place her in the *doer* category, so she is careful to make sure she has thinkers and feelers on her management team and to respect their strengths and leadership approaches.[29]

As another example of recognizing strengths, Stuart McClure, who left a job as chief technology officer at McAfee to start information security company Cylance (now owned by BlackBerry), also fits in the *doer* category. McClure worked through assessment exercises administered by Development Dimensions International (DDI) to develop greater self-awareness. He learned that he shows significant strength in getting things done, but that he tends to take on too much and be impatient when interrupted by people or ideas outside his immediate interests. This understanding encouraged McClure to surround himself with people who display the strengths he lacks.[30]

One neat thing about understanding your strengths is the philosophy "concentrate on your strengths, not your weaknesses." Although it is important to know your weak points, you excel in life by maximizing your strengths, not by fixing your weaknesses. When you live and work from your strengths, you are more motivated, competent, and satisfied. Strengths are important because you can focus your life around them, and your energy, enthusiasm, and effectiveness can be the basis of your leadership. When people use their talents and strengths, they feel good and enjoy their work without extra effort; hence they are effective and make a positive contribution.

How does a leader know which traits or behavior patterns can be turned into strengths? Warren Buffett recommends that people do what fits their natural interests and abilities, which is reflected in the work they like to do. Buffett says he finds investing so much fun that he would do it for free. Buffett tried other work early in his career but found it so unsatisfying that he knew he wouldn't want to do it for any amount of money. The legendary self-made billionaire and chairman of Berkshire Hathaway was the fourth richest person in the world in 2020. Yet it isn't the money that drives him, but the love of the work. His career advice is to find work or a career that you really enjoy, and it will fit the natural strengths of your mental wiring.[31]

2-2b How Leaders Can Use Strengths

Tami Heim, former executive vice president of Thomas Nelson Publishers (now president and CEO of the Christian Leadership Alliance), believes leaders can do their best work when they know and apply their strengths. Heim completed a questionnaire called the StrengthsFinder, which identifies 34 key strengths, and asked her entire management team at Thomas Nelson to do the same. Each member of the team discovered a different set of strengths, and each member knew everyone else's strengths. When new projects came up, people were asked to participate, or volunteer, based on the tasks for which they had a natural ability, which made projects fun and kept people motivated. Heim's managers were also free to stretch themselves by taking unusual assignments to develop new strengths.[32]

Put It Into Practice 2.3

Think about one activity during or outside of school or work that you most enjoy and write it down. Next, identify and write down which of your personal strengths (such as energy, intelligence, sociability, competitiveness, etc.) you believe makes this so enjoyable for you.

The reason that learning about strengths is so important is that many people are unaware or in some form of denial about themselves. It is hard to see oneself clearly and objectively. When individuals rate dimensions of their own personality, the ratings typically do not correlate very strongly with other people's ratings of them.[33] Most people, leaders included, typically have an inflated or distorted view of themselves in some areas. Interestingly, most people can describe their weaknesses more readily than their strengths.

Just as the executives on Tami Heim's senior management team boosted their potential by understanding where their natural capabilities lie, you will develop into an effective leader more quickly if you discover your own unique set of strengths and capabilities and learn how to make the most of them. You can also have direct reports assess their strengths and share that information with others on the team. People have to think very carefully and intentionally to identify their strengths. A good first step is to use a comprehensive questionnaire-type instrument to gain self-insight, such as Tami Heim did. You can take the StrengthsFinder test by acquiring the book, *StrengthsFinder 2.0* by Tom Rath, which covers 34 leader strengths related to strategic thinking, relationship building, influencing others, and executing. A free alternative strengths instrument is the HIGH5 test, which is available online.

Fully applying a great personal strength can also boost a leader's career. Jeff Bezos, founder and executive chairman of Amazon, provides a good illustration of applying a great strength. Andy Jassy, who took over the Amazon CEO job in 2021, said Bezos is "an unbelievably big thinker," who can get other people to believe in and commit to a long-term vision. Bezos is open to learning and incorporating new ideas, but he remains stubborn about the big picture vision.[34]

Remember This:

- Natural traits and behavior patterns can be developed into strengths. A strength arises from a natural talent that has been supported and reinforced with knowledge and skills.
- Leaders can be more effective when they are in positions that best match their strengths, but research shows that most people can describe their weaknesses more readily than their strengths.
- Tami Heim used the knowledge of her own and her executive team members' strengths to allocate tasks and keep her team performing at a top level while enjoying their roles.
- Jeff Bezos applied his strength of thinking big to create and commit to a long-term vision to build Amazon into a global powerhouse.

2-3 Behavior Approaches

As suggested in the previous discussion, strengths are not just personal traits but also patterns of behavior. Rather than looking at an individual's personal traits, diverse research programs on leadership behavior have sought to uncover the behaviors that effective leaders engage in. Behaviors can be learned more readily than traits, enabling leadership to be accessible to all.

2-3a Autocratic versus Democratic Behaviors

One study that served as a precursor to the behavior approach recognized auto-cratic and democratic leadership styles. An **autocratic** leader is one who tends to centralize authority and make all the decisions with little or no input from subor-dinates. Team members or subordinates have little involvement in important deci-sions. A **democratic** leader delegates authority to others, encourages participation, and relies on subordinates' knowledge for completion of tasks.

The first studies on these leadership behaviors were conducted at the University of Iowa by Kurt Lewin and his associates.[35] The research included groups of chil-dren, each with its own designated adult leader who was instructed to act in either an autocratic or a democratic style. These experiments produced some interesting findings. The groups with autocratic leaders performed highly so long as the leader was present to supervise them. However, group members were displeased with the close, autocratic style of leadership, and feelings of hostility frequently arose. The performance of groups who were assigned democratic leaders was almost as good, and these groups were characterized by positive feelings rather than hostility. In addi-tion, under the democratic style of leadership, group members performed well even when the leader was absent. The participative techniques and majority-rule decision making used by the democratic leader trained and involved the group members so that they performed well with or without the leader present.

These characteristics of democratic leadership may partly explain why the empowerment of employees is a popular trend in companies today. This chapter's Think on This box presents the notion that democratic leaders may get better re-sults because they allow followers to feel their own power and worth.

Autocratic leadership has a negative connotation for many people today, but it is still used effectively in many organizations, including those operating in danger-ous conditions, such as the military, police, and fire services, and in many sports teams. Some business leaders also succeed with a primarily autocratic leadership approach. Martha Stewart, founder of Martha Stewart Living Omnimedia, is known for scrutinizing her employees' work closely to make sure everything is done ac-cording to her rules and standards. "I can be fair and decisive, and encouraging as well as demanding," Stewart says.[36]

Autocratic
a leader who tends to centralize authority and make all the decisions with little or no input from subordinates

Democratic
a leader who dele-gates authority to others, encourages participation, and relies on subordinates' knowledge for making decisions and comple-tion of tasks

Think on This: Minimal Leadership

When the Master governs, the people are hardly aware that he [she] exists.

Next best is a leader who is loved.

Next, one who is feared.

The worst is one who is despised.

If you don't trust the people, you make them untrustworthy.

The Master doesn't talk, he [she] acts.

When his [her] work is done, the people say, "Amazing: we did it all by ourselves."

What do you think?

Source: From *Tao Te Ching,* translated by S. Mitchell (New York: Harper Perennial, 1988), p. 17.

Early work in this area implied that leaders were either autocratic or democratic in their approach. However, further work by Tannenbaum and Schmidt indicated that leadership behavior could exist on a continuum reflecting different amounts of employee participation.[37] Thus, one leader might be autocratic (boss-centered), another democratic (subordinate-centered), and a third a mix of the two styles. Exhibit 2.3 illustrates the leadership continuum.

Tannenbaum and Schmidt also suggested that the extent to which leaders should be boss-centered or subordinate-centered depended on organizational circumstances and that leaders might adjust their behaviors to fit the circumstances. For example, if there is time pressure on a leader, or if it takes too long for subordinates to learn how to make decisions, the leader will tend to use an autocratic style. When subordinates are able to learn decision-making skills readily, a democratic style can be used. Also, the greater the skill difference, the more autocratic the leader approach because it is difficult to bring subordinates up to the leader's expertise level.[38]

Jack Hartnett, former president of D. L. Rogers Corporation and franchise owner of 54 Sonic drive-in restaurants, provides a good example of the autocratic leadership style. He tells workers to "do it the way we tell you to do it," rather than asking for their input or suggestions.[39] The style works well in the fast-food restaurant business where turnover is typically high and many employees are young and low skilled. In contrast, Warren Buffett, mentioned earlier, illustrates a democratic leader style. The legendary chairman and CEO of Berkshire Hathaway is considered one of the world's best managers, but he isn't closely involved in the day-to-day management of all the businesses Berkshire owns. He trusts the managers of the various units, who are highly skilled professionals able and willing to take responsibility for their own task behavior.[40] Buffett's democratic leadership

Put It Into Practice 2.4

Practice using a democratic leadership style by guiding a small group of your friends to collaboratively make a decision about a simple activity, such as where to eat lunch or which movie to see. Write down your feelings about using a democratic style.

Put It Into Practice 2.5

Practice using an autocratic style by insisting on your way for a simple joint activity, such as where to eat lunch. Write down your feelings about using the autocratic style.

Exhibit 2.3

Leadership Continuum

Boss-Centered Leadership ⟷ Subordinate-Centered Leadership

Use of authority by manager

Area of freedom for subordinates

Manager makes decision and announces it	Manager presents ideas and invites questions	Manager presents problem, gets suggestions, makes decision	Manager permits subordinates to function within limits defined by superior
Manager "sells" decision	Manager presents tentative decision subject to change	Manager defines limits, asks group to make decision	

Source: *Harvard Business Review.* An exhibit from Robert Tannenbaum and Warren Schmidt, "How to Choose a Leadership Pattern" (May–June 1973). Copyright 1973 by the president and Fellows of Harvard College.

style is reflected in an excerpt from a memo he sent to top managers: "Talk to me about what is going on as little or as much as you wish. Each of you does a first-class job of running your operation with your own individual style and you don't need me to help."[41]

The findings about autocratic and democratic leadership in the original University of Iowa studies indicated that leadership behavior had a definite effect on outcomes such as follower performance and satisfaction. Equally important was the recognition that effective leadership was reflected in behavior, not simply by what personality traits a leader possessed.

2-3b Ohio State Studies

The idea that leadership is reflected in behavior and not just personal traits provided a focus for subsequent research. One early series of studies on leadership behavior was conducted at The Ohio State University. Researchers conducted surveys to identify specific dimensions of leader behavior. Narrowing a list of nearly 2,000 leader behaviors into a questionnaire containing 150 examples of definitive leader behaviors, they developed the Leader Behavior Description Questionnaire (LBDQ) and administered it to employees.[42] Hundreds of employees responded to various examples according to the degree to which their leaders engaged in the behaviors. The analysis of ratings resulted in two wide-ranging categories of leader behavior, later called *consideration* and *initiating structure*.

Consideration describes the extent to which a leader cares about subordinates, respects their ideas and feelings, and establishes mutual trust. Showing appreciation, listening carefully to problems, and seeking input from subordinates regarding important decisions are all examples of consideration behaviors.

Initiating structure describes the extent to which a leader is task oriented and directs subordinates' work activities toward goal achievement. This type of leader behavior includes directing tasks, getting people to work hard, planning, providing explicit schedules for work activities, and ruling with an iron hand.

Although many leaders fall along a continuum that includes both consideration and initiating structure behaviors, these behavior categories are independent of one another. In other words, a leader can display a high degree of both behavior types or a low degree of both behavior types. Additionally, a leader might demonstrate high consideration and low initiating structure, or low consideration and high initiating structure behavior. Research indicates that all four of these leader style combinations can be effective.[43] The following examples describe two leaders who display different types of leadership behavior that correlate to the *consideration* and *initiating structure* styles.

Nick Saban, who has won six national championships as head coach of the University of Alabama football team, provides an example of a leader high on initiating structure. Over his years as a coach, Saban has developed a methodical, efficient, task-focused approach that aims to bring out the best performance from each player. Saban believes getting 18- to 22-year-olds to work even harder to get better after winning a national championship requires keeping people focused on tasks, analyzing what's working and what's not, solving problems, and aggressively embracing new approaches that help people improve.[44]

An example of a leader high on consideration is the U.S. Army sergeant major described by Augusto Giacoman, a partner at Strategy &, PricewaterhouseCooper's strategy consulting business. Giacoman says when this sergeant major first came

Consideration
the extent to which a leader is sensitive to subordinates, respects their ideas and feelings, and establishes mutual trust

Initiating structure
the extent to which a leader is task oriented and directs subordinates' work activities toward goal achievement

Leadership Practice: Know Yourself 2.2

What's Your Leadership Orientation?

Instructions: The following questions ask about your personal leadership orientation. Each item describes a specific kind of behavior but does not ask you to judge whether the behavior is desirable or undesirable.

Read each item carefully. Think about how often you engage in the behavior described by the item in a work or school group. Please indicate whether each statement is Mostly False or Mostly True by checking the answer that best describes your behavior.

	Mostly False	Mostly True
1. I put into operation suggestions agreed to by the group.	_____	_____
2. I treat everyone in the group with respect as my equal.	_____	_____
3. I back up what other people in the group do.	_____	_____
4. I help others with their personal problems.	_____	_____
5. I bring up how much work should be accomplished.	_____	_____
6. I help assign people to specific tasks.	_____	_____
7. I frequently suggest ways to fix problems.	_____	_____
8. I emphasize deadlines and how to meet them.	_____	_____

Scoring and Interpretation

Consideration behavior score—count the number of checks for Mostly True for items 1–4. Enter your consideration score here: _____.

A higher score (3 or 4) suggests a relatively strong orientation toward consideration behavior by you as a leader. A low score (2 or less) suggests a relatively weak consideration orientation.

Initiating structure behavior score—count the number of checks for Mostly True for items 5–8. Enter your initiating structure score here: _____.

A higher score (3 or 4) suggests a relatively strong orientation toward initiating structure behavior by you as a leader. A low score (2 or less) suggests a relatively weak orientation toward initiating structure behavior.

Source: Sample items adapted from: Edwin A Fleishman's *Leadership Opinion Questionnaire* (Copyright 1960, Science Research Associates, Inc., Chicago, IL). This version is based on Jon L. Pierce and John W. Newstrom, *Leaders and the Leadership Process: Readings, Self-Assessments & Applications,* 2nd ed. (Boston: Irwin McGraw-Hill, 2000).

to their battalion, he gathered all the officers together and played a video of the classic children's story *The Giving Tree,* by Shel Silverstein. The story describes an enduring relationship of unconditional, self-sacrificing love between a tree and a little boy. "In the silence after the video ended," Giacoman says, the sergeant major "uttered a simple command before dismissing us: 'Be the Giving Tree for your soldiers.' It was the most powerful leadership training I had ever received." Giacoman continued, "As officers, my colleagues and I technically outranked him. But if he had told us to jump, we would not have hesitated to ask how high—and how soft we should land."[45]

Additional studies that correlated these two leader behavior types and impact on subordinates initially demonstrated that "considerate" supervisors had a more positive impact on subordinate satisfaction than did "structuring" supervisors.[46] For example, when leader effectiveness was defined by voluntary turnover or amount of grievances filed by subordinates, considerate leaders generated less turnover and fewer grievances. But research that used performance criteria, such as group output and productivity, showed initiating structure behavior was rated

more effective. Other studies involving aircraft commanders and university department heads revealed that leaders rated effective by subordinates exhibited a high level of both consideration and initiating structure behaviors, whereas leaders rated less effective displayed low levels of both behavior styles.[47]

2-3c University of Michigan Studies

Studies at the University of Michigan took a different approach by directly comparing the behavior of effective and ineffective supervisors.[48] The effectiveness of leaders was determined by productivity of the subordinate group. Initial field studies and interviews at various job sites gave way to a questionnaire not unlike the LBDQ, called the Survey of Organizations.[49]

Over time, the Michigan researchers established two types of leadership behavior, each type consisting of two dimensions.[50] First, **employee-centered** leaders display a focus on the human needs of their subordinates. Leader support and interaction facilitation are the two underlying dimensions of employee-centered behavior. This means that in addition to demonstrating support for their subordinates, employee-centered leaders facilitate positive interaction among followers and seek to minimize conflict. The employee-centered style of leadership roughly corresponds to the Ohio State concept of consideration.

In contrast to the employee-centered leader, the **job-centered** leader directs activities toward scheduling, accomplishing tasks, and achieving efficiency. Goal emphasis and work facilitation are dimensions of this leadership behavior. By focusing on reaching task goals and facilitating the structure of tasks, job-centered behavior approximates that of initiating structure.

However, unlike the consideration and initiating structure styles defined by the Ohio State studies, Michigan researchers considered employee-centered leadership and job-centered leadership to be distinct styles in opposition to one another. A leader is identifiable by behavior characteristic of one or the other style but not both. Another hallmark of later Michigan studies is the acknowledgment that often the behaviors of goal emphasis, work facilitation, support, and interaction facilitation can be meaningfully performed by a subordinate's peers rather than only by the designated leader. Other people in the group could supply these behaviors, which enhanced performance.[51]

In addition, while leadership behavior was demonstrated to affect the performance and satisfaction of subordinates, performance was also influenced by other factors related to the situation within which leaders and subordinates worked. The importance of situation will be explored in the next chapter.

2-3d The Leadership Grid

Blake and Mouton of the University of Texas proposed a two-dimensional leadership theory called the **Leadership Grid** that builds on the work of the Ohio State and Michigan studies.[52] Based on a week-long seminar, researchers rated leaders on a scale of one to nine according to two criteria: the concern for people and the concern for production. The scores for these criteria are plotted on a grid with an axis corresponding to each concern. Exhibit 2.4 depicts the two-dimensional model and five of the seven major leadership styles.

Team management (9,9) is often considered the most effective style and is recommended because organization members work together to accomplish tasks.

Employee-centered
a leadership behavior that displays a focus on the human needs of subordinates

Job-centered
leadership behavior in which leaders direct activities toward efficiency, cost-cutting, and scheduling, with an emphasis on goals and work facilitation

Leadership Grid
a two-dimensional leadership model that describes major leadership styles based on measuring both concern for people and concern for production

Exhibit 2.4

The Leadership Grid® Figure

1,9 **Country Club Management** Thoughtful attention to the needs of people for satisfying relationships leads to a comfortable, friendly organization atmosphere and work tempo.		**9,9** **Team Management** Work accomplishment is from committed people; interdependence through a "common stake" in organization purpose leads to relationships of trust and respect.
	5,5 **Middle-of-the-Road Management** Adequate organization performance is possible through balancing the necessity to get out work with maintaining morale of people at a satisfactory level.	**Authority-Compliance** **Management** Efficiency in operations results from arranging conditions of work in such a way that human elements interfere to a minimum degree.
Impoverished Management Exertion of minimum effort to get required work done is appropriate to sustain organization membership. **1,1**		**9,1**

Vertical axis: **Concern for People** (High 9 to Low 1)
Horizontal axis: **Concern for Results** (Low 1 to High 9)

Source: The Leadership Grid figure from *Leadership Dilemma—Grid Solutions* by Robert R. Blake and Anne Adams McCanse (formerly the Managerial Grid by Robert R. Blake and Jane S. Mouton). Houston: Gulf Publishing Company, p. 29. Copyright 1991 by Scientific Methods, Inc. Reproduced by permission of the owners.

Country club management (1,9) occurs when primary emphasis is given to people rather than to work outputs. *Authority-compliance management* (9,1) occurs when efficiency in operations is the dominant orientation. *Middle-of-the-road management* (5,5) reflects a moderate amount of concern for both people and production. *Impoverished management* (1,1) means the absence of a leadership philosophy; leaders exert little effort toward interpersonal relationships or work accomplishment. Consider these examples:

Denise Morrison, CEO of Campbell Soup Company from 2011 through 2018, is a strong proponent of empowerment and employee engagement. She has been referred to as "tough on the issues but tender on people." At Campbell, Morrison was known to be patient and supportive, even though she could make difficult operational decisions without letting her emotions cloud her judgment.[53]

Compare Morrison's approach to that of Michael Arrington, founder of TechCrunch, the online news site that focuses on high-tech and startup companies. Arrington says he started TechCrunch because he enjoyed the research and writing, and he admits he wasn't very good at the "people management" part of the job. He says his

style is to bust down doors and clean up the mess later. Recognizing his weak point in being a leader of people, Arrington hired Heather Harde as CEO of the company, which enabled TechCrunch to grow and allowed Arrington to focus on what he was best at doing. Both Arrington and Harde have since left the company.[54]

The leadership of Denise Morrison is characterized by high concern for people and moderate concern for tasks and production. Michael Arrington, in contrast, is high on concern for production and relatively low on concern for people. In each case, both concerns shown in The Leadership Grid are present, but they are integrated in different amounts.

2-3e Theories of a "High-High" Leader

The leadership styles described by the researchers at Ohio State, University of Michigan, and University of Texas pertain to variables that roughly correspond to one another: consideration and initiating structure; employee-centered and job-centered; concern for people and concern for production. The research into the behavior approach culminated in two predominate types of leadership behaviors—people-oriented and task-oriented. Exhibit 2.5 illustrates how the various studies fall within these two behavior categories and lists some behaviors that are representative of each type of leadership.

Exhibit 2.5

Themes of Leader Behavior Research

Examples of Leader Behaviors

People-Oriented Behaviors	**Task-Oriented Behaviors**
• Acknowledge accomplishments	• Clarify task objectives and job responsibilities
• Respect people	• Set performance expectations
• Be positive	• Plan use of resources
• Give time and encouragement	• Coordinate activities
• Show acceptance and compassion	• Check progress and quality of work
• Display trust	• Evaluate performance

Research Studies	**Leadership Style**	
Ohio State University	Consideration	Initiating Structure
University of Michigan	Employee-Centered	Job-Centered
University of Texas	Concern for People	Concern for Production

Sources: Based on the taxonomy of leadership behaviors in Gary Yukl, "Effective Leadership Behavior: What We Know and What Questions Need More Attention," *Academy of Management Perspectives* 26 (2010), pp. 66–85; and Peter Behrendt, Sandra Matz and Anja S. Göritz, "An Integrative Model of Leadership Behavior," *The Leadership Quarterly* 28 (2017), pp. 229–244.

The findings about two underlying dimensions and the possibility of leaders rated high on both dimensions raise three questions to think about. The first question is whether these two dimensions are the most important behaviors of leadership. Certainly, these two behaviors are important. They capture fundamental, underlying aspects of human behavior that must be considered for organizations to succeed. One reason why these two dimensions are compelling is that the findings are based on empirical research, which means that researchers went into the field to study real leaders across a variety of settings. When independent streams of field research reach similar conclusions, they probably represent a fundamental theme in leadership behavior. A review of 50 years of leadership research, for example, identified task-oriented behavior and people-oriented behavior as primary categories related to effective leadership in numerous studies.[55] Concern for tasks and concern for people must be shown toward followers at some reasonable level, either by the leader or by other people in the system. Although these are not the only important behaviors, as we will see throughout this book, they certainly require attention.

The second question is whether people orientation and task orientation exist together in the same leader, and how. The grid theory argues that yes, both are present when people work with or through others to accomplish an activity. Although leaders may be high on either style, there is considerable belief that the best leaders are high on both behaviors.

The third question concerns whether people can actually change themselves into leaders high on people or task orientation. In the 1950s and 1960s, when the Ohio State and Michigan studies were underway, the assumption of researchers was that the behaviors of effective leaders could be emulated by anyone wishing to become an effective leader. In general, it seems that people can indeed learn new leader behaviors with some practice. One consulting company worked with a manager who had risen through the hierarchy as a highly analytical engineer but was having trouble connecting with her employees. They noticed that when she talked about her upbringing in a close-knit community she smiled warmly, and her demeanor became much more relaxed. They advised her to kick off meetings and presentations with a brief anecdote about her personal background, which enabled her to show a more approachable and relatable side. This gradually transformed into incorporating more people-oriented behaviors into her primarily task-oriented leadership style.[56]

Although "high-high" leadership is not the only effective style, researchers have looked to this kind of leader as a candidate for success in a wide variety of situations. However, as we will see in Chapter 3, the next generation of leadership studies refined the understanding of situations to pinpoint more precisely when each type of leadership behavior is most effective.

> **Put It Into Practice 2.6**
>
> When you are participating in a class or work project as part of a team, consciously focus on expressing support to other team members and also verbalize the desire to successfully accomplish the team's specific tasks.

Remember This:

- The behavior approach explored autocratic versus democratic leadership, consideration versus initiating structure, employee-centered versus job-centered leadership, and concern for people versus concern for production.

- An **autocratic** leader is one who tends to centralize authority and make all the decisions with little or no input from subordinates.
- A **democratic** leader is one who delegates authority to others, encourages participation, and relies on subordinates' knowledge for completion of tasks.
- **Consideration** is the extent to which a leader is sensitive to subordinates, respects their ideas and feelings, and establishes mutual trust.
- **Initiating structure** is the extent to which a leader is task oriented and directs subordinates' work activities toward goal achievement.
- Nick Saban illustrates initiating structure leadership behavior as head football coach at the University of Alabama, leading with a methodical, efficient, task-focused approach that aims to bring out the best performance from each player.
- A sergeant major in the U.S. Army who displayed consideration leadership behaviors played a video of the classic children's story *The Giving Tree* to a group of officers in a leadership development session.
- **Employee-centered** behavior is a leadership behavior that displays a focus on the human needs of subordinates.
- **Job-centered** behavior is leadership behavior in which leaders direct activities toward efficiency, cost-cutting, and scheduling, with an emphasis on goals and work facilitation.
- The **Leadership Grid** is a two-dimensional leadership model that describes major leadership styles based on measuring both concern for people and concern for production.
- The theme of people versus tasks runs through the research on leadership behaviors, suggesting these are two fundamental behaviors through which leaders meet followers' needs.
- There has been some disagreement in the research about whether a specific leader is either people or task oriented or whether one can be both. Today, the consensus is that leaders can achieve a "high-high" leadership style.

2-4 Individualized Leadership

Individualized leadership
a theory based on the notion that a leader develops a unique relationship with each subordinate or group member, which determines how the leader behaves toward the member and how the member responds to the leader

Traditional trait and behavior theories assume that a leader adopts a general leadership style that is used with all group members. A more recent approach to leadership behavior research, *individualized leadership,* looks instead at the specific relationship between a leader and each individual follower.[57] **Individualized leadership** is based on the notion that a leader develops a unique relationship with each subordinate or group member, which determines how the leader behaves toward the member and how the member responds to the leader. In this view, leadership is a series of *dyads*, or a series of two-person interactions. The dyadic view focuses on the concept of *exchange*, what each party gives to and receives from the other.[58]

The first individualized leadership theory was introduced nearly 50 years ago and has been steadily revised ever since. Exhibit 2.6 illustrates the development of

Exhibit 2.6

Stages of Development of Individualized Leadership

1. Vertical Dyad Linkage
Leaders' behaviors and traits have different effects across followers, creating in-groups and out-groups.

2. Leader–Member Exchange
Leadership is individualized for each subordinate. Each dyad involves a unique exchange independent of other dyads.

3. Partnership Building
Leaders can reach out to create a positive exchange with every subordinate. Doing so increases performance.

Sources: Based on Fred Danereau, "A Dyadic Approach to Leadership: Creating and Nurturing This Approach Under Fire," *Leadership Quarterly* 6, no. 4 (1995), pp. 479–490, and George B. Graen and Mary Uhl-Bien, "Relationship-Based Approach to Leadership: Development of Leader-Member Exchange (LMX) Theory of Leadership over 25 Years: Applying a Multi-Level, Multi-Domain Approach," *Leadership Quarterly* 6, no. 2 (1995), pp. 219–247.

research in this area. The first stage was the awareness of a relationship between a leader and each individual rather than between a leader and a group of followers. The second stage examined specific attributes of the exchange relationship. The third stage explored whether leaders could intentionally develop partnerships with each group member.

2-4a Vertical Dyad Linkage Model

The **vertical dyad linkage (VDL) model** argues for the importance of the dyad formed by a leader with each member of the group. Initial findings indicated that followers provided very different descriptions of the same leader. For example, some reported a leader, and their relationship with the leader, as having a high degree of mutual trust, respect, and obligation. These high-quality relationships might be characterized as high on both people and task orientation. Other followers reported a low-quality relationship with the same leader, such as having a low degree of trust, respect, and obligation. These followers perceived the leader as being low on important leadership behaviors.

Based on these two extreme behavior patterns, subordinates were found to exist in either an in-group or an out-group in relation to the leader. Exhibit 2.7 delineates the differences in leader behavior toward in-group versus out-group

Vertical dyad linkage (VDL) model
a model of individualized leadership that argues for the importance of the dyad formed by a leader with each member of the group

Exhibit 2.7

Leader Behavior toward In-Group versus Out-Group Members

In-Group Members	Out-Group Members
• Provides support and encouragement when employee faces a difficult, stressful task	• Shows little consideration if employee is having difficulty with a task
• Discusses objectives; trusts employee to use own approach in solving problems and reaching goals	• Gives the employee specific directives for how to accomplish tasks and attain goals
• Listens to employee's suggestions and ideas about how work is done	• Shows little interest in employee's comments and suggestions
• Treats mistakes as opportunities for coaching and developing employee	• Criticizes or punishes mistakes
• Gives employee interesting assignments; may allow employee to choose assignment	• Assigns primarily routine jobs and monitors employee closely
• Sometimes defers to subordinate's opinion	• Usually imposes own views
• Praises accomplishments and performance improvements	• Focuses on areas of poor performance

Sources: Based on Jean François Manzoni and Jean-Louis Barsoux, "The Set-Up-to-Fail Syndrome," *Harvard Business Review* (March–April 1988), pp. 110–113; and Mark O'Donnell, Gary Yukl, and Thomas Taber, "Leader Behavior and LMX: A Constructive Replication," *Journal of Management Psychology* 27, no. 2 (2012), pp. 143–154.

members. Most of us who have had experience with any kind of group, whether it be a college class, an athletic team, or a work group, recognize that some leaders may spend a disproportionate amount of time with certain people and that these "insiders" are often highly trusted and may obtain special privileges. In the terminology of the VDL model, these people would be considered to participate in an *in-group relationship* with the leader, whereas other members of the group who did not experience a sense of trust and extra consideration would participate in an *out-group relationship.* In-group members, those who rated the leader highly, had developed close relationships with the leader and often became assistants who played key roles in the functioning of the work unit. Out-group members were not key players in the work unit.

Some of the behaviors of Urban Meyer, head coach of the NFL's Jacksonville Jaguars and former head coach of the Florida Gators and Ohio State Buckeyes, provide an illustration of in-group and out-group relationships. Some former players say Meyer was continually pandering to certain elite players, which players called his "Circle of Trust," creating a rift between the "haves" and the "have-nots" on the team. For example, they say star players were frequently excused from practices, received team meals first, sat in the front on charter planes, and were not disciplined for mistakes or bad behavior as harshly as others. Meyer has denied having a Circle of Trust, but he admits that some players probably did receive special privileges. "I have been criticized that I have been too lenient on players; that doesn't concern me," he said. "We are going to

. . . mentor, educate, and discipline guys the way we see fit to make sure they're headed in the right direction."[59]

By focusing on the relationship between a leader and each individual, the VDL research found great variance of leader style and impact within a group of followers.

2-4b Leader–Member Exchange

Stage two in the development of the individualized leadership theory explored the **leader-member exchange (LMX)** in more detail, discovering that the impact on outcomes depends on how the LMX process develops over time. Studies evaluating characteristics of the LMX relationship explored such things as communication frequency, value agreement, characteristics of followers, job satisfaction, performance, job climate, and commitment. Leaders typically tend to establish in-group exchange relationships with individuals who have characteristics similar to those of the leader, such as similarity in background, interests, and values, and with those who demonstrate a high level of competence and interest in the job. Overall, studies have found that the quality of the LMX relationship is substantially higher for in-group members. LMX theory proposes that this higher-quality relationship will lead to higher performance and greater job satisfaction for in-group members, and research in general supports this idea.[60] High-quality LMX relationships have been found to lead to very positive outcomes for leaders, followers, work units, and the organization. For followers, a high-quality exchange relationship may mean more interesting assignments, greater responsibility and authority, and tangible rewards such as pay increases and promotions. Leaders and organizations clearly benefit from the increased effort and initiative of in-group participants to carry out assignments and tasks successfully.

2-4c Partnership Building

In this third phase of research, the focus was on whether leaders could develop positive relationships with a large number of subordinates. Critics of early LMX theory pointed out the dangers of leaders establishing sharply differentiated in-group and out-group relationships, in that this may lead to feelings of resentment or even hostility among out-group participants.[61] If leaders are perceived to be granting excessive benefits and advantages to in-group members, members of the out-group may rebel, which can damage the entire organization. Moreover, some studies have found that leaders tend to categorize employees into in-groups and out-groups as early as five days into their relationship.[62]

To treat everyone equally as partners during the work-at-home requirement of the COVID-19 pandemic, Kimberly Anstett, global chief technology officer at Iron Mountain Inc., adapted a concept called "silent meetings," which begin with a quiet time to study written materials. During meetings, teams of employees actively collaborate at the same time, discussing and evaluating the materials. "Silent meetings get all attendees to participate and share their ideas instead of having one voice dominating the conversation," Anstett said. She says meetings are far more productive and participative than the meetings before the pandemic.[63]

Put It Into Practice 2.7

Think back to a team project in which you participated. Identify which members you liked more and to which you felt a more natural connection. Next, write down how you would build a relationship with all members equally despite your different feelings about each member if you were the leader of that team.

Leader-member exchange (LMX) individualized leadership model that explores how leader-member relationships develop over time and how the quality of exchange relationships affects outcomes

Thus, the third phase of research in this area focused on whether leaders could develop positive relationships with *all* followers. In this approach, the leader views each person independently and may treat each one in a different but positive way. That is, leaders strive to develop a positive relationship with each subordinate, but the positive relationship will have a different form for each person. For example, one person might be treated with "consideration" and another with "initiating structure," depending on what followers need to feel involved and to succeed.

In the LMX research study, leaders were trained to offer the opportunity for a high-quality relationship to all group members, and the followers who responded to the offer dramatically improved their performance. As these relationships matured, the entire work group became more productive, and the payoffs were tremendous. Leaders could count on followers to provide the assistance needed for high performance, and followers participated in and influenced decisions. The implications of this finding are that true performance and productivity gains can be achieved by having the leader develop positive relationships one on one with each subordinate.

Leadership Practice: Know Yourself 2.3

Your "LMX" Relationship

Instructions: What was the quality of your leader's relationship with you? Think back to a job you held and recall your feelings toward your leader, or if currently employed use your supervisor. Please answer whether each of the following items was Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. I very much liked my supervisor as a person.	_____	_____
2. My supervisor defended my work to upper management if I made a mistake.	_____	_____
3. The work I did for my supervisor went well beyond what was required.	_____	_____
4. I admired my supervisor's professional knowledge and ability.	_____	_____
5. My supervisor was enjoyable to work with.	_____	_____
6. I applied extra effort to further the interests of my work group.	_____	_____
7. My supervisor championed my case to others in the organization.	_____	_____
8. I respected my supervisor's management competence.	_____	_____

Scoring and Interpretation

LMX theory is about the quality of a leader's relationship with subordinates. If you scored 6 or more Mostly True, your supervisor clearly had an excellent relationship with you, which is stage two in Exhibit 2.6. You had a successful dyad. If your supervisor had an equally good relationship with every subordinate, that is a stage-three level of development (partnership building). If you scored 3 or fewer Mostly True, then your supervisor was probably at level one, perhaps with different relationships with subordinates, some or all of which were unsuccessful. What do you think accounted for the quality of your and other subordinates' relationships (positive or negative) with your supervisor? Discuss with other students to learn why some supervisors have good LMX relationships.

Source: Based on Robert C. Liden and John M. Maslyn, "Multidimensionality of Leader-Member Exchange: An Empirical Assessment through Scale Development," *Journal of Management* 24 (1998), pp. 43–72.

Remember This:

- Another approach to leadership behavior research considers **individualized leadership**, a theory based on the notion that a leader develops a unique relationship with each subordinate or group member, which determines how the leader behaves toward the member and how the member responds to the leader.
- The **vertical dyad linkage (VDL) model** argues for the importance of the dyad formed by a leader with each member of the group. Some followers may be treated by the leader with special consideration and trust and may obtain special privileges, participating in an *in-group relationship* with the leader, whereas other members of the group who do not experience a sense of trust and extra consideration would participate in an *out-group relationship.*
- The second phase in development of individualized leadership theory, **leader-member exchange (LMX),** explores how leader-member relationships develop over time and how the quality of exchange relationships affects outcomes.
- The LMX theory says that high-quality relationships have a positive outcome for leaders, followers, work units, and the organization.
- The third phase of research, *partnership building*, considers whether leaders can build individualized relationships with each person as a way to meet needs for both consideration and structure.
- A key point is that followers have different relationships with the leader, and the ability of the leader to develop a positive relationship with each follower contributes to team performance.
- To treat everyone equally in virtual meetings, Kimberly Anstett, global CTO at Iron Mountain Inc., adapted a concept called "silent meetings." Team members begin with a quiet time to study written materials, then actively collaborate at the same time, discussing and evaluating the materials.

2-5 Leadership Traits during a Crisis

Another topic of special concern in today's world is what traits and behaviors are important for helping people remain physically, emotionally, and psychologically healthy as well as productive during times of crisis. In 2020, the COVID-19 pandemic brought this challenge to the forefront for leaders at all levels in all types of organizations. When the pandemic hit the United States, Mark Aslett, CEO of aerospace and defense electronics company Mercury Systems, set up a $1 million COVID relief fund to support employees and their families. He then suspended terminations and layoffs, temporarily doubled the overtime pay rate, gave hourly on-site employees a monthly $150 Uber Eats credit they could use to order meals from local restaurants, paid for Care.com subscriptions so employees could arrange for child and senior care for family members, and gave everyone a free one-year subscription to Headspace, a mindfulness and meditation app.[64]

Numerous leaders around the world took similar steps to support their employees during the pandemic. However, there is some evidence that many leaders are not prepared to effectively lead through times of dramatic and anxiety-inducing events such as the COVID-19 pandemic, the tragic crash of two Boeing 757 MAX jets in 2018 and 2019, the mass shooting at an El Paso, Texas, Walmart in 2019, or the years-long diesel emissions scandal at Volkswagen. Fitness retailer Lululemon Athletica commissioned an online survey in late 2020 and found that only 15 percent of around 10,000 respondents from 10 countries strongly agreed that their employers were offering the resources to support their overall well-being.[65] Although it might not be as extraordinary or wide-ranging as a global pandemic, every organization will face a crisis at some point, so it is important that leaders develop the qualities and skills needed to lead effectively during difficult times.

Leaders have a lot to deal with during a crisis, and the emotional well-being of employees can sometimes get lost among the tremendous variety and complexity of demands on leaders' time. Leaders can keep five points in mind during a crisis.[66]

1. **Communicate.** It would be tempting for a leader to hide in the office and avoid the uncomfortable job of talking with people who are scared, anxious, and sometimes angry, but at no time is frequent and informative communication more critical than during times of crisis or uncertainty. Leaders should probably *over-communicate* during a crisis, using a variety of media to make sure people hear their messages and that they, in turn, are listening to employees and other constituents. During the pandemic, Suzanne Shank, CEO of Siebert Williams Shank & Company, used frequent one-on-one, departmental, and firmwide calls to keep employees of the investment banking firm connected while they were working from home. She also launched virtual town hall meetings to help clients better understand the implications of unfolding events.[67] Even though leaders won't have all the answers, it is important that they keep communicating. As Ken Cooper, CEO of North American Dental Group said, a crisis "is really a time for leadership to step up and be honest. If you don't know, don't pretend that you do know. Be vulnerable."[68] Good communication underlies each of the following four points.

2. **Project calm.** The number 1 requirement for a leader during a crisis is to remain calm—at least on the outside. A crisis increases stress on everyone, and a leader's insides may be topsy-turvy, but it is the leader's job to prevent stress and anxiety from leading to panic and chaos. A good leader is steady under pressure and conveys a sense of calmness that spreads to others. When the Diamond Princess cruise ship was quarantined with more than 700 passengers testing positive for COVID-19, Captain Gennaro Arma was credited for preventing panic with his calm and reassuring leadership style.[69]

3. **Show compassion and concern.** Employees, customers, and other stakeholders who are affected by the crisis need to know that their leaders care about what they are going through. North American Dental Group, which runs 230 dental practices in 15 states, lost 90 percent of its revenue when it was forced to close 180 locations in March 2020 because of COVID-19 restrictions.

Nevertheless, CEO Ken Cooper allowed employees at each location to decide whether and when they wanted to re-open their offices. For employees who chose not to work and were subsequently furloughed, he helped establish an employee relief fund and allowed people to borrow up to two weeks of paid time off against their future paid time off balances.[70]

4. **Reduce uncertainty.** Leaders should be clear in communicating the size, scope, and possible impact of the crisis. Leaders need to become comfortable with uncertainty and ambiguity so they can guide others through it. People want to know what they are facing, even if it's tough. Leaders help people make sense of the situation because they know that people can better regulate their emotions and make better decisions when they understand what is happening. Leaders also learn to regulate their own uncertainty so that they can move ahead with decisions and actions in a timely way, even when they do not have clear answers.

5. **Build trust.** Cultivating trust and a sense of community and connectedness is another critical part of leading through a crisis. Tom Lawson, the CEO of FM Global, a commercial property insurance company, shared a picture of his home office with employees working remotely during the pandemic and they saw in the photo that he was wearing a hooded sweatshirt. "I got so many e-mails from people saying, 'Hey, nice hoodie,'" Lawson said. "People thought, 'He's just like us.' That's what you want, because we're all in this together."[71] During a crisis, people more than ever need a sense of purpose and belonging, so leaders strive to help people connect their work to the larger vision.[72] Leaders also build trust by combining "deliberate calm" with "bounded optimism." People need to feel confident in the organization's collective ability to meet the challenges they face.[73]

People need to know that their leaders care about how a crisis affects them personally, not just about the impact it has on the business. Effective leaders strive to project calmness, managing their own emotions and uncertainty so they can help others cope with the stress and anxiety inherent in a crisis. They also work to help people feel a sense of purpose and community and believe that together they can weather the difficult times. In a crisis, a good leader "performs the role of comforter and counsellor, helping individuals to make sense of the crisis and reassuring them about the future."[74]

Remember This:

- The COVID-19 pandemic sparked a renewed interest in what traits and behaviors are valuable for leading during a time of crisis.
- Every organization will face a crisis at some time, and leaders must be prepared to effectively lead during this time of anxiety and uncertainty.
- Effective communication is more important than ever during a crisis. Other key points are to project calm, show compassion and concern for others, reduce uncertainty, and build trust.
- When the pandemic hit the United States, the CEO of Mercury Systems immediately set up a COVID relief fund to support employees and their families.

Put It Into Practice 2.8

Recall a time when you experienced an upsetting situation. How did you react? Did you remain calm, communicate to others, and express concern for others during that situation? How could you improve your response the next time an upsetting situation arises?

Discussion Questions

1. Why is it important for leaders to know their strengths? Do you think leaders should spend equal time learning about their weak points? Why?

2. Suggest some personal traits of leaders you have known. What traits do you believe are most valuable? Why?

3. The chapter suggests that optimism is an important trait for a leader, yet some employees complain that optimistic leaders create significant stress because they don't anticipate problems and expect their subordinates to meet unreasonable goals. Do you agree? Why?

4. What is the difference between trait theories and behavioral theories of leadership?

5. Would you feel more comfortable using a "consideration" or an "initiating-structure" leadership style? Discuss the reasons for your answer.

6. The vertical dyad linkage model suggests that followers respond individually to the leader. If this is so, what advice would you give leaders about displaying people-oriented versus task-oriented behavior?

7. Does it make sense to you that a leader should develop an individualized relationship with each follower? Explain advantages and disadvantages to this approach.

8. Why would subordinates under a democratic leader perform better in the leader's absence than would subordinates under an autocratic leader?

9. Which leader trait or behavior do you think is most important for handling a crisis such as a pandemic? Explain.

10. Pick three traits from the list in Exhibit 2.1 that you think would be most valuable for a leader in an elementary school. Pick three that you think would be most valuable for a leader in a scientific research organization. Explain your choices.

Leadership Skill-Building Exercises

Discover Your Ideal Leader Traits

Spend some time thinking about someone you believe is an ideal leader. For the first part of the exercise, select an ideal leader you have heard about whom you don't personally know. It could be someone like Mother Teresa, Martin Luther King, Abraham Lincoln, or any national or international figure that you admire. Write the person's name here: _____. Now, in the space below, write down three things you admire about the person, such as what the person did or the qualities that person possesses.

1.

2.

3.

For the second part of the exercise, select an ideal leader whom you know personally. This can be anyone from your life experiences. Write the person's name

here: _____. Now, in the space below, write down three traits or behaviors you admire about the person.

1.

2.

3.

The first leader you chose represents something of a projective test based on what you've heard or read. You imagine the leader has the qualities you listed. The deeds and qualities you listed say more about what you admire than about the actual traits of the leader you chose. This is something like an inkblot test, and it is important because the traits you assign to the leader are traits you are aware of, have the potential to develop, and indeed can develop as a leader. The qualities or achievements you listed are an indicator of the traits you likely will express as you develop into the leader you want to become.

The second leader you chose is someone you know, so it is less of a projective test and represents traits with which you have had direct experience. You know these traits work for you and likely will become the traits you develop and express as a leader.

What is similar about the traits you listed for the two leaders? Different?

In Class or Online (optional as indicated by your instructor): Interview another student in class about traits that person admires. What do the traits tell you about the person you are interviewing? What are the common themes in your list and the other student's list of traits or behaviors? To what extent do you display the same traits as the ones on your list? Will you develop those traits even more in the future?

Increase Your Optimism

No one wants to follow a leader who is always reacting to ideas and events with pessimism and negativity. Some degree of optimism—having favorable expectations about the future—is correlated with a better life and better leadership.

Step 1: Sitting quietly, imagine for five minutes your best possible self, living your best possible life, in each of three domains—personal, relational, and professional. Create your mental imagery of your best life scenarios separately in all three domains. You may make notes of key images below, but the important aspect of this exercise is visualizing yourself at your most ideal situation in the three domains for a full five minutes.

_____

_____

Step 2: Write in the space below what you are grateful for over the past week. Take five minutes to think about the past week and identify those things for which you feel gratitude.

_____

_____

Step 3: What are you feeling after completing steps 1 and 2? Research suggests that a single episode of visualizing an ideal future and bringing gratitude into one's awareness adds to a person's optimism. To achieve an even greater

benefit, spend five minutes each day for two weeks visualizing your best life scenarios in the three domains, and spend five minutes each day writing down things you are grateful for during the previous 24 hours.

In Class or Online (optional as indicated by your instructor): Share insights with a partner or members of a small group, each person reporting their best-self visualizations and the items for which they are grateful. Then discuss the following questions:

What similarities did you notice across members' descriptions?

What are some of the potential positives and negatives of both optimism and pessimism for a leader?

Source: Susan Shain, "How to Be More Optimistic," *The New York Times* (February 18, 2020), www.nytimes .com/2020/02/18/smarter-living/how-to-be-more-optimistic.html (accessed February 19, 2020); Jacqueline Howard, "Become More Optimistic with These Exercises," *CNN* (December 30, 2016), www.cnn.com/2016/12/30/health /how-to-be-optimistic/index.html (accessed February 25, 2021); and Yvo M. C. Meevissen, Madelon L. Peters, and Hugo J. E. M. Alberts, "Become More Optimistic by Imagining a Best Possible Self: Effects of a Two Week Intervention," *Journal of Behavior Therapy and Experimental Psychiatry* 42, no. 3 (September 2011), pp. 371–378.

Leadership Skills Application: Cases for Analysis

Amalgamated Products

Amalgamated Products is a medium-sized manufacturer of consumer products with nonunionized production workers. Ben Jaeger was a plant manager for Amalgamated Products for ten years, and he was very well liked by the employees there. They were grateful for the fitness center he built for employees, and they enjoyed the social activities sponsored by the plant several times a year, including company picnics and holiday parties. He knew most of the workers by name, and he spent part of each day walking around the plant to visit with them and ask about their families or hobbies.

Ben believed that it was important to treat employees properly so they would have a sense of loyalty to the company. He tried to avoid any layoffs when production demand was slack, figuring that the company could not afford to lose skilled workers that are so difficult to replace. The workers knew that if they had a special problem, Ben would try to help them. For example, when someone was injured but wanted to continue working, Ben found another job in the plant that the person could do despite having a disability. Ben believed that if you treat people right, they will do a good job for you without close supervision or prodding. Ben applied the same principle to his supervisors, and he mostly left them alone to run their departments as they saw fit. He did not set objectives and standards for the plant, and he never asked the supervisors to develop plans for improving productivity and product quality.

Under Ben, the plant had the lowest turnover among the company's five plants, but the second worst record for costs and production levels. When the company was acquired by another firm, Ben was asked to take early retirement, and Phil Jessup was brought in to replace him.

Phil had a growing reputation as a manager who could get things done, and he quickly began making changes. Costs were cut by trimming a number of

activities such as the fitness center at the plant, company picnics and parties, and the human relations training programs for supervisors. Phil believed that human relations training was a waste of time; if employees don't want to do the work, get rid of them and find somebody else who does.

Supervisors were instructed to establish high performance standards for their departments and insist that people achieve them. A computer monitoring system was introduced so that the output of each worker could be checked closely against the standards. Phil told his supervisors to give any worker who had substandard performance one warning, and then if performance did not improve within two weeks to fire the person. Phil believed that workers don't respect a supervisor who is weak and passive. When Phil observed a worker wasting time or making a mistake, he would reprimand the person right on the spot to set an example. Phil also checked closely on the performance of his supervisors. Demanding objectives were set for each department, and weekly meetings were held with each supervisor to review department performance. Finally, Phil insisted that supervisors check with him first before taking any significant actions that deviated from established plans and policies.

As another cost-cutting move, Phil reduced the frequency of equipment maintenance, which required machines to be idled when they could be productive. Since the machines had a good record of reliable operation, Phil believed that the current maintenance schedule was excessive and was cutting into production. Finally, when business was slow for one of the product lines, Phil laid off workers rather than finding something else for them to do.

By the end of Phil's first year as plant manager, production costs were reduced by 20 percent and production output was up by 10 percent. However, three of his seven supervisors left to take other jobs, and turnover was also high among the machine operators. Some of the turnover was due to workers who were fired, but competent machine operators were also quitting, and it was becoming increasingly difficult to find any replacements for them. Finally, there was increasing talk of unionizing among the workers.[75]

Questions

1. Compare the leadership traits and behaviors of Ben Jaeger and Phil Jessup.

2. Which leader do you think is more effective? Why? Which leader would you prefer to work for?

3 . If you were Phil Jessup's boss, what would you do now?

Transition to Leadership

My name is Michael Ramos. When I was brought in as Southwest Regional Manager of Bohen Auto Parts, a major parts sales and service company, I saw the transition period before and immediately following my appointment as an exciting new opportunity. With a degree in automotive engineering and several years' experience in parts manufacturing (design and plant management), I came to the new position with strong industry connections and a keen eye for trends and product innovation.

During the initial stages of the transition, I met with the outgoing regional manager, receiving his input about ongoing business issues, how current services tallied with the corporation's short- and long-term goals, and what he saw as the

strengths and weaknesses of the various stores and personnel within the region. While some of these meetings took place at his office, I scheduled most of our meetings off-site to provide more opportunities for frank discussion covering procedures, products and services, and individual stakeholders from employees and board members to suppliers and customers.

In addition, I spent a great deal of time making my own assessments. I knew my company honeymoon period would be limited. My vision and my implementation program had to be clear with well-defined strategies. As a first step, I sent a lengthy e-mail message to all key players on my new leadership team both as an introduction and as a prelude to establishing my vision and transition program.

I traveled around the region meeting with the store managers on my regional team, as well as holding informal meetings with front-line employees. In so doing, I was surprised to tap into the rumor mill and find individuals who were eager to talk openly about their goals, ideas, opinions, and complaints. My questions to front-line workers, in particular, had both positive and negative aspects. I questioned them about their length of service, what they liked most about the company, what areas they thought could be improved, how they rated the culture—things like that. I discovered that for most of them, this was more than just a job. Many had worked for the company for a number of years and had a great deal of pride in the company, as well as a deep sense of responsibility toward their customers.

However, I found this portion of my on-site store visits the most intrusive on my time, and in many cases, I regretted the amount of time I spent listening to workers. I wondered if the advance warning of my visit allowed too much time for people to prepare their answers. I wondered how many were genuine in their responses and how many were just trying to hold on to their jobs. Worse, I found myself hostage to those who wanted to rant on and on about workplace issues, their training, their bosses, even their customers. I talked to a few customers and didn't get much from that either. As I proceeded through the on-site visits, I found myself growing impatient, increasingly checking my watch to see how soon I should leave for the next appointment on a packed schedule. I admit I expected more from this portion of the transition than I received. However, once I committed to this, I felt obligated to see it through.

More rewarding was the time spent with the marketing staff exploring customer satisfaction levels. In focusing on customers, I zeroed in on three research areas: customer complaints, area demographics, and the compounding customer—those return customers who generate additional sales among their friends and family. Why do customers come? What makes them return? What are their personal "hot buttons"—needs or breaking points in dealing with service industries? Our market research showed large segments of our population in four areas: under 30, over 60, Hispanics, and women. We also saw an increasing number of unemployed and under-employed do-it-yourself customers trying to keep the family vehicle going just a little longer. I personally love analyzing market data.

My question for regional service, sales, and marketing was "how are we reaching and retaining these segments of the population?" Do advertising, Web sites, direct mailing, Facebook ads, Google search placements, and other marketing strategies match these demographics? For example, are we providing and training Spanish-language sales and service experts and consumer information? With large segments of young people, older citizens, the unemployed, and single moms, wouldn't these large segments of the population offer fabulous compounding opportunities with focused marketing and price breaks?

As I take the reins, I am excited about the marketing challenges and opportunities ahead. I am an idea guy, a hands-on manager whose ideal is the Renaissance man capable of doing many things very well. I like to surround myself with similar kinds of people. I generate ideas and expect follow-up and accountability. The leadership model I embrace sets the bar high for me and for everyone who works for me. I look forward to injecting a new vision and new standards of service throughout the region.

Questions

1. What do you see as Michael Ramos's leadership traits? Which of these traits do you consider a strength? A weakness? Explain.

2. What do you think of Michael Ramos's approach to leading the region? How would you characterize his people-oriented versus task-oriented style? Why?

3. How might an understanding of individualized leadership be useful to Ramos with respect to his relationship with marketing versus store personnel?

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Contingency Approaches to Leadership

Chapter Outline

Your Leadership Challenge

After reading this chapter, you should be able to:

3-1 Describe how leadership is often contingent on people and situations.

3-2 Apply Hersey and Blanchard's situational theory of leader style to the level of follower readiness.

3-3 Apply Fiedler's contingency model to key relationships among leader style, situational favorability, and group task performance.

3-4 Explain the path–goal theory of leadership.

3-5 Use the Vroom–Jago model to identify the correct amount of follower participation in specific decisions.

3-6 Explain the power of situational variables to substitute for or neutralize the need for leadership.

Prior to the COVID-19 pandemic in the United States, New York Governor Andrew Cuomo had typically been considered a tough, domineering, and aggressive leader who almost forced people to accomplish the tasks, goals, and priorities he wanted. But as daily death rates from COVID soared in New York, Cuomo instituted a daily televised coronavirus briefing. Each day for months, Cuomo shared the grim news with the public, lamenting the loss of life, expressing sadness for the families, and praising the health care workers who were fighting to beat back the deadly virus and prevent more deaths. He admitted when he didn't know something and deferred to the experts. Cuomo's ability to express empathy and compassion while maintaining a calm, focused, and strategic approach to the COVID-19 crisis enabled him to engage people's trust.[1]

However, very few people who had worked with Cuomo were surprised when he reverted to a tough, task-focused approach as the pandemic shifted into the vaccination stage. Cuomo faced strong criticism from those saying his tough-talk tactics were creating pushback and animosity. New York State Health Department officials say morale plummeted after the governor seized control over pandemic policy. For his part, Cuomo said the scale of the pandemic had overwhelmed the state's public health planning. "My job is to get the vaccinations done as soon as possible," Cuomo unapologetically said. Rebecca Katz, a progressive political consultant, reminded everyone: "This is who he has always been."[2]

Recall from Chapter 2 our discussion of task-oriented and people-oriented leadership behaviors. The Cuomo example suggests that leaders can adopt behaviors that are almost in direct opposition to their natural traits when they believe a new situation demands a different style.

Researchers of leader traits and behaviors eventually discovered that many different leadership styles can be effective. What, then, determines the success of a leadership style? One factor that affects what leadership approach will be most effective is the circumstance in which leadership occurs. New York Governor Andrew Cuomo's tough, task-oriented style was inappropriate and ineffective for a situation in which thousands of people across the state were dying every day from a new out-of-control virus, so he shifted his behavior toward a strong people-oriented style. Over the years, researchers have observed that leaders frequently behave situationally—that is, they adjust their leadership style depending on a variety of factors in the situations they face. In this chapter, we discuss the elements of leader, followers, and the situation, and the impact each has upon the others. We examine several theories that define how leadership styles, follower attributes, and organizational characteristics fit together to enable successful leadership. The important point of this chapter is that the most effective leadership approach depends on many factors. Understanding the contingency approaches can help leaders adapt their approach, although it is important to recognize that leaders also develop their ability to adapt through experience and practice.

3-1 The Contingency Approach

The failure to find universal leader traits or behaviors that would always determine effective leadership led researchers in a new direction. Although leader behavior was still examined, the central focus of the new research was the situation in

which leadership occurred. The basic tenet of this focus was that behavior effective in some circumstances might be ineffective under different conditions. Thus, the effectiveness of leader behavior is *contingent* upon organizational situations. Aptly called *contingency approaches,* these theories explain the relationship between leadership styles and effectiveness in specific situations.

In Exhibit 3.1, the universalist approach as described in Chapter 2 is compared to the contingency approach described in this chapter. In Chapter 2, researchers were investigating traits or behaviors that could improve performance and satisfaction in any or all situations. They sought universal leadership traits and behaviors. **Contingency** means that one thing depends on other things, and for a leader to be effective there must be an appropriate fit between the leader's behavior and style and the conditions in the situation. A leadership style that works in one situation might not work in another situation. There is no one best way of leadership. Contingency means "it depends."

Consider John Flint, who was ousted as CEO at HSBC after less than two years because the bank's board and other top leaders believed his quiet-spoken demeanor and slow-paced leadership style was not suited for the strategic challenges the bank was facing. As another example of contingency, Eric Johnson, CIO at SurveyMonkey, shifted to a stronger people-oriented style when employees were working from home during the pandemic. Johnson said he was constantly asking employees how they were doing and how the management team could make their remote work easier. During virtual meetings, Johnson made it a point to try to "keep things light by smiling, joking, helping others to relax."[3] Many leaders have found that a softer style is more effective in today's organizations, as described in this chapter's Leader's Bookshelf.

Contingency
a theory meaning one thing depends on other things

Put It Into Practice 3.1
Evaluate a current leadership situation you are aware of for clues to the contingencies that might shape the most effective leadership style. Write down those clues.

Exhibit 3.1

Comparing the Universalist and Contingency Approaches to Leadership
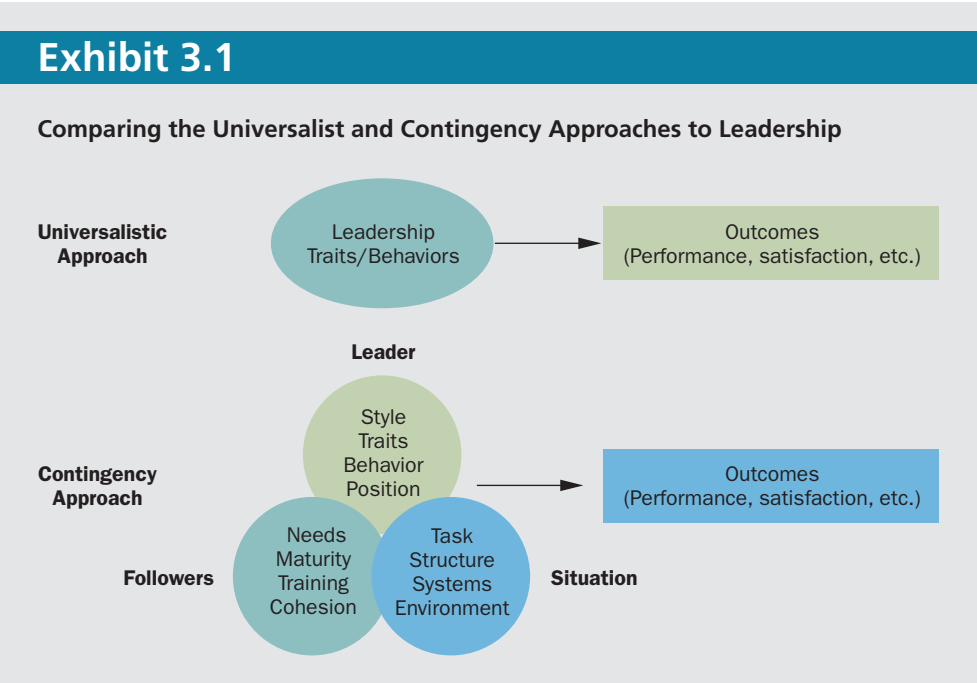
Leader's Bookshelf | Cracking the Leadership Code: Three Secrets to Building Strong Leaders | by Alain Hunkins

During his more than two decades training leaders, Alain Hunkins, author of *Cracking the Leadership Code: Three Secrets to Building Strong Leaders*, found that many leaders were highly focused on what they were doing but not so focused on how they were working with others to get it done. In other words, they tended to be more task-oriented than people-oriented. Yet, as today's leaders steer people and organizations through dramatic and often difficult changes and challenges, they find they need strong people-oriented leadership skills to unite everyone toward accomplishing goals.

Cracking the Code

Hunkins tells a personal story about how he learned what it takes to be a leader. Early in his career, he was hoping to become the executive director of a non-profit organization and thought he would be a shoo-in because he had been with the agency for several years while his opponent, Gary, had been on board less than a year. The staff elected the leader, and when the votes were tallied, Hunkins lost 38-6. Talking with Gary about the competition later, Hunkins says he learned

three simple but powerful keys to unlock his own leadership: connection, communication, and collaboration.

Connection. Gary explained to his former opponent for the top job that he had met with people throughout the organization, asking what they liked about the organization, what they would change, and their hope for the organization's future. He shared his vision, asked others for their ideas, and invited people to be part of a team guiding the organization toward the future. Leadership, Hunkins stresses in *Cracking the Leadership Code*, is impossible without connection; it is the basis of mutual trust and credibility. He cites a study by Development Dimensions International (DDI) of more than 15,000 leaders across 300 companies in 18 countries. They found that leaders who master listening and respond with empathy perform 40 percent higher than their peers in overall performance.

Communication. Leadership requires a shared understanding, which is the goal of effective communication. He writes, "Only after Gary made others feel understood

did he seek to share his point of view." Leaders ask open-ended questions, listen to followers, and find commonality.

Collaboration. His opponent, Hunkins says, "recognized that real motivation comes from commitment, not compliance." Gary didn't ask for people's votes; he asked for their help in building the organization's future. Collaborative leaders design an environment focused on results and values, and they give people the space and autonomy to accomplish results.

Becoming the Leader You Want to Be

Authority can make you a boss, but it cannot make you a leader. Hunkins offers tips and tools in each of the three key sections to help people develop the mindset, skills, and qualities they need to lead with connection, communication, and collaboration. He provides research showing that the value of these "soft" people-oriented skills will far outpace the value of "hard" task-oriented skills over the coming decade.

Source: *Cracking the Leadership Code: Three Secrets to Building Strong Leaders*, by Alain Hunkins, is published by Wiley.

The contingencies most important to leadership as shown in Exhibit 3.1 are the situation and followers. Research implies that situational variables such as task, structure, context, and environment are important to leadership style. The nature of followers has also been identified as a key contingency. Thus, the needs, maturity, and cohesiveness of followers make a significant difference to the best style of leadership.

Several models of situational leadership have been developed. The situational theory of Hersey and Blanchard, the contingency model developed by Fiedler and his associates, path–goal theory, the Vroom–Jago model of decision participation, and the substitutes-for-leadership concept will all be described in this chapter. These **contingency approaches** seek to delineate the characteristics of situations and followers and examine the leadership styles that can be used

Contingency approaches
approaches that seek to delineate the characteristics of situations and followers and examine the leadership styles that can be used effectively

Exhibit 3.2

Meta-Categories of Leader Behavior and Four Leader Styles

	Low	→ TASK BEHAVIOR →	High
High	**Low Task–High Relationship** • Participative or supportive style • Provide support and encouragement • Develop followers' skill and confidence • Consult followers when making decisions and solving problems		**High Task–High Relationship** • Coaching toward achievement style • Combine task and relationship behaviors
Low	**Low Task–Low Relationship** • Delegating style • Low concern for both tasks and relationships		**High Task–Low Relationship** • Authoritative style • Plan short-term activities • Clarify tasks, objectives, and expectations • Monitor operations and performance

(vertical axis: **RELATIONSHIP BEHAVIOR**, from Low to High)

Sources: Based on Gary Yukl, Angela Gordon, and Tom Taber, "A Hierarchical Taxonomy of Leadership Behavior: Integrating a Half Century of Behavior Research," *Journal of Leadership and Organization Studies* 9, no. 1 (2002), pp. 15–32; and Gary Yukl, "Effective Leadership Behavior: What We Know and What Questions Need More Attention," *Academy of Management Perspectives* (November 2012), pp. 66–81.

effectively. Assuming that a leader can properly diagnose a situation and muster the flexibility to behave according to the appropriate style, successful outcomes are highly likely.

Two basic leadership behaviors that can be adjusted to address various contingencies are *task behavior* and *relationship behavior* (also called people-oriented behavior), introduced in Chapter 2. Research has identified these two *meta-categories*, or broadly defined behavior categories, as applicable to leadership in a variety of situations and time periods.[4] Leaders can adapt their style to be high or low on both task and relationship behavior. Exhibit 3.2 illustrates the four possible behavior approaches—low task–high relationship, high task–high relationship, high task–low relationship, and low task–low relationship. The exhibit describes typical task and relationship behaviors. High task behaviors include planning short-term activities; clarifying tasks, objectives, and role expectations; and monitoring operations and performance. High relationship behaviors include providing support and recognition, developing followers' skills and confidence, and consulting and empowering followers when making decisions and solving problems. Most leaders typically lean toward being stronger in either task-oriented or relationship-oriented behavior, but many experts suggest that a balance of concern for tasks and concern for people is crucial for leadership success over the long term.[5]

Both Hersey and Blanchard's situational theory and Fiedler's contingency model, discussed in the following sections, use these meta-categories of leadership behavior but apply them based on different sets of contingencies.

Put It Into Practice 3.2

Imagine yourself in a situation where you would want to use a task-oriented style of leadership and another situation where you would want to use a relationship-oriented style. Write down the differences in those two situations.

Leadership Practice: Know Yourself 3.1

T–P Leadership Questionnaire: An Assessment of Style

Instructions: The following items describe aspects of leadership behavior. *Assume you are the appointed leader of a student group and feel the pressure for performance improvements to succeed. Respond to each item according to the way you would most likely act in this pressure situation.* Indicate whether each item below is Mostly False or Mostly True for you as a work-group leader.

	Mostly False	Mostly True
1. I would hold members personally accountable for their performance.	_____	_____
2. I would assign members to specific roles and tasks.	_____	_____
3. I would ask the members to work harder.	_____	_____
4. I would check on people to know how they are doing.	_____	_____
5. I would focus more on execution than on being pleasant with members.	_____	_____
6. I would try to make members' work more pleasant.	_____	_____
7. I would focus on maintaining a pleasant atmosphere on the team.	_____	_____
8. I would let members do their work the way they think best.	_____	_____
9. I would be concerned with people's personal feelings and welfare.	_____	_____
10. I would go out of my way to be helpful to members.	_____	_____

Scoring and Interpretation

The T–P Leadership Questionnaire is scored as follows: Your T score represents task orientation and is the number of Mostly True answers for questions 1–5. Your P score represents your people or relationship orientation and is the number of Mostly True answers for questions 6–10. A score of 4 or 5 would be considered high for either T or P. A score of 0 or 1 would be considered low. T =___. P =___.

Some leaders focus on people needs, leaving task concerns to followers. Other leaders focus on task details with the expectation that followers will carry out instructions. Depending on the situation, both approaches may be effective. The important issue is the ability to identify relevant dimensions of the situation and behave accordingly. Through this questionnaire, you can identify your relative emphasis on the two dimensions of task orientation (T) and people orientation (P). These are not opposite approaches, and an individual can rate high or low on either or both.

What is your leadership orientation? Compare your results from this assignment to your result from the quiz in Leadership Practice 2.2 in Chapter 2. What would you consider an ideal leader situation for your style?

Remember This:

- Situational variables affect leadership outcomes. Contingency approaches were developed to systematically address how the components of leader style, follower characteristics, and situational elements affect one another.
- **Contingency** is a theory meaning one thing depends on other things.

- **Contingency approaches** are approaches that seek to delineate the characteristics of situations and followers that influence the leadership styles that can be used effectively.
- John Flint was ousted as CEO at HSBC after less than two years because the bank's board and other top leaders believed his slow-paced leadership style was not suited for the situation the bank was facing.

3-2 Hersey and Blanchard's Situational Theory

Situational theory
Hersey and Blanchard's extension of the Leadership Grid focusing on the characteristics of followers as the important element of the situation, and consequently, of determining effective leader behavior

The **situational theory** developed by Hersey and Blanchard is an interesting extension of the Leadership Grid outlined in Chapter 2. This approach focuses on the characteristics of followers as the most important element of the situation and consequently of determining effective leader behavior. The point of Hersey and Blanchard's theory is that subordinates vary in readiness level. People low in task readiness, because of little ability or training, or insecurity, need a different leadership style than those who are high in readiness and have good ability, skills, confidence, and willingness to work.[6]

3-2a Leader Style

According to the situational theory, a leader can adopt one of four leadership styles, based on a combination of relationship (concern for people) and task (concern for production) behavior. The appropriate style depends on the readiness level of followers.

Exhibit 3.3 summarizes the relationship between leader style and follower readiness. The upper part of the exhibit indicates the style of the leader, which is based on a combination of concern for people and concern for production tasks. The bell-shaped curve is called a prescriptive curve because it indicates when each style should be used. The four styles are telling, selling, participating, and delegating.

The *telling style (S1)* is a very directive approach that reflects a high concern for tasks and a low concern for people and relationships, as shown in the exhibit. The leader provides detailed objectives and explicit instructions about how tasks should be accomplished. David Farr, the recently retired CEO of Emerson Electric, reflects a telling style. Farr continued going to the office during the early months of the COVID pandemic and insisted that his executives do the same, even as lockdowns were sending much of the U.S. workforce home. "We have customers to serve," Farr reminded his top team.[7] The *selling style (S2)* is based on a high concern for both relationships and tasks. With this approach, the leader provides task instruction and personal support, explains decisions, and gives followers a chance to ask questions and gain clarity about work tasks. The *participating style (S3)* is characterized by high relationship and low task behavior. The leader encourages participation, consults with followers, and facilitates decision making. The fourth style, the *delegating style (S4),* reflects a low concern for both tasks and relationships. This leader provides little direction or support because complete responsibility for decisions and their implementation is turned over to followers.

Exhibit 3.3

The Situational Model of Leadership
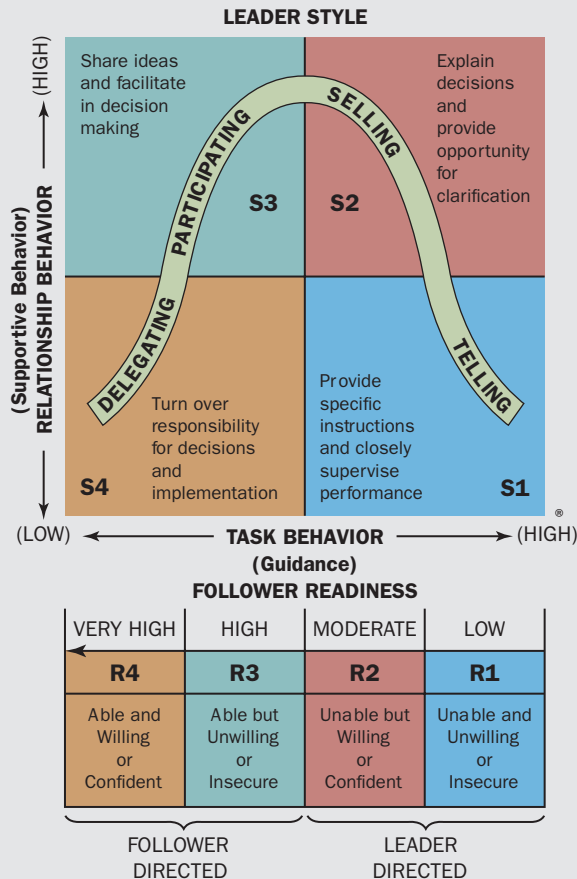
Source: Adapted from The Hersey and Blanchard Situational Leadership Model/The Center for Leadership Studies, Inc.

3-2b Follower Readiness

The appropriate style depends on the readiness level of followers, indicated in the lower part of Exhibit 3.3. R1 represents low readiness and R4 represents very high follower readiness. The essence of Hersey and Blanchard's situational theory is for the leader to diagnose a follower's readiness and select a style that is appropriate for the readiness level, which would include the follower's degree of education and skills, experience, self-confidence, and work attitudes.

   R1 Low Readiness When one or more followers exhibit very low levels of readiness, the leader has to use a telling style, telling followers exactly what to do, directing them in how to do it, and specifying timelines. For example, Phil Hagans owns four McDonald's franchises in northeast Houston and gives many young

workers their first job. He uses a telling style regarding everything from how to dress to the correct way to clean the grill, giving young workers the strong direction they need to develop to higher levels of skill and self-confidence.[8]

R2 Moderate Readiness A selling leadership style works well when followers lack some skills or experience for the job but demonstrate confidence, ability, and willingness to learn. With a selling style, the leader gives some direction but also explains decisions and clarifies tasks for followers rather than merely instructing how tasks should be performed. Sheryl Sandberg has used a selling style as chief operating officer at Facebook. Many Facebook employees are fresh out of college with little experience, but they are energetic, enthusiastic, and committed. Sandberg's style combines decisive leadership with persuasion and consensus building. She uses logic and data to explain her decisions, but she also seeks input and feedback from employees. She describes herself as a leader who tends to "mentor and demand at the same time."[9]

R3 High Readiness A participating style can be effective when followers have the necessary education, skills, and experience but might be insecure in their abilities and need some encouragement from the leader. The leader can guide followers' development and act as a resource for advice and assistance. An example of the participating style is Eric Brevig, senior VFX (visual effects) supervisor and creative director at Method Studios, who maximizes the creativity of artists and animators by encouraging participation. Rather than telling people how to do their jobs, Brevig presents them with a challenge and works with them to figure out the best way to meet it.[10]

R4 Very High Readiness The delegating style of leadership can be effectively used when followers have very high levels of ability, experience, confidence, and willingness to accept responsibility for their own task behavior. The leader provides a general goal and sufficient authority to do the tasks as followers see fit. Highly educated professionals such as lawyers, college professors, and social workers would typically fall into this category. There are followers in almost every organization who demonstrate very high readiness.

In summary, the telling style (S1) works best for followers who demonstrate very low levels of readiness to take responsibility for their own task behavior, the selling style (S2) is effective for followers with moderate readiness, the participating style (S3) works well for followers with high readiness, and the delegating style (S4) is appropriate for followers with very high readiness. In today's multigenerational workplace, with people of widely different ages and readiness levels working side by side, many leaders find that they have to use multiple styles. Aaron Brown supervises a team at IBM that includes employees who span four decades in age, have work experience of between 3 and 30 years, and have varied attitudes, expectations, and ways of working.[11] For Brown, getting the best performance out of employees who differ so widely is as challenging—and as energizing—as coping with today's faster, more competitive business landscape.

Hersey and Blanchard's situational theory focuses only on the characteristics of followers, not those of the larger situation. In the Hersey–Blanchard model, leaders can tailor their approach to individual subordinates, similar to the leader–member

Leadership Practice: Know Yourself 3.2

Are You Ready?

Instructions: A leader's style can be contingent upon the readiness level of followers. Think of yourself working in your current or former job. Answer the following questions based on how you are on that job. Please answer whether each item is Mostly False or Mostly True for you in that job.

	Mostly False	Mostly True
1. I typically do the exact work required of me, nothing more or less.	_____	_____
2. I am often bored and uninterested in the tasks I have to perform.	_____	_____
3. I take extended breaks whenever I can.	_____	_____
4. I have great interest and enthusiasm for the job.	_____	_____
5. I am recognized as an expert by colleagues and coworkers.	_____	_____
6. I have a need to perform to the best of my ability.	_____	_____
7. I have a great deal of relevant education and experience for this type of work.	_____	_____
8. I am involved in "extra-work" activities such as committees.	_____	_____
9. I prioritize my work and manage my time well.	_____	_____

Scoring and Interpretation

In the situational theory of leadership, the higher the follower's readiness, the more participative and delegating the leader can be. Give yourself one point for each Mostly False answer to items 1–3 and one point for each Mostly True answer to items 4–9. A score of 8–9 points would suggest a "very high" readiness level. A score of 7–8 points would indicate a "high" readiness level. A score of 4–6 points would suggest "moderate" readiness, and 0–3 points would indicate "low" readiness. What is the appropriate leadership style for your readiness level? What leadership style did your supervisor use with you? What do you think accounted for your supervisor's style? Discuss your results with other students to explore which leadership styles are actually used with subordinates who are at different readiness levels.

exchange theory described in Chapter 2. The leader should evaluate subordinates and adopt whichever style is needed.

If one follower is at a low readiness level, the leader must be very specific, telling the employee exactly what to do, how to do it, and when. For a follower high in readiness, the leader provides a general goal and sufficient authority to do the task as the follower sees fit. Leaders can carefully diagnose the readiness level of followers and then apply the appropriate style.

Remember This:

- The **situational theory** developed by Hersey and Blanchard is an extension of the Leadership Grid (Chapter 2) and focuses on the characteristics of followers as the most important element of the situation, and consequently, of determining effective leader behavior.

- Hersey and Blanchard contend that leaders can adjust their task or relationship style to accommodate the readiness level of followers.
- When followers exhibit very low levels of readiness to take responsibility for their own task behavior, the leader has to use a telling style, telling followers exactly what to do and directing them in how to do it.
- Phil Hagans, who owns four McDonald's franchises in northeast Houston, uses a telling style regarding everything from how to dress to the correct way to clean the grill, giving his young workers the guidance they need to develop to higher levels of skill and self-confidence.
- The selling style, which is based on a high concern for both task accomplishment and personal relationships, is effective for followers with moderate readiness.
- The participating style, which is characterized by high relationship behavior and low task behavior, works well for followers at high readiness levels.
- The delegating style is appropriate for followers with very high readiness. The leader provides a general goal and sufficient authority to do the tasks as followers see fit.

3-3 Fiedler's Contingency Model

Fiedler and his associates developed a model that takes not only followers but other elements of the situation into consideration.[12] Although the model is somewhat complicated, the basic idea is simple: Match the leader's style with the situation most favorable for their success. **Fiedler's contingency model** was designed to enable leaders to diagnose both leadership style and organizational situation.

3-3a Leadership Style

The cornerstone of Fiedler's theory is the extent to which the leader's style is relationship-oriented or task-oriented. A *relationship-oriented leader* is concerned with people. As with the consideration style described in Chapter 2, a relationship-oriented leader establishes mutual trust and respect and listens to employees' needs. A *task-oriented leader* is primarily motivated by task accomplishment. Similar to the initiating structure style described in Chapter 2, a task-oriented leader provides clear directions and sets performance standards.

Leadership style was measured with a questionnaire known as the least preferred coworker (LPC) scale. The LPC scale has a set of 16 bipolar adjectives along an eight-point scale. Examples of the bipolar adjectives used by Fiedler on the LPC scale follow:

open	guarded
quarrelsome	harmonious
efficient	inefficient
self-assured	hesitant
gloomy	cheerful

Fiedler's contingency model a model designed to diagnose whether a leader is task-oriented or relationship-oriented and match leader style to the situation

If the leader describes the least preferred coworker using positive concepts, the leader is considered relationship-oriented, that is, a leader who cares about and is sensitive to other people's feelings. Conversely, if a leader uses negative concepts to describe the least preferred coworker, the leader is considered task-oriented, that is, a leader who sees other people in negative terms and places greater value on task activities than on people.

3-3b Situation

Fiedler's model presents the leadership situation in terms of three key elements that can be either favorable or unfavorable to a leader: the quality of leader–member relations, task structure, and position power.

Leader–member relations refers to group atmosphere and members' attitudes toward and acceptance of the leader. When subordinates trust, respect, and have confidence in the leader, leader–member relations are considered good. When subordinates distrust, do not respect, and have little confidence in the leader, leader–member relations are poor.

Task structure refers to the extent to which tasks performed by the group are defined, involve specific procedures, and have clear, explicit goals. Routine, well-defined tasks, such as those of assembly-line workers, have a high degree of structure. Creative, ill-defined tasks, such as research and development or strategic planning, have a low degree of task structure. When task structure is high, the situation is considered favorable to the leader; when low, the situation is less favorable.

Position power is the extent to which the leader has formal authority over subordinates. Position power is high when the leader has the power to plan and direct the work of subordinates, evaluate it, and reward or punish them. Position power is low when the leader has little authority over subordinates and cannot evaluate their work or reward them. When position power is high, the situation is considered favorable for the leader; when low, the situation is unfavorable.

When leader–member relations are good, task structure is high, and position power is strong, the situation is considered highly favorable to the leader. When leader–member relations are poor, task structure is low, and leader position power is weak, the situation is considered highly unfavorable to the leader. The situation would be considered moderately favorable when some of the three elements are high and others low. That is, a leader might have strong position power but tasks are unstructured and leader–member relations are poor. Or, leader–member relations might be good, but position power is weak and tasks are unstructured. There can be various levels of moderate favorability based on various combinations of the three key elements.

3-3c Contingency Theory

When Fiedler examined the relationships among leadership style, situational favorability, and group task performance, he found the pattern shown in Exhibit 3.4. Task-oriented leaders are more effective when the situation is either highly favorable or highly unfavorable. Relationship-oriented leaders are more effective in situations of moderate favorability.

The task-oriented leader excels in the highly favorable situation because everyone gets along, the task is clear, and the leader has power; all that is needed

Source: Based on Fred E. Fiedler, "The Effects of Leadership Training and Experience: A Contingency Model Interpretation," *Administrative Science Quarterly* 17 (1972), p. 455.

is for someone to take charge and provide direction. Similarly, if the situation is highly unfavorable to the leader, a great deal of structure and task direction are needed. A strong leader defines task structure and can establish authority over subordinates. Because leader–member relations are poor anyway, a strong task orientation will make no difference to the leader's popularity.

Facebook CEO Mark Zuckerberg moved to a tougher, task-oriented leadership style as the situation grew more unfavorable at his company. Facebook has faced growing challenges from lawmakers, investors, and irate users regarding divisive political and social topics, and the challenges have sparked disagreements and discord among employees. At a meeting with top executives, Zuckerberg told them Facebook is at war and he plans to lead the company accordingly. He implemented a new policy outlining ways in which Facebook's internal messaging system can be used and clarifying that discussions will be closely moderated. Zuckerberg is also pressuring executives to make faster progress on solving problems such as platform security, reviewing controversial content on the public site, and the slowdown in user growth.[13]

Researchers at the University of Chicago looked at CEOs of companies in turn-around situations—where companies typically have high debt loads and a need to improve results in a hurry—and found that tough-minded, task-focused characteristics such as analytical skills, a focus on efficiency, and setting high standards were more valuable leader qualities than were relationship skills such as good communication, listening, and teamwork.[14]

According to Fiedler, the relationship-oriented leader performs better in situations of moderate favorability because human relations skills are important in achieving high group performance. In these situations, the leader may be moderately well liked, have some power, and supervise jobs that contain some ambiguity. A leader with good interpersonal skills can create a positive group atmosphere that will improve relationships, clarify task structure, and establish position power.

A leader, then, needs to know two things in order to use Fiedler's contingency theory. First, the leader should know whether they have a relationship- or task-oriented style. Second, the leader should diagnose the situation and determine

Put It Into Practice 3.4

Recall the most unfavorable leadership situation you have read about or observed. Write down the elements that made the situation so unfavorable and the leadership style you think would have been necessary to succeed.

whether leader–member relations, task structure, and position power are favorable or unfavorable.

An important contribution of Fiedler's research is that it goes beyond the notion of leadership styles to try to show how styles fit the situation. Many studies have been conducted to test Fiedler's model, and the research in general provides some support for the model.[15] However, Fiedler's model has also been criticized.[16] Using the LPC score as a measure of relationship- or task-oriented behavior seems simplistic to some researchers, and the weights used to determine situation favorability seem to have been determined in an arbitrary manner. In addition, some observers argue that the empirical support for the model is weak because it is based on correlational results that fail to achieve statistical significance in the majority of cases. The model also isn't clear about how the model works over time. For instance, if a task-oriented leader is matched with an unfavorable situation and is successful, the organizational situation is likely to improve, thus becoming a situation more appropriate for a relationship-oriented leader. Will the task-oriented style continue to be effective under more favorable circumstances? Can or should the leader try to shift to a more relationship-oriented style? Fiedler's model doesn't address this issue.

Finally, Fiedler's model and much of the subsequent research fail to consider *medium* LPC leaders, who some studies indicate are more effective than either high or low LPC leaders in most situations.[17] Leaders who score in the mid-range on the LPC scale presumably balance the concern for relationships with a concern for task achievement more effectively than high or low LPC leaders, making them more adaptable to a variety of situations.

New research has continued to improve Fiedler's model,[18] and it is still considered an important contribution to leadership studies. However, its major impact may have been to stir other researchers to consider situational factors more seriously. A number of other situational theories have been developed in the years since Fiedler's original research.

Remember This:

- **Fiedler's contingency model** is a model designed to diagnose whether a leader is task-oriented or relationship-oriented and match leader style to the situation.
- Fiedler's model considers the situation in terms of three key elements— leader–member relations, task structure, and position power—that can be either favorable or unfavorable to the leader.
- When Fiedler examined the relationships among leadership style, situational favorability, and group task performance, he found that task-oriented leaders are more effective when the situation is either highly favorable or highly unfavorable and relationship-oriented leaders are more effective in situations of moderate favorability.
- Facebook CEO Mark Zuckerberg used a tough, task-oriented leadership style as the situation grew more unfavorable at his company. At a meeting with top executives, Zuckerberg told them Facebook is at war and he plans to lead the company accordingly.
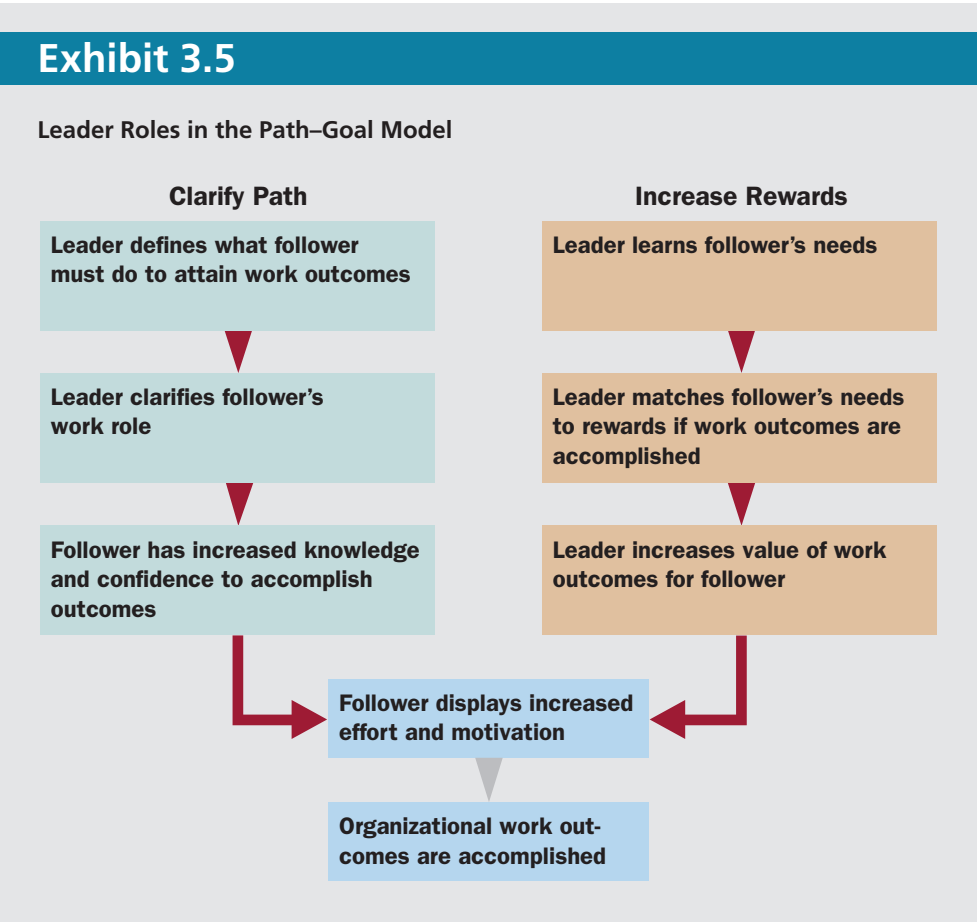
3-4 Path–Goal Theory

According to the **path–goal theory**, the leader's responsibility is to increase followers' motivation to attain personal and organizational goals.[19] As illustrated in Exhibit 3.5, the leader increases follower motivation by either (1) clarifying the follower's path to the rewards that are available or (2) increasing the rewards that the follower values and desires. Path clarification means that the leader works with subordinates to help them identify and learn the behaviors that will lead to successful task accomplishment and organizational rewards. Increasing rewards means that the leader talks with subordinates to learn which rewards are important to them—that is, whether they desire intrinsic rewards from the work itself or extrinsic rewards such as raises or promotions. The leader's job is to increase personal payoffs to followers for goal attainment and to make the paths to these payoffs clear and easy to travel.[20]

This model is called a contingency theory because it consists of three sets of contingencies—leader style, followers and situation, and the rewards to meet followers' needs.[21] Whereas the Fiedler theory made the assumption that new leaders

Exhibit 3.5

Leader Roles in the Path–Goal Model

Clarify Path

Leader defines what follower must do to attain work outcomes

↓

Leader clarifies follower's work role

↓

Follower has increased knowledge and confidence to accomplish outcomes

Increase Rewards

Leader learns follower's needs

↓

Leader matches follower's needs to rewards if work outcomes are accomplished

↓

Leader increases value of work outcomes for follower

→ Follower displays increased effort and motivation ←

↓

Organizational work outcomes are accomplished

Source: Reprinted from *Organizational Dynamics,* 13 (Winter 1985), Bernard M. Bass, "Leadership: Good, Better, Best," pp. 26–40, Copyright 1985, with permission from Elsevier.

could take over as situations change, in the path–goal theory, leaders change their behaviors to match the situation.

3-4a Leader Behavior

The path–goal theory suggests a fourfold classification of leader behaviors.[22] These classifications are the types of behavior the leader can adopt and include supportive, directive, achievement-oriented, and participative styles.

Supportive leadership shows concern for subordinates' well-being and personal needs. Leadership behavior is open, friendly, and approachable, and the leader creates a team climate and treats subordinates as equals. Supportive leadership is similar to the consideration or people-oriented leadership described earlier. Marissa Allen, COO and co-owner of Meadow Office Interiors in New York City, provides an illustration of supportive leadership. When employees were working from home because of the shutdown during the pandemic, Allen let remote workers choose personalized snacks from SnackMagic to have sent to their homes. Allen said providing snacks helped maintain a sense of community, adding, "We need to try and focus on that even when we're not in the office."[23]

Directive leadership tells subordinates exactly what they are supposed to do. Leader behavior includes planning, making schedules, setting performance goals and behavior standards, and stressing adherence to rules and regulations. Directive leadership behavior is similar to the initiating structure or task-oriented leadership style described earlier. During the pandemic, leaders faced a greater challenge in keeping everyone focused toward the future, so Sharon Daniels, CEO of data analytics company Arria NLG, used a more directive style. She made *focus* the primary message of virtual team meetings, helping people concentrate on the areas that would have a strong impact on achieving the vision. Daniels says, "When there's a crisis, there are so many distractions, particularly for everyone who's working at home." She believed it was important to have goals and plans and keep people working toward accomplishing results in key areas.[24]

Participative leadership consults with subordinates about decisions. Leader behavior includes asking for opinions and suggestions, encouraging participation in decision making, and meeting with subordinates in their workplaces. The participative leader encourages group discussion and suggestions, similar to the coaching or supporting style in the Hersey and Blanchard model. Leaders at French tire manufacturer Michelin shifted to participative leadership with an initiative the company calls *responsabilisation* (French for "empowerment"), involving employees in making key decisions. For example, at one factory, employees first took over responsibility for shift scheduling. Next, they became fully effective at production planning. At Michelin's LePuy tractor-tire factory, plant manager Laurent Carpenter has hands-on responsibility only for safety and major personnel issues, "but for everything else, it's up to the teams to propose and drive solutions."[25]

Achievement-oriented leadership sets clear and challenging goals for subordinates. Leader behavior stresses high-quality performance and improvement over current performance. Achievement-oriented leaders also show confidence in subordinates and assist them in learning how to achieve high goals. Julia Paige, Uber's Global Director of Social Impact, provides an example. Paige thrives under challenge and she likes to push others to higher achievements as well. "People don't challenge themselves as much as they should," she says. In her first eight months at Uber, Paige worked with employees to achieve a goal of providing

> ❛The boss drives people; the leader coaches them. The boss depends on authority; the leader on good will. The boss inspires fear; the leader inspires enthusiasm.❜
>
> H. Gordon Selfridge (1864–1947), founder of British retailer Selfridges.

10 million free rides and food deliveries to those most in need during the COVID-19 pandemic.[26]

The four types of leader behavior are not considered ingrained personality traits as in the earlier trait theories; rather, they reflect types of behavior that every leader is able to adopt, depending on the situation. Several years ago, Daniel Snyder, owner of the Washington Football Team, shifted from a task-oriented directive style to a more participative style with his coaches and got better results. For many of Snyder's 22 or so years as owner of the team, he had a reputation as a meddlesome, overbearing boss who got in the way of people doing their jobs. He got involved in every detail of the team, even making big decisions on player acquisition himself. But Snyder showed that leaders can change. When he started staying in the background and giving his coaches more autonomy, team performance improved. In 2012, the team won their first NFC East division title since 1999, Snyder's first season as owner. In late 2020, with the organization facing several crises, including a revolt by sponsors over the previous name (the Washington Redskins) and charges by more than two dozen female employees of bullying and harassment by office executives, Snyder shifted back toward a more directive style, saying he had been leading the team at a distance and needed to get more involved in how it was run.[27]

The *Think on This* box provides an interesting perspective on the disadvantages of persisting in a behavior style despite the processes of change.

3-4b Situational Contingencies

The two important situational contingencies in the path–goal theory are (1) the personal characteristics of group members and (2) the work environment. Personal characteristics of followers are similar to Hersey and Blanchard's readiness level and include such factors as ability, skills, needs, and motivations. For example, if an employee has a low level of ability or skill, the leader may need to provide additional training or coaching in order for the worker to improve performance. If an employee is self-centered, the leader may use monetary rewards to motivate them. Followers who want or need clear direction and authority require a directive leader to tell them exactly what to do. Craft workers and professionals, however, may want more freedom and autonomy and work best under a participative leadership style.

The work environment contingencies include the degree of task structure, the nature of the formal authority system, and the work group itself. The task structure is similar to the same concept described in Fiedler's contingency theory; it includes the extent to which tasks are defined and have explicit job descriptions and work procedures. The formal authority system includes the amount of legitimate power used by leaders and the extent to which policies and rules constrain employees' behavior. Work-group characteristics consist of the educational level of employees and the quality of relationships among them.

3-4c Use of Rewards

Recall that the leader's responsibility is to clarify *the path to rewards* for followers or to increase *the amount or type of rewards* to enhance satisfaction and job performance. In some situations, the leader works with subordinates to help them acquire the skills and confidence needed to perform tasks and achieve rewards

Think on This: Polarities

The phrase "too much of a good thing" is relevant in leadership. Behavior that becomes overbearing can be a disadvantage by ultimately resulting in the opposite of what the individual is hoping to achieve.

All behavior consists of opposites or polarities. If I do anything more and more, over and over, its polarity will appear. For example, striving to be beautiful makes a person ugly, and trying too hard to be kind is a form of selfishness.

Any overdetermined behavior produces its opposite:

- An obsession with living suggests worry about dying.
- True simplicity is not easy.
- Is it a long time or a short time since we last met?
- The braggart probably feels small and insecure.
- Who would be first ends up last.

Knowing how polarities work, the wise leader does not push to make things happen but allows a process to unfold on its own.

What do you think?

Source: John Heider, *The Tao of Leadership: Leadership Strategies for a New Age* (New York: Bantam Books, 1986), p. 3. Copyright 1985 Humanic Ltd., Atlanta, GA. Used with permission.
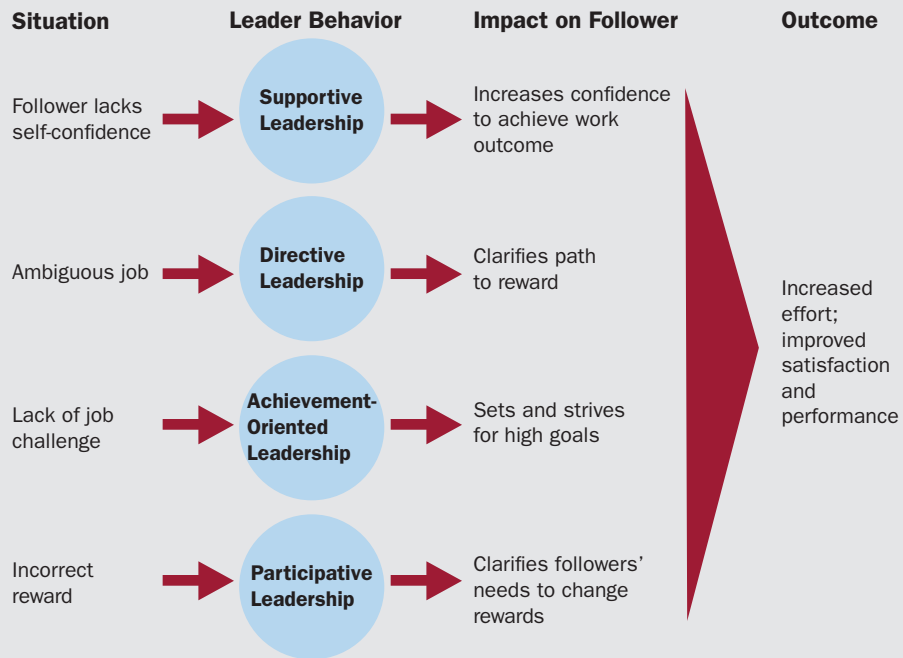
already available. In others, the leader may develop new rewards to meet the specific needs of subordinates.

Exhibit 3.6 illustrates four examples of how leadership behavior is tailored to the situation. In the first situation, the subordinate lacks confidence; thus, the supportive leadership style provides the social support with which to encourage the employee to undertake the behavior needed to do the work and receive the rewards. In the second situation, the job is ambiguous, and the employee is not performing effectively. Directive leadership behavior is used to give instructions and clarify the task so that the follower will know how to accomplish it and receive rewards. In the third situation, the subordinate is unchallenged by the task; thus, an achievement-oriented behavior is used to set higher goals. This clarifies the path to rewards for the employee. In the fourth situation, an incorrect reward is given to an employee, and the participative leadership style is used to change this. By discussing the follower's needs, the leader is able to identify the correct reward for task accomplishment. In all four cases, the outcome of fitting the leadership behavior to the situation produces greater employee effort by either clarifying how people can receive rewards or changing the rewards to fit their needs.

Path–goal theorizing can be complex, but much of the research on it has been encouraging.[28] Using the model to specify precise relationships and make exact predictions about employee outcomes may be difficult, but the four types of leader behavior and the ideas for fitting them to situational contingencies provide a useful way for leaders to think about motivating followers.

Exhibit 3.6

Path–Goal Situations and Preferred Leader Behaviors

Situation	Leader Behavior	Impact on Follower	Outcome
Follower lacks self-confidence	Supportive Leadership	Increases confidence to achieve work outcome	
Ambiguous job	Directive Leadership	Clarifies path to reward	Increased effort; improved satisfaction and performance
Lack of job challenge	Achievement-Oriented Leadership	Sets and strives for high goals	
Incorrect reward	Participative Leadership	Clarifies followers' needs to change rewards	

Remember This:

- **Path–goal theory** is a contingency approach to leadership in which the leader's responsibility is to increase followers' motivation by clarifying the behaviors necessary for task accomplishment and rewards.
- The path–goal theory describes four types of behavior the leader can adopt: supportive, directive, achievement-oriented, and participative.
- One example of achievement-oriented leadership is Julia Paige, Uber's Global Director of Social Impact, who thrives under challenge and likes to encourage others to higher achievements as well.
- The situational contingencies in the path–goal theory are the characteristics of followers, similar to Hersey and Blanchard's readiness level, and the nature of the work environment, including task structure, the authority system, and characteristics of the work group.
- Daniel Snyder, owner of the Washington Football Team, shifted from a task-oriented, directive style to a more participative style with his coaches and got better results.

3-5 The Vroom–Jago Contingency Model

The **Vroom–Jago contingency model** shares some basic principles with the previous models, yet it differs in significant ways as well. This model focuses specifically on varying degrees of participative leadership and how each level of participation influences the quality and accountability of decisions. A number of situational factors shape the likelihood that either a participative or autocratic approach will produce the best outcome.

This model starts with the idea that a leader faces a problem that requires a solution. Decisions to solve the problem might be made by a leader alone or by including a number of followers. An IT team leader, for instance, might face a decision about whether to accept a more aggressive deadline for completing a project, or the leader of a production team might be considering changing the schedule for machine maintenance. The Vroom-Jago model can serve as a guide that leaders can use to help them decide whether it is best to make the decision on their own or involve others in the decision making. In addition, even though the Vroom-Jago model applies especially to group decision making, some leaders routinely like to include others in making important decisions. Julia Paige, the achievement-oriented leader we introduced previously, for example, says, "I think my job is to get X done, and I'm going to get it done if I have to ask 10 people how to do it or if I have to do it myself."[29]

The Vroom–Jago model is very applied, which means that it tells the leader precisely the correct amount of participation by followers to use in making a particular decision.[30] The model has three major components: leader participation styles, a set of diagnostic questions with which to analyze a decision situation, and a series of decision rules.
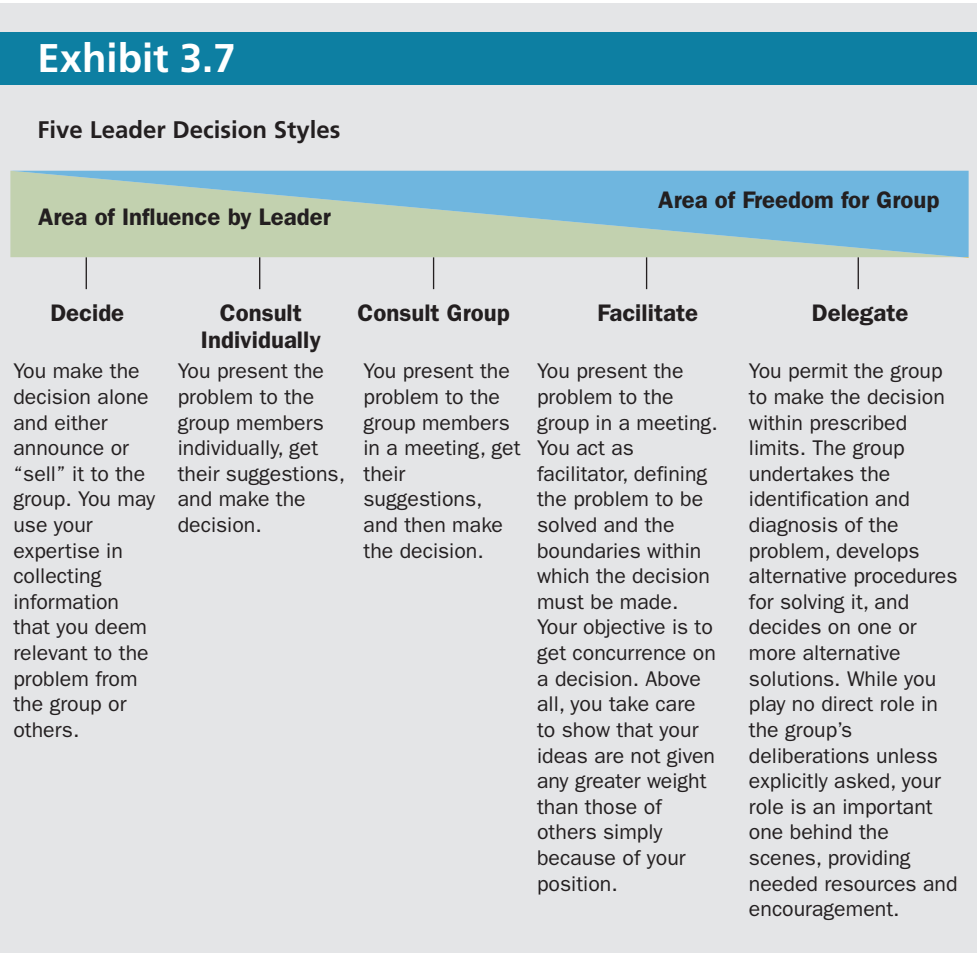
3-5a Leader Participation Styles

The model employs five levels of follower participation in decision making, ranging from highly autocratic (leader decides alone) to highly democratic (leader delegates to group), as illustrated in Exhibit 3.7.[31] The exhibit shows five decision styles, starting with the leader making the decision alone (Decide); presenting the problem to subordinates individually for their suggestions and then making the decision (Consult Individually); presenting the problem to subordinates as a group, collectively obtaining their ideas and suggestions, then making the decision (Consult Group); sharing the problem with subordinates as a group and acting as a facilitator to help the group arrive at a decision (Facilitate); or delegating the problem and permitting the group to make the decision within prescribed limits (Delegate). The five styles fall along a continuum, and the leader should select one depending on the situation.

3-5b Diagnostic Questions

How does a leader decide which of the five decision styles to use? The appropriate degree of decision participation depends on a variety of situational factors, such as the required level of decision quality, the level of leader or follower expertise, and the importance of having followers commit to the decision. Leaders can analyze the appropriate degree of participation by answering seven diagnostic questions.

Vroom–Jago contingency model
a contingency model that focuses on varying degrees of participative leadership and how each level of participation influences the quality and accountability of decisions

Exhibit 3.7

Five Leader Decision Styles

Area of Influence by Leader				Area of Freedom for Group
Decide	**Consult Individually**	**Consult Group**	**Facilitate**	**Delegate**
You make the decision alone and either announce or "sell" it to the group. You may use your expertise in collecting information that you deem relevant to the problem from the group or others.	You present the problem to the group members individually, get their suggestions, and make the decision.	You present the problem to the group members in a meeting, get their suggestions, and then make the decision.	You present the problem to the group in a meeting. You act as facilitator, defining the problem to be solved and the boundaries within which the decision must be made. Your objective is to get concurrence on a decision. Above all, you take care to show that your ideas are not given any greater weight than those of others simply because of your position.	You permit the group to make the decision within prescribed limits. The group undertakes the identification and diagnosis of the problem, develops alternative procedures for solving it, and decides on one or more alternative solutions. While you play no direct role in the group's deliberations unless explicitly asked, your role is an important one behind the scenes, providing needed resources and encouragement.

Source: Reprinted from *Organizational Dynamics,* 28, no. 4, Victor H. Vroom, "Leadership and the Decision-Making Process," pp. 82–94, Copyright 2000, with permission from Elsevier.

1. **Decision significance:** *How significant is this decision for the project or organization?* If the decision is highly important and a high-quality decision is needed for the success of the project or organization, the leader has to be actively involved.

2. **Importance of commitment:** *How important is subordinate commitment to carrying out the decision?* If implementation requires a high level of commitment to the decision, leaders should involve subordinates in the decision process.

3. **Leader expertise:** *What is the level of the leader's expertise in relation to the problem?* If the leader does not have a high amount of information, knowledge, or expertise, the leader should involve subordinates to obtain it. For example, Snap CEO Evan Spiegel made a decision about redesigning the popular Snapchat messaging app without listening to the ideas and concerns of followers who had more knowledge about what users wanted. The decision failed and Snapchat lost users for the first time in its history over the next quarter.[32]

4. **Likelihood of commitment:** *If the leader were to make the decision alone, would subordinates have high or low commitment to the decision?* If group members typically go along with whatever the leader decides, their involvement in the decision-making process will be less important.

5. **Group support for goals:** *What is the degree of subordinate support for the team's or organization's objectives at stake in this decision?* If group members have low support for the goals of the organization, the leader should not allow the group to make the decision alone.

6. **Goal expertise:** *What is the level of group members' knowledge and expertise in relation to the problem?* If subordinates have a high level of expertise in relation to the problem, more responsibility for the decision can be delegated to them.

7. **Team competence:** *How skilled and committed are group members to working together as a team to solve problems?* When subordinates have high skills and high desire to work together cooperatively to solve problems, more responsibility for the decision making can be delegated to them.

These questions seem detailed, but considering these seven situational factors can quickly narrow the options and point to the appropriate level of group participation in decision making.

3-5c Selecting a Decision Style

Further development of the Vroom–Jago model added concern for time constraints and concern for follower development as explicit criteria for determining the level of participation. That is, a leader considers the relative importance of time versus follower development in selecting a decision style. This led to the development of two decision matrixes, a *time-based model* to be used if time is critical, for example if the organization is facing a crisis and a decision must be made immediately, and a *development–based model* to be used if time and efficiency are less important criteria than the opportunity to develop the thinking and decision-making skills of followers.

Exhibits 3.8 and 3.9 illustrate the two decision matrixes—a timesaving-based model and an employee development–based model—that enable leaders to adopt a participation style by answering the diagnostic questions in sequence.

When Ed Stack, CEO of Dick's Sporting Goods, needed to make a decision regarding how the company should handle the sale of firearms, time was not a highly critical issue. Stack chose to gather thoughts from people all around the company, and the entire management team was involved in making the decision to permanently remove assault rifles from the company's 850 stores and to stop selling guns of any sort to anyone under 21 years of age. Stack says it was a "long and evolutionary process."[33] Stack did not precisely follow the step sequence in Exhibit 3.9. However, the decision was significant, required commitment of others, and the leader had no more expertise than others, which led Stack to consult with a wide range of managers and employees to get their opinions and gain their commitment.

Let's look at how a leader would follow the timesaving-based model in Exhibit 3.8 if a machine has broken down and must be replaced immediately. The leader enters the matrix at the left side, at Problem Statement. The matrix acts as a funnel as you

> **Put It Into Practice 3.6**
> Identify a decision that was made when you were part of a team. Of the styles in Exhibit 3.7, write down how the decision was made. Identify how that decision should have been made according to the model in Exhibit 3.8 or 3.9.
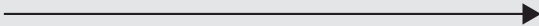
Exhibit 3.8

Timesaving-Based Model for Determining an Appropriate Decision-Making Style—Group Problems

Columns (left to right, in order of evaluation):
1. Decision Significance?
2. Importance of Commitment?
3. Leader Expertise?
4. Likelihood of Commitment?
5. Group Support?
6. Group Expertise?
7. Team Competence?

PROBLEM STATEMENT	1. Decision Significance?	2. Importance of Commitment?	3. Leader Expertise?	4. Likelihood of Commitment?	5. Group Support?	6. Group Expertise?	7. Team Competence?	Decision-Making Style
	H	H	H	H	–	–	–	Decide
	H	H	H	L	H	H	H	Delegate
	H	H	H	L	H	H	L	Consult (Group)
	H	H	H	L	H	L	–	Consult (Group)
	H	H	H	L	L	–	–	Consult (Group)
	H	H	L	H	H	H	H	Facilitate
	H	H	L	H	H	H	L	Consult (Individually)
	H	H	L	H	H	L	–	Consult (Individually)
	H	H	L	H	L	–	–	Consult (Individually)
	H	H	L	L	H	H	H	Facilitate
	H	H	L	L	H	H	L	Consult (Group)
	H	H	L	L	H	L	–	Consult (Group)
	H	H	L	L	L	–	–	Consult (Group)
	H	L	H	–	–	–	–	Decide
	H	L	L	–	H	H	H	Facilitate
	H	L	L	–	H	H	L	Consult (Individually)
	H	L	L	–	H	L	–	Consult (Individually)
	H	L	L	–	L	–	–	Consult (Individually)
	L	H	–	H		–	–	Decide
	L	H	–	L		–	H	Delegate
	L	H	–	L		–	L	Facilitate
	L	L	–	–	–	–	–	Decide

Source: Reprinted from *Organizational Dynamics,* 28, no. 4, Victor H. Vroom, "Leadership and the Decision-Making Process," pp. 82–94, Copyright 2000, with permission from Elsevier.

Exhibit 3.9

Employee Development–Based Model for Determining an Appropriate Decision-Making Style—Group Problems

1. Decision Significance?	2. Importance of Commitment?	3. Leader Expertise?	4. Likelihood of Commitment?	5. Group Support?	6. Group Expertise?	7. Team Competence?	
H	H	-	H	H	H	H	Delegate
H	H	-	H	H	H	L	Facilitate
H	H	-	H	H	L	-	Consult (Group)
H	H	-	H	L	-	-	Consult (Group)
H	H	-	L	H	H	H	Delegate
H	H	-	L	H	H	L	Facilitate
H	H	-	L	H	L	-	Facilitate
H	H	-	L	L	-	-	Consult (Group)
H	L	-	-	H	H	H	Delegate
H	L	-	-	H	H	L	Facilitate
H	L	-	-	H	L	-	Consult (Group)
H	L	-	-	L	-	-	Consult (Group)
L	H	-	H	-	-	-	Decide
L	H	-	L	-	-	-	Delegate
L	L	-	-	-	-	-	Decide

(The entire block under columns 1–7 falls within the "PROBLEM STATEMENT" classification.)

Source: Victor H. Vroom, "Leadership and the Decision-Making Process," *Organizational Dynamics* 28, no. 4 (Spring 2000), pp. 82–94. This is Vroom's adaptation of Tannenbaum and Schmidt's Taxonomy.

move left to right, responding to the situational questions across the top, answering high (H) or low (L) to each one, and avoiding crossing any horizontal lines.

The first question (decision significance) would be: *How significant is this decision for the project or organization?* If the answer is High, the leader proceeds to importance of commitment: *How important is subordinate commitment to carrying out the decision?* If the answer is High, the next question pertains to leader expertise: *What is the level of the leader's expertise in relation to the problem?* If the leader's knowledge and expertise are High, the leader next considers likelihood

of commitment: *If the leader were to make the decision alone, how likely is it that subordinates would be committed to the decision?* If there is a high likelihood that subordinates would be committed, the decision matrix leads directly to the Decide style of decision making, in which the leader makes the decision alone and presents it to the group.

As noted earlier, this matrix assumes that time and efficiency are the most important criteria. However, consider how the selection of a decision style would differ if the leader had several months to replace the machine and considered follower development of high importance and time of little concern. In this case, the leader would follow the employee development–driven decision matrix in Exhibit 3.9. Beginning again at the left side of the matrix: *How significant is this decision for the project or organization?* If the answer is High, proceed to importance of commitment: *How important is subordinate commitment?* If high, the next question concerns likelihood of commitment (leader expertise is not considered because the development model is focused on involving subordinates, even if the leader has knowledge and expertise): *If the leader were to make the decision alone, how likely is it that subordinates would be committed to the decision?* If there is a high likelihood, the leader next considers group support: *What is the degree of subordinate support for the team's or organization's objectives at stake in this decision?* If the degree of support for goals is low, the leader proceeds directly to the Group Consult decision style. However, if the degree of support for goals is high, the leader then asks: *What is the level of group members' knowledge and expertise in relation to the problem?* An answer of High would take the leader to the question: *How skilled and committed are group members to working together as a team to solve problems?* An answer of High would lead to the Delegate style, in which the leader allows the group to make the decision within certain limits.

Note that the timesaving-driven model takes the leader to the first decision style that preserves decision quality and follower acceptance, whereas the employee development–driven model takes other considerations into account. It takes less time to make an autocratic decision (Decide) than to involve group members by using a Facilitate or Delegate style. However, in many cases, time and efficiency are less important than the opportunity to foster follower development. In many of today's organizations, where knowledge sharing and widespread participation are considered critical to organizational success, leaders are placing greater emphasis on follower development when time is not a critical issue.

Leaders can quickly learn to use the model to adapt their styles to fit the situation. However, researchers have also developed a computer-based program that allows for greater complexity and precision in the Vroom–Jago model and incorporates the value of time and value of follower development as situational factors rather than portraying them in separate decision matrixes.

The Vroom–Jago model has been criticized as being less than perfect,[34] but it is useful to decision makers, and the model is supported by research.[35] Leaders can learn to use the model to make timely, high-quality decisions. Let's try applying the model to the following problem.

When Whitlock Manufacturing won a contract from a large auto manufacturer to produce an engine to power its flagship sports car, Art Weinstein was thrilled to be selected as project manager. He and his team of engineers have taken great

pride in their work on the project, but their excitement was dashed by a recent report of serious engine problems in cars delivered to customers. Unless the engine problem is solved quickly, Whitlock Manufacturing could be exposed to extended litigation. In addition, Whitlock's valued relationship with one of the world's largest auto manufacturers would probably be lost forever.

As the person most knowledgeable about the engine, Weinstein has spent two weeks in the field inspecting the problem engines, and he carefully examined the operations and practices in Whitlock's plant where the engines were manufactured. Based on this extensive research, Weinstein is convinced that he understands the problem and the best way to solve it. However, his natural inclination is to involve other team members as much as possible in making decisions and solving problems, helping them grow and contribute more to the team and the organization. Therefore, Weinstein chooses to consult with his team before making his final decision.

The group meets for several hours that afternoon, discussing the problem in detail and sharing their varied perspectives, including the information Weinstein has gathered during his research. Following the group session, Weinstein makes his decision. He will present the decision at the team meeting the following morning, after which testing and correction of the engine problem will begin.[36]

In the Whitlock Manufacturing example, either a timesaving-based or an employee development–based model can be used to select a decision style. Although timeliness is important, the leader's desire to involve followers can be considered equally important. Do you think Weinstein used the correct leader decision style? Let's examine the problem using the employee development–based decision tree since Weinstein is concerned about involving other team members. Moving from left to right in Exhibit 3.9, the questions and answers are as follows: *How significant is this decision for the organization?* Definitely High. Quality of the decision is of critical importance. The company's future may be at stake. *How important is subordinate commitment to carrying out the decision?* Also High. The team members must support and implement Weinstein's solution. Question 3 (leader expertise) is not considered in the employee development–driven model, as shown in Exhibit 3.9. The next question would be *If Weinstein makes the decision on his own, will team members have high or low commitment to it?* The answer to this question is probably also High. Team members respect Weinstein, and they are likely to accept his analysis of the problem. This leads to the question *What is the degree of follower support for the team's or organization's objectives at stake in this decision?* The answer, definitely High, leads to the question *What is the level of group members' knowledge and expertise in relation to the problem?* The answer to this question is probably Low, which leads to the Consult Group decision style. Thus, Weinstein used the style that would be recommended by the Vroom–Jago model.

Now, assume that Weinstein chose to place more emphasis on efficient use of time than on employee involvement and development. Using the timesaving-based decision matrix in Exhibit 3.8, answer the questions across the top of the matrix based on the information just provided (rate Weinstein's level of expertise in question 3 as high). Remember to avoid crossing any horizontal lines. What decision style is recommended? Is it the same as or different from that recommended by the employee development–based tree?

Remember This:

- The **Vroom–Jago contingency model** focuses specifically on varying degrees of participative leadership and how each level of participation influences the quality and accountability of decisions.
- The three major components of the Vroom-Jago model are leader participation styles, a set of diagnostic questions with which to analyze a decision situation, and a series of decision rules.
- Leaders can choose a participative decision style based on contingencies such as quality requirement, commitment requirement, or the leader's knowledge and expertise.
- The model helps a leader determine which of five levels of follower participation to use in making a specific decision, ranging from highly autocratic (leader decides alone) to highly democratic (leader delegates the decision making to the group).
- Leaders can follow either a timesaving-based model, which can be used if time is critical, such as when the group or organization is facing a crisis and a fast decision is needed, or an employee development-based model, which can be used when time and efficiency are not critical, and the leader wants to develop the thinking and decision-making skills of followers.

3-6 Substitutes for Leadership

The contingency leadership approaches considered so far have focused on the leader's style, the followers' nature, and the situation's characteristics. The final contingency approach suggests that situational variables can be so powerful that they actually substitute for or neutralize the need for leadership.[37] This approach outlines those organizational settings in which task-oriented and people-oriented leadership styles are unimportant or unnecessary.

Exhibit 3.10 shows the situational variables that tend to substitute for or neutralize leadership characteristics. A **substitute** for leadership makes the leadership style unnecessary or redundant. For example, highly educated, professional employees who know how to do their tasks do not need a leader who initiates structure for them and tells them what to do. In addition, long-term education often develops autonomous, self-motivated individuals. Thus, task-oriented and people-oriented leadership is substituted by professional education and socialization.[38]

Unlike a substitute, a **neutralizer** counteracts the leadership style and prevents the leader from displaying certain behaviors. For example, if a leader is physically removed from subordinates, the leader's ability to give directions is greatly reduced. FedEx Office provides an example. With numerous locations widely scattered across regions, regional managers have very limited personal interaction with store managers and employees. Thus, their ability to both support and direct is neutralized.

Situational variables in Exhibit 3.10 include characteristics of the followers, the task, and the organization itself. For example, when followers are highly professional, such as research scientists in companies like Merck or

Substitute
a situational variable that makes leadership unnecessary or redundant

Neutralizer
a situational characteristic that counteracts the leadership style and prevents the leader from displaying certain behaviors

Exhibit 3.10

Substitutes and Neutralizers for Leadership

Variable		Task-Oriented Leadership	People-Oriented Leadership
Organizational variables	Group cohesiveness Formalization Inflexibility Low position power	Substitutes for Substitutes for Neutralizes Neutralizes	Substitutes for No effect on No effect on Neutralizes
Task charactistics	Highly structured task Automatic feedback Intrinsic satisfaction	Substitutes for Substitutes for No effect on	No effect on No effect on Substitutes for
Follower characteristics	Professionalism Training/experience Low value of rewards	Substitutes for Substitutes for Neutralizes	Substitutes for No effect on Neutralizes

> **Put It Into Practice 3.7**
>
> When you are a member or leader of a team at school or work, identify and write down what factors you think act as substitutes for leadership in that team.

Monsanto, both leadership styles are less important. The employees do not need either direction or support. With respect to task characteristics, highly structured tasks substitute for a task-oriented style, and a satisfying task substitutes for a people-oriented style.

When a task is highly structured and routine, like auditing cash, the leader should provide personal consideration and support that is not provided by the task. Satisfied people don't need as much consideration. Likewise, with respect to the organization itself, group cohesiveness substitutes for both leader styles. For example, the relationship that develops among air traffic controllers and jet fighter pilots is characterized by high-stress interactions and continuous peer training. This cohesiveness provides support and direction that substitute for formal leadership.[39] Formalized rules and procedures substitute for leader task orientation because the rules tell people what to do. Physical separation of leader and follower neutralizes both leadership styles.

The value of the situations described in Exhibit 3.10 is that they help leaders avoid leadership overkill. Leaders should adopt a style with which to complement the organizational situation. For example, the work situation for bank tellers provides a high level of formalization, little flexibility, and a highly structured task. The head teller should not adopt a task-oriented style because the organization already provides structure and direction. The head teller should concentrate on a people-oriented style. In other organizations, if group cohesiveness or previous training meets employee social needs, the leader is free to concentrate on task-oriented behaviors. When people were working from home during the COVID-19 pandemic, many leaders shifted toward using a more people-oriented style because employees had prescribed ways for working and communicating remotely. Pat Wadors, chief talent officer at Service-Now, a cloud computing services company, said "forgiveness has never been higher" among leaders because employees were working from home. "We're not as worried about the polished output, and we're more engaged [with employees]."[40]

Leadership Practice: Know Yourself 3.3

Measuring Substitutes for Leadership

Instructions: Think about your current job or a job you have held in the past. Please answer whether each of the following items is Mostly False or Mostly True for you in that job.

	Mostly False	Mostly True
1. Because of the nature of the tasks I perform, there is little doubt about the best way to do them.	_____	_____
2. My job duties are so simple that almost anyone could perform them well after a little instruction.	_____	_____
3. It is difficult to figure out the best way to do many of my tasks and activities.	_____	_____
4. There is really only one correct way to perform most of the tasks I do.	_____	_____
5. After I've completed a task, I can tell right away from the results I get whether I have performed it correctly.	_____	_____
6. My job is the kind where you can finish a task and not know if you've made a mistake or error.	_____	_____
7. Because of the nature of the tasks I do, it is easy for me to see when I have done something exceptionally well.	_____	_____
8. I get lots of satisfaction from the work I do.	_____	_____
9. It is hard to imagine that anyone could enjoy performing the tasks I have performed on my job.	_____	_____
10. My job satisfaction depends primarily on the nature of the tasks and activities I perform.	_____	_____

Scoring and Interpretation

For your task structure score, give yourself one point for Mostly True answers to items 1, 2, and 4, and for a Mostly False answer to item 3. This is your score for Task Structure:____

For your task feedback score, give yourself one point for Mostly True answers to items 5 and 7, and for a Mostly False answer to item 6. This is your score for Task Feedback:____

For your intrinsic satisfaction score, score one point for Mostly True answers to items 8 and 10, and for a Mostly False answer to item 9. This is your score for Intrinsic Satisfaction: ____

A high score (3 or 4) for Task Structure or Task Feedback indicates a high potential for those elements to act as a substitute for *task-oriented leadership*. A high score (3) for Intrinsic Satisfaction indicates the potential to be a substitute for *people-oriented leadership*. Does your leader adopt a style that is complementary to the task situation, or is the leader guilty of *leadership overkill?* How can you apply this understanding to your own actions as a leader?

Studies have examined how substitutes (the situation) can be designed to have more impact than leader behaviors on outcomes such as employee satisfaction.[41] The impetus behind this research is the idea that substitutes for leadership can be designed into organizations in ways to complement existing leadership, act in the absence of leadership, and otherwise provide more comprehensive leadership alternatives. For example, Paul Reeves, a foreman at Harmon Auto Parts, shared half-days with his direct reports during which they helped him perform his leader tasks. After Reeves's promotion to middle management, his group

no longer required a foreman. Followers were trained to act on their own.[42] Thus, a situation in which follower ability and training were highly developed created a substitute for leadership.

The ability to use substitutes to fill leadership "gaps" is often advantageous to organizations. Indeed, the fundamental assumption of substitutes-for-leadership researchers is that effective leadership is the ability to recognize and provide the support and direction not already provided by task, group, and organization.

> **Put It Into Practice 3.8**
>
> Consider your own leadership style and preferred career, and write down the substitutes for leadership you are likely to encounter.

Remember This:

- The substitutes-for-leadership concept recommends that leaders adjust their style to provide resources not otherwise provided in the organizational situation.
- A **substitute** is a situational variable that makes leadership unnecessary or redundant.
- A **neutralizer** is a situational characteristic that counteracts the leadership style and prevents the leader from displaying certain behaviors.
- Understanding substitutes and neutralizers can help a leader avoid leadership overkill. Leaders can also design substitutes into the organization to complement their own leadership style.

Discussion Questions

1. Consider Fiedler's theory as illustrated in Exhibit 3.4. How often do you think very favorable, intermediate, or very unfavorable situations occur to leaders in real life? Discuss.

2. Do you think leadership style is fixed and unchangeable, or can leaders be flexible and adaptable with respect to style? Why?

3. Consider the leadership position of the department head of orthopedic surgeons. What task, follower, and organizational factors might serve as substitutes for leadership in this situation?

4. Compare Fiedler's contingency model with the Hersey–Blanchard model. Where do they disagree? Which do you prefer?

5. If you were a first-level supervisor of a team of telemarketers, how would you go about assessing the readiness level of your direct reports? Do you think most leaders can easily shift their leadership style to suit the readiness level of followers?

6. Think back to the instructors you have had that had the most people-oriented style and the most task-oriented style. What contingencies were present that might explain those differences? Which style did you find most effective? Why?

7. Do you think leaders should decide on a participative style based on the most efficient way to reach the decision? Should leaders sometimes let people participate for other reasons?

8. Consider the situational characteristics of group cohesiveness and physical separation. How might each of these substitute for or neutralize task-oriented or people-oriented leadership? Explain.

Leadership Skill-Building Exercises

Executive Leadership Styles

Senior executives typically receive feedback about their leadership style and where they need improvement. An analysis by Merryck & Co. and the Barrett Values Centre looked at the self-assessments of 500 leaders along with the feedback from 10,000 of their peer observers from the United States, Europe, Australia, Asia, and Latin America. Leaders and observers were asked to choose ten traits that best identify what their leadership teams valued in their leader.

The ten most important traits are listed in the table below. The traits were evenly grouped into two categories: *connecting with others* and *driving performance*. Note that these two categories correspond to the *relationship-oriented behaviors* and *task-oriented behaviors* described in this chapter.

Step 1 (3 minutes): In column A, rank order the ten attributes from 1–10 about your own leadership style, with 1 being the characteristic on which you feel you need the *most* improvement and 10 being the characteristic on which you feel you need the *least* improvement. Executive presence is explicitly defined as boldness and confidence in speaking up.

Step 2 (2 minutes): In Column B rank order the ten attributes from 1–10 according to how you think senior executives would have ranked themselves. Use your best judgment, with 1 being the characteristic on which executives think they need the *most* improvement and 10 being the characteristic on which they need the *least* improvement.

Step 3 (1 minute): Fill in the rankings for columns C and D from the information at the end of this exercise.

Step 4 (10 minutes) In Class or Online (optional as indicated by your instructor): Discuss with a partner or a small group the reasons for each person's self-ranking. Then discuss each person's reasons for rankings in column B, noting specifically the differences between rankings for column A and column B (how your self-ranking compares to your estimates of executive self-rankings).

Consider the following questions during your discussion (if working alone, make notes for your answers):

1. In which leadership areas do you need the most self-improvement? How might you take steps to improve those areas? Be explicit.

_____

_____

Area Needing Improvement	A. Assess Yourself Ranking	B. How You Think Executives Ranked Themselves	C. Executives Actual Self-Rankings	D. Observers Actual Ranking of Executives
Connecting with Others (Relationship-Oriented)				
Emotional Intelligence/People Skills				
Communication				
Delegation and Trust				
Listening				
Visibility and Access				
Driving Performance (Task-Oriented)				
Time Management				
Vision, Strategy, Organizational Priorities				
Executive Presence				
Development of Team and Other Leaders				
Accountability and Conflict Resolution				

2. In which areas do your self-rankings differ most from senior executives' self-rankings? How do you explain those differences? In which ways do your self-rankings agree with executives' self-rankings?

   _____

   _____

3. Compare the columns C and D for differences that indicate executive blind spots—what others see in an executive that the executive does not see. How would you explain the differences?

   _____

   _____

4. Based on feedback you may have received from friends or family, where do you think you may have personal blind spots about your leadership characteristics?

   _____

   _____

Rankings for Column C (Executives' actual self-ranking of their needed improvement): Visibility and access: 1; Accountability and conflict resolution: 2; Listening:

3.5 and Development of team and other leaders: 3.5 (tie); Executive presence: 5; Delegation and trust: 6; Time management: 7.5 and Vision, strategy, organizational priorities: 7.5 (tie); Communication: 9; Emotional intelligence/people skills: 10.

Rankings for Column D (Observers' actual ranking of executives' areas needing improvement: Visibility and access: 1; Listening: 2; Development of team and other leaders: 3; Accountability and conflict resolution: 4; Delegation and trust: 5; Communication: 6; Vision, strategy, organizational priorities: 7; Executive presence: 8; Emotional intelligence/people skills: 9; Time management: 10.

Source: Joan Shafer, Adam Bryant, and David Reimer, "Revealing Leaders' Blind Spots," *Strategy + Business* (April 29, 2020), www.strategy-business.com/article/Revealing-leaders-blind-spots?gko=e2a16 (accessed March 5, 2021).

Task versus Relationship Role Play

You are the new distribution manager for Brit Bread & Bakery. Five drivers who deliver Brit bread and baked goods to grocery stores in the metropolitan area report to you. The drivers are expected to complete the delivery report to keep track of actual deliveries and any changes that occur. The delivery report is a key element in inventory control and provides the data for Brit Bread's invoicing of grocery stores. Errors become excessive when drivers fail to complete the report each day, especially when store managers request different inventory when the driver arrives. As a result, Brit Bread may not be paid for several loaves of bread a day for each mistake in the delivery report. The result is lost revenue and poor inventory control.

One of the drivers accounts for about 60 percent of the errors in the delivery reports. This driver is a nice person and generally reliable, although he is occasionally late for work. His major problem is that he falls behind in his paperwork. A second driver accounts for about 30 percent of the errors, and a third driver for about 10 percent of the errors. The other two drivers turn in virtually error-free delivery reports.

You are a high task-oriented (and low relationship-oriented) leader and have decided to talk to the drivers about doing a more complete and accurate job with the delivery reports. Write below exactly how you will go about correcting this problem as a task-oriented leader. Will you meet with drivers individually or in a group? When and where will you meet with them? Exactly what will you say, and how will you get them to listen?

_____
_____
_____

Now adopt the role of a high relationship-oriented (and low task-oriented) leader. Write below exactly what you will do and say as a relationship-oriented distribution manager. Will you meet with the drivers individually or in a group? What will you say, and how will you get them to listen?

_____
_____
_____

In Class or Online (optional as indicated by your instructor): The instructor can ask students to volunteer to play the roles of the distribution manager and the drivers. A few students can take turns role-playing the distribution manager in front of the class to show how they would handle the drivers as task- and

relationship-oriented leaders. The instructor can ask other students for feedback on the leader's effectiveness and on which approach seems more effective for this situation and why.

Source: Based on K. J. Keleman, J. E. Garcia, and K. J. Lovelace, *Management Incidents: Role Plays for Management Development* (Dubuque, IA: Kendall Hunt Publishing Company, 1990), pp. 69–72.

Leadership Skills Application: Cases for Analysis

Office Bliss Corp.

Rafael Johnson is the manager of a production department in Office Bliss Corp., a firm that manufactures office equipment. After reading an article that stressed the benefits of participative management, Rafael believes that these benefits could be realized in his department if the workers are allowed to participate in making some decisions that affect them. The workers are not unionized. Rafael selected two decisions for his experiment in participative management.

The first decision involved vacation schedules. Each summer the workers are given two weeks' vacation, but no more than two workers can go on vacation at the same time. In prior years, Rafael made this decision himself. He would first ask the workers to indicate their preferred dates, and he considered how the work would be affected if different people were out at the same time. It was important to plan a vacation schedule that would ensure adequate staffing for all of the essential operations performed by the department. When more than two workers wanted the same time period and they had similar skills, he usually gave preference to the workers with the highest productivity.

The second decision involved production standards. Sales had been increasing steadily over the past few years, and the company recently installed some new equipment to increase productivity. The new equipment would allow Rafael's department to produce more with the same number of workers. The company had a pay incentive system in which workers received a piece rate for each unit produced above a standard amount. Separate standards existed for each type of product, based on an industrial engineering study conducted a few years earlier. Top management wanted to readjust the production standards to reflect the fact that the new equipment made it possible for the workers to earn more without working any harder. The savings from higher productivity were needed to help pay for the new equipment.

Rafael called a meeting of his 15 workers an hour before the end of the workday. He explained that he wanted them to discuss the two issues and make recommendations. Rafael figured that the workers might be inhibited about participating in the discussion if he were present, so he left them alone to discuss the issues. Besides, Rafael had an appointment to meet with the quality control manager. Quality problems had increased after the new equipment was installed, and the industrial engineers were studying the problem in an attempt to determine why quality had gotten worse rather than better.

When Rafael returned to his department just at quitting time, he was surprised to learn that the workers recommended keeping the standards the same. He had assumed they knew the pay incentives were no longer fair and would set a higher standard. The spokesman for the group explained that their base pay

had not kept up with inflation and the higher incentive pay restored their real income to its prior level.

On the vacation issue, the group was deadlocked. Several of the employees wanted to take their vacations during the same two-week period and could not agree on who should go. Some argued that they should have priority because they had more seniority, whereas others argued that priority should be based on productivity, as in the past. Since it was quitting time, the group concluded that Rafael would have to resolve the dispute himself. After all, wasn't that what he was being paid for?[43]

Questions

1. Analyze this situation using the Hersey–Blanchard model and the Vroom–Jago model. What do these models suggest as the appropriate leadership or decision style? Explain.

2. Evaluate Rafael Johnson's leadership style before and during his experiment in participative management.

3. If you were Rafael Johnson, what would you do now? Why?

A Dream Denied?

What's wrong with the team? What's wrong with the team? Zella Madison's words repeated over and over in Allen Brooks's head as he boarded the plane from Los Angeles to Chicago.

Brooks was responsible for the technical implementation of the new customer relationship management (CRM) software being installed for western and eastern sales offices in both cities. The software was badly needed to improve follow-up sales for his company, Exerciser Systems, Inc. Exerciser sold exercise equipment to high schools and colleges, as well as to small and midsized businesses for recreation centers, through a national force of 310 salespeople. The company's low prices won a lot of sales; however, follow-up service was uneven, and the new CRM system promised to resolve those problems with historical data, inquiries, reminders, and updates going to sales reps daily. The CEO of Exerciser ordered the CRM system installed with all possible haste.

Brooks pulled a yellow pad and pen from the side pocket of his carry-on bag and tossed it in the seat beside the window, stashed the bag in the overhead compartment, and sat down as other passengers filed past. In an effort to shut out his thoughts, he closed his eyes and concentrated on the muffled voices and low whooshing sound of the air vents. An image appeared in his mind of his promotion to Madison's job when she retired in two years. He blocked that out and started doodling on the pad as a way of focusing his thoughts.

He wrote *what's wrong with the team* three times and began drawing arrows to circles bearing the names of his team members: Barry Livingston and Maxine Wojohowski in Los Angeles and Bob Finley, Lynn Johnston, and Sally Phillips in Chicago. He marked through Sally's name. She had jumped ship recently, taking her less-than-stellar but much-needed talents with her to another company. It was on a previous LA–Chicago flight that Sally had pumped him for feedback on her future with Exerciser. She had informed him that she had another job offer. She admitted it was less money, but she was feeling under pressure as a member of

the team and she wanted more "quality of life." Brooks told Sally bluntly that her technical expertise, on which he placed top importance, was slightly below that of her peers, so future promotion was less likely despite her impressive people and team skills.

He wrote "quality of life," circled it, and then crossed it out and wrote "what the hell?" *Why should she get quality of life?* he mused. *I've barely seen my wife and kids since this project started.* Brooks's team was under a great deal of pressure, and he had needed Sally to stick it out. He told her so, but the plane had barely touched down when she went directly to the office and quit, leaving the team short-handed and too close to deadline to add another body.

What's wrong with the team? Brooks furiously scribbled as his thoughts raced: *(1) The deadline is ridiculously short.* Madison had scheduled a 10-week completion deadline for the new CRM software, including installation and training for both cities.

He was interrupted by the flight attendant. "Would you care for a drink, sir?"

"Yes. Just water."

Brooks took a sip and continued to write. *(2) Thank God for LA.* From the outset, Barry and Maxine had worked feverishly while avoiding the whining and complaining that seemed to overwhelm members of the Chicago team. The atmosphere was different. Although the project moved forward, meeting deadlines, there appeared to be less stress. The LA team members focused tirelessly on work, with no families to consider, alternating intense work with joking around. "Those are my kind of people," he thought. *(3) But there is Chicago,* he wrote. Earlier in the day Sam Matheny from sales had e-mailed, then called Brooks to tell him the two remaining members of the Chicago team appeared to be alternating between bickering and avoiding one another. Apparently this had been going on for some time. *What's with that?* Brooks wondered. *And why did Sam know and I didn't?* So that morning, before his flight, Brooks had to make time to call and text both Finley and Johnston. Finley admitted he had overreacted to Johnston.

"Look, man. I'm tired and stressed out. We've been working non-stop. My wife is not happy."

"Just get along until this project is completed," Brooks ordered. "When will *that* be?" Finley asked before hanging up.

Brooks thought about Madison's persistent complaints to him that the team appeared to have a lack of passion, and she admonished him to "get your people to understand the urgency of this project." Her complaints only added to his own stress level. He had long considered himself the frontrunner for Madison's job when she retired in two years. But had his team ruined that dream? The sense of urgency could be measured now in the level of stress and the long hours they had all endured. He admitted his team members were unenthusiastic, but they seemed committed.

Is it too late to turn around and restore the level of teamwork? He tore off the sheet from the pad, crumpled it in his hand, and stared out the window.

Questions

1. How would you characterize Brooks's leadership approach (task versus people)? What approach do you think is correct for this situation? Why?

2. What would you do now if you were Brooks? How might you awaken more enthusiasm in your team for completing this project on time? Specify the steps you would take.

3. How would you suggest that Brooks modify his leadership style if he wants to succeed Madison in two years? Be specific.

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The Personal Side of Leadership

The Leader as an Individual

Chapter Outline

Your Leadership Challenge

After reading this chapter, you should be able to:

4-1 Describe the importance of self-awareness and how to recognize your blind spots.

4-2 Identify how major personality dimensions influence leadership and relationships within organizations.

4-3 Summarize the idea of instrumental and end values, including the ways in which values guide thoughts and behavior.

4-4 Explain attributions and perception and how these dynamics affect the leader–follower relationship.

4-5 Outline individual differences in cognitive style and pay special attention to the qualities you have that contribute to strong leadership. (And broaden your own thinking style to expand leadership potential!)

4-6 Explain how to lead and work with people with varied personality traits.

When Evan Spiegel, the cofounder and CEO of Snap, parent company of Snapchat, realized he was perceived by others as arrogant and unapproachable, he set out to do something about it. Spiegel went through a process of personal change. A *Fast Company* reporter, expecting a "cocky L.A. rich kid turned imperial CEO," says he found instead a man who was "grateful, thoughtful, self-critical, and joyful." Spiegel realized that his innate shyness, desire for full oversight, and natural preference for working with people one-on-one had created a sort of hub-and-spoke model at Snap. Spiegel was the hub, and the spokes were managers across the company, with whom Spiegel would meet individually. But as the company grew to nearly 2,000 people, this practice created a culture of secrecy and a company that Spiegel says he didn't recognize and was making him personally miserable. He embarked on a quest for self-improvement, hiring a leadership coach, reading popular books on positive leadership, and seeking ideas from people both inside and outside the company. Today, Spiegel holds mostly team meetings, and he spends half his time working collaboratively to create the future of Snapchat. His coach observed that Spiegel has "really evolved to a much more open, transparent, distributed model of leadership."[1]

Leaders' ability to understand their own personalities and attitudes, as well as their ability to understand individual differences among employees, can profoundly affect leadership effectiveness. Many of today's organizations use personality and other psychometric tests to help people better understand themselves and relate to one another. In Chapter 2, we examined some traits, individual qualities, and behaviors that are thought to be consistent with effective leadership. Chapter 3 examined contingency theories of leadership, which consider the relationship between leader activities and the situations in which they occur, including followers and the environment. Clearly, organizational leadership is both an individual and an organizational phenomenon. In this chapter, we explore individual differences in more depth and examine how variations in personality, attitudes, values, and so forth influence the leader–follower relationship.

We begin by considering the importance of leaders knowing themselves, and we look at some potential blind spots leaders may have that limit their understanding and effectiveness. Next, we examine personality and some leader-related personality dimensions. Then the chapter considers how values affect leadership and the ways in which a leader's attitudes influence behavior. We also explore the role of perception, discuss attributions, and look at cognitive differences, including a discussion of thinking and decision-making styles and the concept of brain dominance. Finally, the chapter considers a few techniques for working with different personality types.

4-1 The Secret Ingredient for Leadership Success

A survey of 75 members of the Stanford Graduate School of Business's Advisory Council revealed the nearly unanimous answer to a question about the most important capability for leaders to develop: self-awareness.[2] **Self-awareness** means being aware of the internal aspects of one's nature, such as personality traits, emotions, values, attitudes, and perceptions, and appreciating how your patterns affect other people.

Self-awareness
being conscious of the internal aspects of one's nature, such as personality traits, emotions, values, attitudes, and perceptions, and appreciating how your patterns affect other people

4-1a The Importance of Self-Awareness

Most leadership experts agree that a primary characteristic of effective leaders is that they know who they are and what they stand for.[3] When leaders deeply understand themselves, they remain grounded and constant, so that people know what to expect from them.

Yet being self-aware is easier said than done. When Charlotte Beers, former chairwoman and CEO of Ogilvy & Mather Worldwide, first became a management supervisor, she considered herself to be a friendly, approachable, easy-going leader. She was shocked when a friend told her that one of her colleagues described her management style as "menacing." That comment was devastating to Beers because it was the exact opposite of the way she thought of herself.[4] Many of us, like Charlotte Beers, have blind spots that hinder us from seeing who we really are and the effect our patterns of thought and behavior have on others. Beers now conducts seminars for women leaders, and one thing she tells them is the importance of clearly understanding themselves. The authors of a recent book profiling high achievers found that they all shared a similar characteristic: When faced with obstacles and failures, they underwent a ruthless self-examination to challenge their beliefs, biases, and assumptions.[5] A careful self-reflection is essential for most people to recognize their blind spots.

4-1b Leader Blind Spots and Feedback

Doug Rauch, retired president of Trader Joe's, almost strangled the life out of his company as it grew because of his tendency to, as he puts it, "happily micromanage." Rauch didn't recognize that his zeal to control everything was hurting the company until a brave senior buyer pulled him aside and said, "You're driving us crazy. You've got to back off." Rauch was surprised, but the comment helped him see his blind spot. He went to the team, told them he was a "recovering controlaholic," and asked people to give him regular feedback so he didn't fall off the wagon.[6]

Many leaders have **blind spots**—things about themselves they are not aware of or don't recognize as problems—that limit their effectiveness and hinder their career success.[7] One particularly damaging blind spot is displaying an aggressive, confrontational style, otherwise known as *being a jerk.* Lars Dalgaard, cofounder and former CEO of software company SuccessFactors (now part of SAP), says he never realized he acted like a jerk until a leadership coach helped him see that he ran roughshod over people's feelings. The coach helped Dalgaard make a conscious effort to build good relationships with employees and help others be more emotionally aware as well.[8]

Stanford professor Robert Sutton argues that jerks not only hurt the people they work with but also damage organizational performance. Sutton distinguishes between people who are perpetual jerks and those who only occasionally act that way. Perpetual jerks are those leaders who bully, humiliate, and emotionally abuse others, particularly people in less powerful positions.[9] Even people who aren't perpetual jerks can suffer this blind spot. As leaders move up the hierarchy, people skills become more and more important, and leaders who have succeeded at lower levels often don't see that their approach is less effective as they advance in their careers.[10]

Another blind spot some leaders have is being *too nice.* Leaders who are constantly trying to please everyone can't lead. They often make poor decisions because

Blind spots
personal characteristics or habits that people are not aware of about themselves or don't recognize as problems but which limit their effectiveness and hinder their career success

Put It Into Practice 4.1

Ask two friends or family members to tell you one thing they think about you that might surprise you. Write them down. Do either of these things represent blind spots for you?

they can't tolerate even a mild degree of conflict.[11] When asked about her greatest weakness, Sue Murray, former executive director of the George Foundation, said, "I can be too nice when tough decisions need to be made, which is not helpful to anyone. It just prolongs the inevitable."[12] Unlike Murray, many "people pleasers" have a blind spot that prevents them from seeing that they are damaging their relationships and careers by being overly concerned with what others think of them.

One of the best ways for leaders to recognize their blind spots is to seek regular feedback, as Doug Rauch did at Trader Joe's. We all have illusions about ourselves, so we need help from others to get a clear picture of who we are. For example, you might consider yourself to be patient and understanding, but others may perceive you as easily irritated and unsympathetic. Manager Beth Comstock says soliciting frank feedback from her team members when she was vice president of corporate communications at GE helped her shed a "know-it-all" attitude. Comstock says the negative feedback, such as that she never asked for team members' thoughts during meetings, was hard to take, but admits, "I am not sure I would have gone further in my career if I had not done that." GE promoted Comstock to chief marketing officer and later named her its first female vice chairperson.[13]

4-1c Trust

Considering how important trust is in any relationship, it is surprising how little attention many leaders devote to building and maintaining trust in the workplace. Polls in recent years have found that many people don't trust what senior management is telling them. Most people think executives try to hide things or "spin" them.[14] Only 20 percent of people surveyed by Leadership IQ, a leadership training organization, said that they strongly trust their top leadership, with 36 percent reporting a moderate trust level and 44 percent saying that they either distrust or strongly distrust their bosses.[15]

Gallup research suggests that only one in ten people possess the characteristics that great leaders exhibit, which include traits and behaviors necessary for building relationships based on trust and openness. People are often promoted because they express self-assurance and toughness and are able to navigate organizational politics and build extensive networks. These qualities can be positive for leaders, but they can also have negative consequences when they reflect a self-centered, overly confident orientation rather than the concern for others that is needed for building trust.[16] Recall our discussion from Chapter 2 of the value of humility for leaders to serve the best interests of followers and the organization rather than their own egos. Some of today's organizations are learning the value of a stronger relationship-oriented approach.

Jane Fraser became the first female CEO of a big Wall Street bank when she took over as head of Citigroup in March 2021. Her human skills and her ability to build trusting relationships, not just her technical skills, got her promoted to the top job. Cecelia Stewart, now retired as president of Citi's U.S. consumer and commercial bank, says Fraser can "just naturally sit down and talk with someone and connect with them, whether it [is] work-related or life-related. For a person—male or female—to have that level of compassion . . . and that openness . . . is critically important." Fraser has shown that she is not afraid of talking about her own fears, lapses in self-assurance, or struggles with balancing her career and her family life. "I can be more vulnerable in certain areas; talking more about the human dimensions of this. . . . I don't feel that's in any way soft or weaker; I actually think it's much more powerful."[17]

> ❝The challenge for leadership is to be strong, but not rude; be kind, but not weak; be bold, but not bully; be thoughtful, but not lazy; be humble, but not timid; be proud, but not arrogant; have humor, but without folly.❞
>
> Jim Rohn (1930–2009), entrepreneur, author, and motivational speaker

Remember This:

- Individuals differ in many ways, including personality, values and attitudes, and styles of thinking and decision making, and these differences affect leaders and the leadership process.
- One of the most important capabilities for a leader is **self-awareness**, which means being aware of the internal aspects of one's nature, such as personality traits, emotions, values, attitudes, and perceptions, and appreciating how your patterns affect other people.
- Many people have **blind spots**—personal characteristics or habits they are not aware of or don't recognize as problems—that limit their effectiveness and hinder their career success.
- One of the best ways for leaders to recognize their blind spots is to seek regular feedback. Evan Spiegel of Snapchat, Doug Rauch of Trader Joe's, Beth Comstock of GE, and many other leaders have improved their leadership by seeking feedback.
- Trust is essential for effective leader-follower relationships, but research suggests that many people do not trust their leaders.
- Jane Fraser became the first female CEO of a big Wall Street bank when she took over as head of Citigroup in March 2021, and she got the top job in part because of her ability to build trusting relationships.

4-2 Personality and Leadership

When leaders understand themselves and overcome blind spots, it becomes easier to understand others, build trust, and interact effectively with others. Understanding personality differences is one aspect of knowing how to maximize your own effectiveness and that of the people you lead. **Personality** is the set of unseen characteristics and processes that underlie a relatively stable pattern of behavior in response to ideas, objects, or people in the environment.

Lois Braverman, President Emeritus of the Ackerman Institute for the Family, believes understanding and accepting individual personalities is essential for effective leadership. Braverman would often ask job candidates to tell her what they would contribute to the organization in terms of their personality characteristics and temperament. She says she learned early on as a leader that her judgment in hiring could be skewed by "a great conversation." Someone who is likable and charming might be fun to interview, but it doesn't necessarily mean they are responsible and trustworthy, or that they have the personality traits and qualities needed for the job, she points out.[18]

The following sections discuss personality in more detail. Later in the chapter, we take a closer look at the topic of perception in connection with leadership.

4-2a A Model of Personality

Most people think of personality in terms of traits. As we discussed in Chapter 2, researchers have investigated whether any traits stand up to scientific scrutiny, and we looked at some traits associated with effective leadership. Although

Personality
the set of unseen characteristics and processes that underlie a relatively stable pattern of behavior in response to ideas, objects, and people in the environment

Leadership Practice: Know Yourself 4.1

The Big Five Personality Dimensions

Instructions: Each individual's collection of personality traits is different; it is what makes us unique. But, although each collection of traits varies, we all share many common traits. The following phrases describe various traits and behaviors. Rate how accurately each statement describes you, based on a scale of 1 to 5, with 1 being very inaccurate and 5 very accurate. Describe yourself as you are now, not as you wish to be. There are no right or wrong answers.

	1	2	3	4	5
Very Inaccurate					Very Accurate

Extroversion

I love large parties.	1	2	3	4	5
I feel comfortable around people.	1	2	3	4	5
I talk to a lot of different people at social gatherings.	1	2	3	4	5
I like being the center of attention.	1	2	3	4	5

Neuroticism (Low Emotional Stability)

I often feel critical of myself.	1	2	3	4	5
I often envy others.	1	2	3	4	5
I am temperamental.	1	2	3	4	5
I am easily bothered by things.	1	2	3	4	5

Agreeableness

I am kind and sympathetic.	1	2	3	4	5
I have a good word for everyone.	1	2	3	4	5
I never insult people.	1	2	3	4	5
I put others first.	1	2	3	4	5

Openness to New Experiences

I am imaginative.	1	2	3	4	5
I see beauty in many things.	1	2	3	4	5
I really like art.	1	2	3	4	5
I love to learn new things.	1	2	3	4	5

Conscientiousness

I am systematic and efficient.	1	2	3	4	5
I pay attention to details.	1	2	3	4	5
I am always prepared for class.	1	2	3	4	5
I put things back where they belong.	1	2	3	4	5

Which are your most prominent traits? For fun and discussion, compare your responses with those of classmates.

Source: These questions were adapted from a variety of sources.

investigators have examined thousands of traits over the years, their findings have been distilled into five general dimensions that describe personality. These often are called the **Big Five personality dimensions**, which describe an individual's extroversion, agreeableness, conscientiousness, emotional stability, and openness to experience.[19] Each dimension contains a wide range of specific traits—for example, all of the personality traits that you would use to describe a teacher, friend, or boss could be categorized into one of the Big Five dimensions. These factors represent a continuum, in that a person may have a low, moderate, or high degree of each of the dimensions.

Big Five personality dimensions
five general dimensions that describe personality: extroversion, agreeableness, conscientiousness, emotional stability, and openness to experience

Extroversion
the degree to which a person is outgoing, sociable, talkative, and comfortable meeting and talking to new people

Put It Into Practice 4.2

Ask a friend or family member to suggest where your personality would fall (high, medium, low) on the Big Five scale for extroversion, agreeableness, conscientiousness, emotional stability, and openness to experience. Then, answer the questions in Leadership Practice: Know Yourself 4.1. How closely do the results match the person's suggestions?

Agreeableness
the degree to which a person is able to get along with others by being good-natured, cooperative, forgiving, compassionate, understanding, and trusting

Conscientiousness
the degree to which a person is responsible, dependable, persistent, and achievement oriented

Extroversion is made up of traits and characteristics that influence behavior in group settings. Extroversion refers to the degree to which a person is outgoing, sociable, talkative, and comfortable meeting and talking to new people. Someone low on extroversion may come across as quiet, withdrawn, and socially unassertive. This dimension also includes the characteristic of *dominance.* A person with a high degree of dominance likes to be in control and have influence over others. These people often are quite self-confident, seek out positions of authority, and are competitive and assertive. They like to be in charge of others or have responsibility for others. It is obvious that both dominance and extroversion could be valuable for a leader. However, not all effective leaders necessarily have a high degree of these characteristics.

For example, many successful top leaders, including Larry Page of Google; Warren Buffett of Berkshire Hathaway; Elon Musk of Tesla; Brenda Barnes, former CEO of Sara Lee; and Tim Cook, CEO of Apple, are introverts, people who become drained by social encounters and need time alone to reflect and recharge their batteries. Research has found that about 70 percent of CEOs describe themselves as introverts.[20] Thus, the quality of extroversion is not as significant as is often presumed. In addition, a high degree of dominance could even be detrimental to effective leadership if not tempered by other qualities, such as agreeableness or emotional stability.

Agreeableness refers to the degree to which a person is able to get along with others by being good-natured, cooperative, forgiving, compassionate, understanding, and trusting. A leader who scores high on agreeableness seems warm and approachable, whereas one who is low on this dimension may seem cold, distant, and insensitive. Studies show that people who score high on agreeableness are more likely to get jobs and keep them than are less agreeable people.[21] Although there is also some evidence that people who are *overly* agreeable tend to be promoted less often and earn less money, the days are over when leaders can expect to succeed by running roughshod over others and looking out only for themselves. Samin Nosrat, a chef, food writer, and star of the Netflix smash hit *Salt Fat Acid Heat*, learned to control her temper to be more agreeable and be a better leader. Nosrat says, "I don't know if I'll spectacularly fail. But I do know this: How I treat people, and how we treat one another, and the feeling around what we're doing—that's the most important thing."[22]

The next personality dimension, **conscientiousness**, refers to the degree to which a person is responsible, dependable, persistent, and achievement oriented. Conscientious individuals are focused on a few goals, which they pursue in a purposeful way, whereas less conscientious individuals tend to be easily distracted and impulsive. Research suggests that traits of conscientiousness are more important than those of extroversion for effective leadership. A study at the Stanford Graduate School of Business found a link between how guilty people feel when they make serious mistakes and how well they perform as leaders.[23] Guilt can be a positive emotion for a leader because it is associated with a heightened sense of responsibility to others.

Kevin Warren, former chief operating officer of the Minnesota Vikings and now Commissioner of the Big Ten Athletic Conference, illustrates a high degree of conscientiousness. Warren uses the metaphor of a stoplight to describe how he has evolved in his leadership career. He says that rather than just rolling through stoplights because he was so busy, he learned to "stop at a stoplight and really

take an opportunity to observe the surroundings. . . . There are more demands on my time [now], but I've become a much better listener. I've slowed down my thought process and tried to make sure I'm there for everyone." Warren says he learned early in life that slowing down, listening, and focusing on the details can be critical to success in life, in football games, and in leading people.[24]

The dimension of **emotional stability** refers to the degree to which a person is well adjusted, calm, and secure. A leader who is emotionally stable handles stress well, is able to handle criticism, and generally doesn't take mistakes or failures personally. Leaders with emotional stability typically develop positive relationships and can also improve relationships among others. Marillyn A. Hewson's high degree of emotional stability is part of the reason she was promoted to be the first female CEO of defense contractor Lockheed Martin, after the man originally picked for the top job was fired following discovery of an ethical violation. It was a challenging time for Lockheed, but Hewson (now serving as executive chairperson) had shown that she could handle crises without becoming unhinged. "Marillyn will be exactly what Lockheed Martin needs in terms of patching up its relationships . . ." said defense industry consultant Loren Thompson at the time.[25] Over her nearly 40-year career at the company, Hewson's calm, steady hand earned her a reputation for being able to combine toughness with graciousness, and she was named CEO of the Year by *Chief Executive* magazine in 2018.

Leaders who have a low degree of emotional stability are likely to become tense, anxious, or depressed. They generally have lower self-confidence and may explode in emotional outbursts when stressed or criticized. The related topic of *emotional intelligence* will be discussed in detail in the next chapter.

The final Big Five dimension, **openness to experience**, is the degree to which a person has a broad range of interests and is imaginative, creative, and willing to consider new ideas. These people are intellectually curious and often seek out new experiences through travel, the arts, movies, reading widely, or other activities. People lower in this dimension tend to have narrower interests and stick to the tried-and-true ways of doing things. Open-mindedness is important to leaders because, as we learned in Chapter 1, leadership is about change rather than stability. Richard A. Smith, long-time CEO of General Cinema Corporation, illustrates a high degree of this dimension. Smith, who died in 2020 at the age of 95, took over as CEO of his family's drive-in theater business when he was 31 years old, after his father died unexpectedly, and built it into a front-runner in indoor theaters, as well as the largest independent Pepsi bottler, the controlling shareholder of Neiman Marcus, and a leader in textbook publishing. Smith had a wide range of both business and social interests, and he was always open to new ideas. Smith encouraged his top executives to challenge him and debate ideas freely.[26]

Few studies have carefully examined the connection between the Big Five and leadership success. One summary of more than 70 years of personality and leadership research did find evidence that four of the five dimensions were consistently related to successful leadership.[27] The researchers found considerable evidence that people who score high on the dimensions of extroversion, agreeableness, conscientiousness, and emotional stability are more successful leaders. Results for openness to experience were less consistent; that is, in some cases, higher scores on this dimension related to better performance, but they did not seem to make a difference in other cases. Yet, in a study by a team of psychologists of the personality traits of the greatest U.S. presidents (as determined by historians), openness to

Emotional stability the degree to which a person is well adjusted, calm, and secure

Openness to experience the degree to which a person has a broad range of interests and is imaginative, creative, and willing to consider new ideas

Put It Into Practice 4.3
Be open to the experience of introspection. For one day, pay attention to yourself as you never have before. Notice your thoughts, emotions, and especially your internal reactions to other people and events. Make notes about your inner experiences.

experience produced the highest correlation with historians' ratings of greatness. The study noted that presidents such as Abraham Lincoln and Thomas Jefferson were high on this personality dimension. Other personality dimensions the team found to be associated with great presidents were extroversion and conscientiousness, including traits such as assertiveness, setting ambitious goals, and striving for achievement. Although agreeableness did not correlate with greatness, the ability to empathize with others and being concerned for others, which could be considered elements of emotional stability, did.[28]

The value of the Big Five for leaders is primarily to help them understand their own basic personality dimensions and then learn to emphasize the positive and mitigate the negative aspects of their own natural styles. For example, people who are introverts often stagnate, especially in large organizations, because they have a difficult time getting noticed and are therefore less likely to be rewarded for their hard work.[29] One experiment found that people who spoke up more often were rated as better leaders, even if they were less competent than their quieter colleagues.[30] Introverts can learn to behave in more extroverted ways when they need to in order to be more successful.

For example, Stephane Kasriel, an engineer for whom "communicating with people [came] less naturally . . . than interacting with technology," knew he wanted to be CEO of Upwork when the company's top leader stepped down, but he had to push himself to do the kind of networking the job required. To counterbalance the anxiety he felt when attending large conferences and other events, Kasriel tapped into the naturally competitive and results-oriented aspect of his personality. He would set goals, such as to talk to at least 30 people, get 10 business cards, and arrange 5 follow-up meetings.[31] Like many introverts, Kasriel (now Vice President of Payments at Facebook) learned to overcome his natural tendencies to do things that are important to him.

In recent years, there has been a growing awareness that introverted people have some qualities that might actually make them better leaders, as described further in the Leader's Bookshelf.[32] Introversion or extroversion is simply one aspect of an individual's personality, and each style has both strengths and weaknesses. Exhibit 4.1 gives some tips for both introverts and extroverts to help them be more effective and successful.

4-2b Personality Traits and Leader Behavior

Two specific personality attributes that have a significant influence on behavior and are thus of particular interest for leadership studies are grit and locus of control.

Grit In 1998, Sara Blakely used $5,000 she saved from selling fax machines door to door to start a company making a new kind of undergarment, then went to every hosiery mill in the United States trying to sell the idea. She was rejected by every representative with whom she met. Many people would have given up, but Blakely pushed forward, built the successful shapewear company Spanx, and landed on the cover of *Forbes* for being the youngest self-made billionaire in the world in 2012.[33] What is the top characteristic that helped Blakely keep going when many people would have given up? *Grit.* **Grit** is an individual's passion and persistence for achieving a long-term goal.[34] Grit keeps people moving forward toward a desired goal through fear, criticism, rejection, adversity, and even failure—all of which many leaders face on a regular basis.

Grit
an individual's passion and persistence for achieving a long-term goal

Leader's Bookshelf

Quiet: The Power of Introverts in a World That Can't Stop Talking — by Susan Cain

From kindergarten on in the United States, students are pressured to be more outgoing and speak up more in class. In college, grades are sometimes based on class participation, and students who don't forcefully push their ideas get side-lined. No wonder by the time we get to the workplace, we know that talk and social interaction are prized above quietness and thoughtfulness. In her book *Quiet,* Susan Cain argues that by succumbing to the charms of the extrovert, organizations are missing out on the creativity, insights, and ideas of the one-third to one-half of Americans who are introverts.

Misconceptions about Introverts

Cain's thoughtful examination, using research studies, historical examples, and individual stories, explodes some of the myths about introversion.

- ***Introverts are shy and antisocial.*** Some introverts are shy, but many are not. They simply interact in a different way. Whereas the extrovert will "work the room" at a party, the introvert prefers to carry on deeper conversations with one or a few people. Introverts need time alone to reflect and recharge, but that doesn't mean they don't also enjoy the company of other people.
- ***Introverts have a personality flaw.*** In a culture that prizes extroversion, the tendency of introverts toward solitary activity and quiet reflection marks them as having "a second-class personality trait, somewhere between a disappointment and a pathology." Cain points out many advantages to the introverted personality: introverts tend to think more deeply, make decisions more carefully, and stay on task longer. Introversion is uniquely conducive to creativity and innovation. Extrovert Steve Jobs was the pizzazz of Apple, but the company would never have existed if introverted cofounder Steven Wozniak had not spent long hours alone creating the first personal computer.
- ***Introverts don't make good leaders.*** This is perhaps the biggest misconception of all. Introverts such as Bill Gates and Warren Buffett succeed at the top of big corporations, but introverts also make excellent lower-level supervisors and managers because of their greater ability to listen. Cain cites research showing that introverts do very well leading teams, even those made up primarily of extroverts, because they can stand aside and let the good ideas flow rather than pushing their own thoughts and opinions.

Can't We All Just Get Along?

No one is totally an introvert or an extrovert. Each of us falls somewhere along a continuum on the scale of introversion–extroversion. The problem, Cain says, is the tendency in the United States and other Western cultures to revere extroverts and try to push everyone to that end of the scale. Cain challenges leaders to show respect and truly listen to their introverted colleagues and direct reports, not just be swayed by the loudest voices. "You need to do this as a manager," she says, "because you . . . want the best out of people's brains."

Source: *Quiet: The Power of Introverts in a World That Can't Stop Talking,* by Susan Cain, is published by Crown Publishers.

A recent study of West Point cadets by Angela L. Duckworth and her colleagues found that grit was a very strong predictor of who finished the initial grueling six-week training period that cadets call Beast Barracks, or Beast for short.[35] The ability to stick with a goal over a long period has also been associated in other studies with academic and career success.[36] Gritty people finish what they start. Look at any successful leader, and you will likely be looking at a gritty person. People with grit are able to maintain their commitment to a long-term goal and push through setbacks and disappointments. The legendary University of Tennessee women's basketball coach Pat Summitt won eight NCAA national championships, but she didn't win her first one until her 13th year of coaching. Billionaire author J. K. Rowling's first *Harry Potter* book was rejected by 12 publishers before Bloomsbury bought it for the equivalent of $4,000. In a commencement speech at Harvard University, Rowling recounted how setbacks and rejection had not discouraged her, but simply made her more determined.[37]

Exhibit 4.1

Maximizing Leadership Effectiveness

Tips for Extroverts	Tips for Introverts
• *Don't bask in the glow of your own personality.* Learn to hold back and let others sometimes have the limelight.	• *Mix with people, speak up, and get out there.* Push yourself to get out there and connect with people both within and outside the organization.
• *Try to underwhelm.* Your natural exuberance can cause you to miss important facts and ideas.	• *Practice being friendly and outgoing in settings outside of work.* Take your new skills to the office.
• *Talk less; listen more.* Develop the discipline to let others speak first on an issue to avoid the appearance of arrogance.	• *Have a game plan.* Prepare well for meetings and presentations. Anticipate questions and rehearse a few talking points.
• *Don't be Mr. or Ms. Personality.* Extroverts sometimes fail to recognize others' needs and can easily wear people out rather than invigorate them.	• *Smile.* A frown or a soberly introspective expression can be misinterpreted. A bright countenance reflects confidence that you know where you're going and want others to follow.
• *On Zoom,* accept the confining structure and fewer visceral cues. Use larger screen, louder sound for greater immersion.	• *On Zoom,* opt out of optional outsized video calls. Switch to one-on-one phone calls when practical.

Sources: Based on Aili McConnon, "Zoom Fatigue: The Differing Impact on Introverts and Extroverts," *The Wall Street Journal,* (March 9, 2021), www.wsj.com/articles/zoom-fatigue-the-differing-impact-on-introverts-and-extroverts-11615291202?mod=searchresults_pos2&page=1 (accessed March 25, 2021); Patricia Wallington, "The Ins and Outs of Personality," *CIO* (January 15, 2003), pp. 42, 44; Joann S. Lublin, "Introverted Execs Find Ways to Shine," *The Wall Street Journal Asia* (April 18, 2011), p. 31; and Ginka Toegel and Jean-Louis Barsoux, "How to Become a Better Leader," *MIT Sloan Management Review* (Spring 2012), pp. 51–60.

Put It Into Practice 4.4

Write down a past experience where you faced a problem or a block to completing a project at work or school. How did you handle that problem? Did you want to quit or keep going? What does that mean for your level of grit?

Gritty people are also more likely to stay the course in a long-haul commitment such as marriage, obtaining an advanced educational degree, or starting a business. To find out if you have true grit, complete the questionnaire in Leadership Practice: Know Yourself 4.2.

Locus of Control Some people believe that their actions can strongly affect what happens to them. In other words, they believe they are "masters of their own fate." Others feel that whatever happens to them in life is a result of luck, chance, or outside people and events; they believe they have little control over their fate. A person's **locus of control** defines whether they place the primary responsibility for the outcome of events in their lives within the self or on outside forces.[38] People who believe their actions determine what happens to them have a high *internal* locus of control (internals), whereas those who believe outside forces determine what happens to them have a high *external* locus of control (externals).

One leader who reflects a strong internal locus of control is Chris Hughes, cofounder of Facebook. Hughes grew up in Hickory, North Carolina, as the only child of a paper salesman and a former public school teacher. When Hughes entered high school, he decided he wanted to attend a prestigious prep school and go on to an Ivy League university. With his family's background and modest means, it was an ambitious goal, but Hughes believed his fate was in his own

Leadership Practice: Know Yourself 4.2

Do You Have True Grit?

Instructions: Think about typical projects or hobbies that you initiate at home, school, or work. Respond to each of the following items as honestly as possible.

	Mostly False	Mostly True
1. I often set a goal but later choose to pursue a different one.	_____	_____
2. I have been obsessed with a certain idea or project for a short time but later lost interest.	_____	_____
3. I have difficulty maintaining my focus on projects that take more than a few months to complete.	_____	_____
4. New ideas and projects sometimes distract me from previous ones.	_____	_____
5. I finish whatever I begin.	_____	_____
6. Setbacks don't discourage me.	_____	_____
7. I am diligent.	_____	_____
8. I am a hard worker.	_____	_____

Scoring and Interpretation

For items 1–4, give yourself 1 point for each Mostly False response and 0 points for each Mostly True response. Reverse this for items 5–8, with 1 point for each Mostly True response and 0 points for each Mostly False response.

Your Score: _____

The score on these questions measures your *grit*, which is defined as your perseverance and passion for long-term goals. Grit is a key trait for leaders, who often must persevere through resistance and setbacks to succeed with implementation of a significant change. The grit score predicted achievement in challenging situations among cadets at West Point and final-round contestants of the Scripps National Spelling Bee. Individuals high in grit do not swerve from their goals.

The grit scale is composed of two parts. Questions 1–4 measure "consistency of interest" and Questions 5–8 measure "perseverance of effort," so you can compare your scores on those two subscales. The average score for a group of students was approximately 5 for grit, 2 for consistency of interest, and 3 for perseverance of effort.

Source: Based on Angela L. Duckworth, and Patrick D. Quinn, "Development and Validation of the Short Grit Scale (Grit-S)," *Journal of Personality Assessment* 91, no. 2 (2009), pp.166–174. Used with permission.

hands. He began researching and applying to various boarding schools and was eventually offered a generous financial aid package from Phillips Academy in Andover, Massachusetts. A few years later, he left there with a scholarship to Harvard, where he met Mark Zuckerberg and Dustin Moskovitz during his freshman year and the three co-founded Facebook.[39]

Chris Hughes exhibits many characteristics associated with internal locus of control. Research has shown real differences in behavior between internals and externals across a wide range of settings.[40] Internals in general are more self-motivated, are in better control of their own behavior, participate more in social and political activities, and more actively seek information. There is also evidence that internals are better able to handle complex information and problem solving, and that they are more achievement oriented than externals. In addition, people with a high internal locus of control are more likely than externals to try to influence others and thus more likely to assume or seek leadership opportunities. Moreover, people with a high internal locus of control will take responsibility for outcomes and changes, which is essential for effective leadership.[41]

Locus of control defines whether people place the primary responsibility for what happens to them within themselves or on outside forces

Exhibit 4.2

Measuring Locus of Control

Instructions: For each of these 10 statements, indicate the extent to which you agree or disagree using the following scale:

1 = Strongly disagree 5 = Slightly agree
2 = Disagree 6 = Agree
3 = Slightly disagree 7 = Strongly agree
4 = Neither agree nor disagree

	Strongly Disagree					Strongly Agree

1. When I get what I want, it's usually because I worked hard for it.   1 2 3 4 5 6 7
2. When I make plans, I am almost certain to make them work.   1 2 3 4 5 6 7
3. I prefer games involving some luck over games requiring pure skill.   1 2 3 4 5 6 7
4. I can learn almost anything if I set my mind to it.   1 2 3 4 5 6 7
5. My major accomplishments are entirely due to my hard work and ability.   1 2 3 4 5 6 7
6. I usually don't set goals, because I have a hard time following through on them.   1 2 3 4 5 6 7
7. Competition discourages excellence.   1 2 3 4 5 6 7
8. Often people get ahead just by being lucky.   1 2 3 4 5 6 7
9. On any sort of exam or competition, I like to know how well I do relative to everyone else.   1 2 3 4 5 6 7
10. It's pointless to keep working on something that's too difficult for me.   1 2 3 4 5 6 7

Scoring and Interpretation

To determine your score, reverse the values you selected for items 3, 6, 7, 8, and 10 (1 = 7, 2 = 6, 3 = 5, 4 = 4, 5 = 3, 6 = 2, 7 = 1). For example, if you strongly disagreed with the statement in question 3, you would have given it a value of 1. Change this value to a 7. Reverse the scores in a similar manner for items 6, 7, 8, and 10. Now add the point values from all 10 items together. Your score: _____

This questionnaire is designed to measure locus of control beliefs. Researchers using this questionnaire in a study of college students found a mean of 51.8 for men and 52.2 for women, with a standard deviation of 6 for each. The higher your score on this questionnaire, the more you tend to believe that you are generally responsible for what happens to you; in other words, high scores are associated with internal locus of control. Low scores are associated with external locus of control. Scoring low indicates that you tend to believe that forces beyond your control, such as powerful other people, fate, or chance, are responsible for what happens to you.

Source: Adapted from J. M. Burger, *Personality: Theory and Research* (Belmont, CA: Wadsworth, 1986), pp. 400–401. Original source for Burger's questionnaire is D. L. Paulhus, "Sphere-Specific Measures of Perceived Control," *Journal of Personality and Social Psychology* 44 (1983), pp. 1253–1265.

People with a high external locus of control typically prefer to have structured, directed work situations. They are better able than internals to handle work that requires compliance and conformity, but they are generally not as effective in situations that require initiative, creativity, and independent action. Therefore, since externals do best in situations where success depends on complying with the direction or guidance of others, they are less likely to enjoy or succeed in leadership positions.

Internationally, some cultures, particularly in Asia, share a philosophy that supports external locus of control. For example, a study comparing students from

Japan and the United States found higher externality in the Japanese students.[42] Some Eastern cultures convey the belief that acceptance and forbearance provide greater life happiness than does individual goal achievement and striving to change external situations and systems. The emphasis on collectivism in the East is associated with stronger external locus of control, while an emphasis on individualism in the West is associated with stronger internal locus of control.[43]

> ### Remember This:
>
> - **Personality** is the set of unseen characteristics and processes that underlie a relatively stable pattern of behavior in response to ideas, objects, or people in the environment.
> - One model of personality, the **Big Five personality dimensions**, combines various personality traits into the dimensions of extroversion, agreeableness, conscientiousness, emotional stability, and openness to experience.
> - Although there is some indication that a high degree of each of the Big Five personality dimensions is associated with successful leadership, individuals who score low on various dimensions may also be effective leaders.
> - Many successful top leaders, including Tim Cook of Apple; Warren Buffett of Berkshire Hathaway; Brenda Barnes, former CEO of Sara Lee; and Elon Musk of Tesla, are introverts, people who become drained by social encounters and need time alone to reflect and recharge their batteries.
> - Two specific personality traits that may have a significant impact on leader behavior are grit and locus of control.
> - **Grit** refers to an individual's passion and persistence for achieving a long-term goal. Grit keeps people moving forward toward a desired goal through fear, criticism, rejection, adversity, and even failure—which many leaders face on a regular basis.
> - An example of a gritty person is Sara Blakely, whose idea for a new type of undergarment (Spanx) was originally rejected by every hosiery mill representative she met with, but the new product eventually made Blakely a billionaire.
> - **Locus of control** defines whether people place the primary responsibility for what happens to them within themselves or on outside forces.

4-3 Values and Attitudes

Leaders should also recognize that people may differ significantly in the values and attitudes they hold. Understanding how these differences influence behavior can give leaders valuable insights into their own behavior as well as that of followers.

4-3a Instrumental and End Values

Values are fundamental beliefs that an individual considers to be important, that are relatively stable over time, and that have an impact on attitudes, perception, and behavior.[44] Values are what cause a person to prefer that things be done one

Values
fundamental beliefs that an individual considers to be important, that are relatively stable over time, and that have an impact on attitudes and behavior

Leadership Practice: Know Yourself 4.3

Instrumental and End Values

Instructions: In each column below, place a check mark by the five values that are most important to you. After you have checked five values in each column, rank-order the checked values in each column from 1 to 5, with 1 = most important and 5 = least important.

Rokeach's Instrumental and End Values

End Values		Instrumental Values	
A comfortable life	_____	Ambition	_____
Equality	_____	Broad-mindedness	_____
An exciting life	_____	Capability	_____
Family security	_____	Cheerfulness	_____
Freedom	_____	Cleanliness	_____
Health	_____	Courage	_____
Inner harmony	_____	Forgiveness	_____
Mature love	_____	Helpfulness	_____
National security	_____	Honesty	_____
Pleasure	_____	Imagination	_____
Salvation	_____	Intellectualism	_____
Self-respect	_____	Logic	_____
A sense of		Ability to love	_____
accomplishment	_____	Loyalty	_____
Social recognition	_____	Obedience	_____
True friendship	_____	Politeness	_____
Wisdom	_____	Responsibility	_____
A world at peace	_____	Self-control	_____
A world of beauty	_____		

NOTE: The values are listed in alphabetical order, and there is no one-to-one relationship between the end and instrumental values.

Scoring and Interpretation

End values, according to Rokeach, tend to fall into two categories—personal and social. For example, mature love is a personal end value and equality is a social end value. Analyze the five end values you selected and their rank order, and determine whether your primary end values tend to be personal or social. What do your five selections together mean to you? What do they mean for how you make life decisions? Compare your end value selections with those of another person, with each of you explaining what you learned about your end values from this exercise.

Instrumental values also tend to fall into two categories—morality and competence. The means people use to achieve their goals might violate moral values (e.g., be dishonest) or violate one's personal sense of competence and capability (e.g., be illogical). Analyze the five instrumental values you selected and their rank order, and determine whether your primary instrumental values tend to focus on morality or competence. What do the five selected values together mean to you? What do they mean for how you will pursue your life goals? Compare your instrumental value selections with those of another person and describe what you learned from this exercise.

Warning: The two columns shown here do *not* represent the full range of instrumental and end values. Your findings would change if a different list of values were provided. This exercise is for discussion and learning purposes only and is not intended to be an accurate assessment of your actual end and instrumental values.

Sources: Robert C. Benfari, *Understanding and Changing Your Management Style* (San Francisco: Jossey-Bass, 1999), pp. 178–183; and M. Rokeach, *Understanding Human Values* (New York: The Free Press, 1979).

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way rather than another way. Whether we recognize it or not, we are constantly valuing things, people, or ideas as good or bad, pleasant or unpleasant, ethical or unethical, and so forth.[45]

One way to think about values is in terms of instrumental and end values.[46] Social scientist Milton Rokeach developed a list of 18 instrumental values and 18 end values that have been found to be more or less universal across cultures. The full list of Rokeach's values is shown in Leadership Practice: Know Yourself 4.3. **End values**, sometimes called *terminal values*, are beliefs about the kinds of goals

End values
sometimes called terminal values, these are beliefs about the kinds of goals or outcomes that are worth trying to pursue

or outcomes that are worth trying to pursue. For example, some people value security, a comfortable life, and good health above everything else as the important goals to strive for in life. Others may place greater value on social recognition, pleasure, and an exciting life. **Instrumental values** are beliefs about the types of behavior that are appropriate for reaching goals. Instrumental values include such things as being helpful to others, being honest, or exhibiting courage.

Although everyone has both instrumental and end values, individuals differ in how they order the values into priorities, which accounts for tremendous variation among people. Understanding one's own values clarifies what is important, which is essential for effective leadership. Exhibit 4.3 shows some interesting differences in how groups of managers and non-managers prioritized values in one study. The exhibit lists end values and instrumental values that were ranked significantly higher by each group, showing only those rankings that were statistically significant.[47] Leaders can identify and understand value differences to improve communication and effectiveness.

National culture, generational differences, and family background can influence how people rank values. For example, in the United States, independence is highly valued and is reinforced by many institutions, including schools, religious organizations, and businesses. Other cultures place less value on independence and more value on being part of a tightly knit community. Younger people typically rank family security lower than do older people.[48] Some leaders cite their parents as a primary source of their deeply held values. Bill Farmer, who retired from Time Warner Cable and then spent nearly a decade as president and CEO of

Instrumental values beliefs about the types of behavior that are appropriate for reaching goals

Put It Into Practice 4.6

Spend 10 minutes today watching water. Choose the rain, a river, a puddle, or whatever is available. Contemplate the water. What values do you see in how water behaves, such as being able to flow around things? Make a list of those values.

Exhibit 4.3

Differences in Leaders' and Nonleaders' Value Rankings

• Freedom
• Mature love
• National security
• Salvation

Terminal Values Ranked Higher by Leaders

• A world at peace
• Pleasure
• Wisdom

Terminal Values Ranked Higher by Non-Leaders

• Ambitious
• Broadminded
• Courageous
• Forgiving
• Loyal

Instrumental Values Ranked Higher by Leaders

• Clean
• Helpful
• Independent
• Intellectual
• Logical
• Self-controlled

Instrumental Values Ranked Higher by Non-Leaders

Source: Based on Table 2, Differences in Managers' versus Non-Managers' Terminal and Instrumental Value Ranking, in Edward F. Murphy Jr., Jane Whitney Gibson, and Regina A. Greenwood, "Analyzing Generational Values among Managers and Non-Managers for Sustainable Organizational Effectiveness," *SAM Advanced Management Journal* (Winter 2010), pp. 33–55.

United Way of the Bluegrass in Lexington, Kentucky, says his mother instilled in him the importance of giving back to the community. Farmer moved eight times in 28 years while with Time Warner and in each new city he volunteered with numerous nonprofit organizations and became actively involved in local initiatives designed to create a positive community environment.[49]

Our values are generally fairly well established by early adulthood, but a person's values can also change throughout life. This chapter's *Think on This* reflects on how the values that shape a leader's actions in a moment of crisis have been developed over time. Values may affect leaders and leadership in a number of ways. For one thing, values influence how leaders relate to others. A leader who values obedience, conformity, and politeness may have a difficult time understanding and appreciating a follower who is self-reliant, independent, creative, and a bit rebellious. Personal values influence how leaders perceive opportunities, situations, and problems, as well as the decisions they make in response to them.

The instrumental and end values of leaders also influence the values and behaviors of followers, and when a leader's values get out of whack, negative values can contaminate the entire organization. Consider what happened at News Corporation, which in the early 2000s held a string of lucrative media properties all over the world. Rupert Murdoch, chairman and CEO, was accused of achieving desired ends by whatever instrumental means necessary, even using "blunt force" pressure to silence critics with multimillion dollar payoffs. Murdoch was fond of saying, "Bury your mistakes," but News Corporation couldn't bury the scandal that erupted after the organization's journalists allegedly hacked private voice-mail messages and offered bribes to police in pursuit of hot scoops. *The New York Times* reported that they went so far as to hack the voice mail of a murdered 13-year-old girl while she was still listed as missing.[50]

For many organizations today, clearly spelling out their corporate values, including ethical values, has become an important part of defining how the organization operates. Leaders can be more effective when they clarify their own values and understand how values guide their actions and affect followers and the organization.

4-3b How Attitudes Affect Leadership

Attitude
an evaluation (either positive or negative) about people, events, or things

Values help determine the attitudes leaders have about themselves and about their followers. An **attitude** is an evaluation—either positive or negative—about people, events, or things. As we discussed in Chapter 2, an optimistic attitude or positive outlook on life is often considered a key to successful and effective leadership. Leaders at a long-term care facility in Wisconsin called in John Weaver, cofounder of the management consultancy firm Psychology for Business, to help people develop more positive attitudes after a flood damaged their facility. Because of water damage, residents and employees had to move into an already occupied facility, and everyone was feeling cramped and annoyed. Pettiness, bickering, and rudeness were getting out of hand. Weaver and the facility's supervisors began asking each employee a simple question: Why do you do this work? "As they thought about the question," Weaver says, "you could see their attitude change. They could see the reasons why they needed to work together to put aside difficulties and compromise, and residents were treated better."[51]

Attitudes toward followers influence how a leader relates to people.[52] Every leader's style is based to some extent on attitudes about human nature in

Think on This: Leadership Habits

"The character that takes command in moments of critical choices has already been determined. It has been determined by a thousand other choices made earlier in seemingly unimportant moments. It has been determined by all those 'little' choices of years past—by all those times when the voice of conscience was at war with the voice of temptation—whispering a lie that 'it doesn't really matter.' It has been determined by all the day-to-day decisions made when life seemed easy and crises seemed far away, the decisions that piece by piece, bit by bit, developed habits of discipline or of laziness; habits of self-sacrifice or self-indulgence; habits of duty and honor and integrity—or dishonor and shame."

What do you think?

Source: President Ronald Reagan, quoted in Norman R. Augustine, "Seven Fundamentals of Effective Leadership," an original essay written for the Center for the Study of American Business, Washington University in St. Louis, *CEO Series,* no. 27 (October 1998).

general—ideas and feelings about what motivates people, whether people are basically honest and trustworthy, and the extent to which people can grow and change. One theory to explain differences in style was developed by Douglas McGregor, based on his experiences as a manager and consultant and his training as a psychologist.[53] McGregor identified two sets of assumptions about human nature, called **Theory X** and **Theory Y**, which represent two very different sets of attitudes about how to interact with and influence subordinates. Exhibit 4.4 explains the fundamental assumptions of Theory X and Theory Y.

In general, Theory X reflects the assumption that people are basically lazy and not motivated to work and that they have a natural tendency to avoid responsibility. Thus, a supervisor who subscribes to the assumptions of Theory X has the attitude that people must be coerced, controlled, directed, or threatened to get them to put forth their best effort. Bill Michael, former chair of KPMG in the United Kingdom, reflected Theory X assumptions when he told hundreds of staff members in a virtual meeting during the COVID-19 pandemic to just do their jobs and to "stop moaning" and "playing the victim" about their working conditions. The comments, suggesting an attitude that these professional employees needed to be coerced into performing their jobs, were highly insensitive during a time when thousands of people a day were dying. Michael resigned soon afterward.[54]

Referring back to Chapter 2, the Theory X leader would likely be task oriented and highly concerned with production rather than people. Theory Y, on the other hand, is based on assumptions that people do not inherently dislike work and will commit themselves willingly to work that they care about. Theory Y also assumes that, under the right conditions, people will seek out greater responsibility and will exercise imagination and creativity in the pursuit of solutions to organizational problems. These leaders are more often people oriented and concerned with relationships, although some Theory Y leaders can also be task- or production oriented. McGregor believed Theory Y to be a more realistic and productive approach for viewing subordinates and shaping leaders' attitudes. Studies exploring the relationship between leader attitudes and leadership success in general support his idea, although this relationship has not been carefully explored.[55]

Theory X
the assumption that people are basically lazy and not motivated to work and that they have a natural tendency to avoid responsibility

Theory Y
the assumption that people do not inherently dislike work and will commit themselves willingly to work that they care about

Exhibit 4.4

Attitudes and Assumptions of Theory X and Theory Y

Assumptions of Theory X	Assumptions of Theory Y
• The average human being has an inherent dislike of work and will avoid it if possible. • Because of the human characteristic of dislike for work, most people must be coerced, controlled, directed, or threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives. • The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all.	• The expenditure of physical and mental effort in work is as natural as play or rest. The average human being does not inherently dislike work. • External control and the threat of punishment are not the only means for bringing about effort toward organizational objectives. People will exercise self-direction and self-control in the service of objectives to which they are committed. • The average human being learns, under proper conditions, not only to accept but also to seek responsibility. • The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population. • Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilized.

Source: Based on Douglas McGregor, *The Human Side of Enterprise* (New York: McGraw-Hill, 1960), pp. 33–48.

Put It Into Practice 4.7

When you are a member of a team doing a project at school or work, note when you feel a Theory X attitude toward a teammate and when you feel an attitude of Theory Y. What causes the emergence of those different attitudes toward others? Write down your thoughts.

Remember This:

- **Values** are fundamental beliefs that an individual considers to be important, that are relatively stable over time, and that have an impact on attitudes and behavior. Values can cause a person to prefer that things be done one way rather than another.
- One way to think about values is in terms of instrumental and end values. **End values**, sometimes called terminal values, are beliefs about the kinds of goals or outcomes that are worth pursuing, whereas **instrumental values** are beliefs about the types of behavior that are appropriate for reaching goals.
- Values also influence a person's attitudes. An **attitude** is an evaluation (either positive or negative) about people, events, or things.
- A leader's attitudes about self and others influence how the leader behaves toward and interacts with followers. Two sets of assumptions called Theory X

and Theory Y represent two very different sets of attitudes leaders may hold about people in general.

- **Theory X** is the assumption that people are basically lazy and not motivated to work and that they have a natural tendency to avoid responsibility.
- **Theory Y** is the assumption that people do not inherently dislike work and will commit themselves willingly to work that they care about.

4-4 Social Perception and Attributions

By **perception,** we mean the process people use to make sense out of their surroundings by selecting, organizing, and interpreting information. Values and attitudes affect perceptions, and vice versa. For example, a leader who greatly values ambition and career success may perceive a problem or a direct report's mistake as an impediment to their own success, whereas a leader who values helpfulness and obedience might see it as a chance to help the employee improve or grow.

Because of individual differences in attitudes, personality, values, interests, and experiences, people often "see" the same thing in different ways. Consider the differences in perception among leaders at large auto manufacturers. Toyota, Ford, and other large automakers perceive hybrid vehicles as a key part of their efforts to boost fuel economy and give customers who might not be ready for an all-electric car "greener" options. Executives at GM perceive the market differently, saying they see no future for hybrids and will concentrate their investment on developing fully electric cars instead. "If I had a dollar more to invest, would I spend it on a hybrid? Or would I spend it on the answer we all know is going to happen, and get there faster and better than anybody else?" said GM President Mark Reuss in explaining the decision.[56]

In working with followers, effective leaders understand that, as Lois Braverman, president emeritus of the Ackerman Institute for the Family, puts is, "reality is all about perception." Conflicts can arise in any organization, she says, because people genuinely perceive some aspect of the world differently. In addition, Braverman reminds leaders: "There's an administrative reality and there's a frontline reality, and those realities are rarely the same." Making sure everyone feels that "their perception of reality at least has a chance to be heard" is one of the primary jobs of a leader.[57]

4-4a Perceptual Distortions

Of particular concern for leaders are **perceptual distortions**, errors in perceptual judgment that arise from inaccuracies in perception. Some types of errors are so common that leaders should become familiar with them. These include stereotyping, the halo effect, projection, and perceptual defense. Leaders who recognize these perceptual distortions can better adjust their perceptions to more closely match objective reality.

Stereotyping is the tendency to assign an individual to a group or broad category (e.g., female, Black, older or male, White, disabled) and then to attribute widely held generalizations about the group to the individual. Thus, someone meets a new colleague, sees he is in a wheelchair, assigns him to the category "physically disabled," and attributes to this colleague generalizations she believes about people with disabilities, which may include a belief that he is less able than

Perception
the process people use to make sense out of the environment by selecting, organizing, and interpreting information

Perceptual distortions
errors in judgment that arise from inaccuracies in the perceptual process

Stereotyping
the tendency to assign an individual to a broad category and then attribute generalizations about the group to the individual

Halo effect
an overall impression of a person or situation based on one characteristic, either favorable or unfavorable

Projection
the tendency to see one's own personal traits in other people

Perceptual defense
the tendency to protect oneself by disregarding ideas, situations, or people that are unpleasant

---

Put It Into Practice 4.8

Think about an individual you greatly admire. Make a few notes about exactly what you admire. Then think about the faults or weaknesses this person may have (everyone has them). How hard was it to think of negative qualities for an admired person? Make notes. Do you think the halo effect contributed to your perception?

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other coworkers. However, the person's inability to walk should not be seen as indicative of lesser abilities in other areas. Indeed, the assumption of limitations may not only offend him, but it also prevents the person making the stereotypical judgment from benefiting from the many ways in which this person can contribute. Stereotyping prevents people from truly knowing those they classify in this way. In addition, negative stereotypes prevent talented people from advancing in an organization and fully contributing their talents to the organization's success.

The **halo effect** occurs when the perceiver develops an overall impression of a person or situation based on one characteristic, either favorable or unfavorable. In other words, a halo blinds the perceiver to other characteristics that should be used in generating a more complete assessment. The halo effect can play a significant role in performance appraisal. For example, a person with an outstanding attendance record may be assessed as responsible, industrious, and highly productive; another person with less-than-average attendance may be assessed as a poor performer. Either assessment may be true, but it is the leader's job to be sure the assessment is based on complete information about all job-related characteristics and not just the individual's preferences for good attendance.

Projection is the tendency of perceivers to see their own personal traits in other people; that is, they project their own needs, feelings, values, and attitudes into their judgment of others. A leader who is achievement oriented might assume that followers are as well. This might cause the manager to restructure jobs to be less routine and more challenging without regard for employees' actual satisfaction. The best safeguards against errors based on projection are self-awareness and empathy.

Perceptual defense is the tendency of perceivers to protect themselves against ideas, objects, or people that are threatening. People perceive things that are satisfying and pleasant but tend to disregard things that are disturbing and unpleasant. In essence, people develop blind spots in the perceptual process so that negative sensory data do not hurt them. For example, in early February 2021, South Dakota Governor Kristi Noem continued to say that the state's COVID-19 response was better than "virtually every other state," even though one out of every 500 South Dakotans had already died from the disease and the state had the second-highest rate of cases in the country.[58] Recognizing perceptual blind spots can help people develop a clearer picture of reality.

4-4b Attributions

As people organize what they perceive, they often draw conclusions based on their perception.[59] **Attributions** are judgments about what caused an event or behavior—(a) something about the person or (b) something about the situation. For example, many people attribute the success or failure of an organization to the top leader, when in reality there may be many factors that contribute to organizational performance. People also make attributions or judgments as a way to understand what caused their own or another person's behavior:

- An *internal attribution* says characteristics of the person led to the behavior ("Mateo missed the deadline because he's lazy and incompetent").
- An *external attribution* says something about the situation caused the person's behavior ("Mateo missed the deadline because he didn't have the team support and resources he needed").

Attributions
judgments about what caused a person's behavior—either characteristics of the person or of the situation

Attributions are important because they help people decide how to handle a situation. In the case of an employee missing a deadline, a leader who blames the mistake on the employee's personal characteristics might reprimand the person or, more effectively, provide additional training and direction. A leader who blames the mistake on external factors will try to help prevent such situations in the future, such as making sure team members have the resources they need, providing support to remove obstacles, and insuring that deadlines are realistic.

People tend to have biases that they apply when making attributions. Two specific biases are the fundamental attribution error and the self-serving bias, illustrated Exhibit 4.5.

The Fundamental Attribution Error As illustrated in Exhibit 4.5, the **fundamental attribution error** states that we tend to underestimate the influence of external factors and overestimate the influence of internal factors when evaluating the mistakes, failures, or bad behavior of others, but we typically overestimate the influence of external factors and underestimate the influence of internal factors when evaluating our own mistakes. That is, if a colleague makes a mistake, we are more likely to attribute it to the individual's skill level, personality, or character (an internal attribution). If we make the same mistake, we are more likely to attribute it to situational factors, such as time pressure or a lack of information we needed (an external attribution).

Consider how Kevin Kelly, the top leader of his family's California company Emerald Packaging—a maker of plastic bags for the food industry—was guilty of the fundamental attribution error. Kelly considered himself to be chief architect of the company's growing sales and profits, so when Emerald began to falter, he blamed it on his managers' resistance to new ideas. He thought everyone needed to change except him. Kelly ultimately had to face a hard truth: Rather than being the one person in the organization who didn't need to change, Kelly gradually realized he was a big part of the problem. Once Kelly corrected his attribution error, he sought consultants and classes to help boost his people skills. Then, Kelly did something radical (at least for him). He took a real 10-day vacation, the

Fundamental attribution error the tendency to underestimate the influence of external factors on another's behavior and overestimate the influence of internal factors

Exhibit 4.5

How We Judge Behavior

Fundamental Attribution Error

Attribution for mistakes/failures

For others → Personal qualities

For ourselves → The situation

Self-Serving Bias

Attribution for successes

For ourselves → Personal qualities

For others → The situation
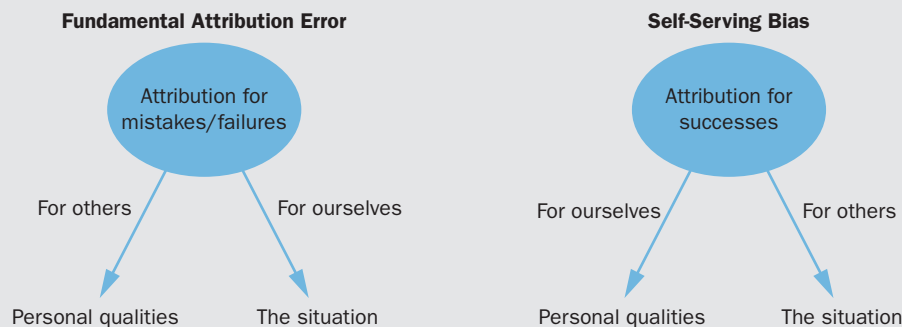
first time he hadn't been in routine contact with Emerald since he took over the company. Visions of disaster filled his head as he wondered how people could get along without him. As it turned out, people got along just fine. Crises were solved, production continued, and customers didn't even seem to notice he was gone. By examining his attributions and shifting his perception of himself, the organizational situation, and his managers' abilities, Kelly made changes that allowed his managers to flourish and his company to grow even more successful.[60]

Self-serving bias
the tendency to over-estimate the influence of internal factors on one's successes and the influence of external factors on one's failures

The Self-Serving Bias Exhibit 4.5 also illustrates that whereas we tend to overestimate the contribution of external factors to our mistakes and failures, we typically overestimate the contribution of internal factors to our successes. This tendency is called the **self-serving bias**, which means that people give themselves too much credit when they do well and give external forces too much blame when they fail. Laszlo Bock, cofounder and CEO of Humu and the former senior vice president of people operations at Google, says humility is an important characteristic to look for when hiring because highly intelligent, successful people can tend to have a self-serving bias. That is, they think "if something good happens, it's because I'm a genius. If something bad happens, it's because someone's an idiot or I didn't get the resources or the market moved," he says. For example, Bock says the most successful people at Google were those who could argue vehemently for their position but were also able to admit to their mistakes, step back, and say, "Oh well, that changes things. You're right."[61]

Remember This:

- **Perception** is the process people use to make sense out of the environment by selecting, organizing, and interpreting information.
- **Perceptual distortions** are errors in judgment that arise from inaccuracies in the perceptual process. Perceptual distortions include stereotyping, the halo effect, projection, and perceptual defense.
- **Stereotyping** is the tendency to assign an individual to a broad category and then attribute generalizations about the group to the individual.
- The **halo effect** is an overall impression of a person or situation based on one characteristic, either favorable or unfavorable.
- **Projection** is the tendency to see one's own personal traits in other people.
- **Perceptual defense** is the tendency to protect oneself by disregarding ideas, situations, or people that are unpleasant.
- **Attributions** are judgments about what caused a person's behavior—either characteristics of the person or characteristics of the situation. An *internal attribution* says that characteristics of the individual caused the person to behave in a certain way, whereas an *external attribution* places the credit or blame on aspects of the situation.
- The **fundamental attribution error** is a tendency to underestimate the influence of external factors on another person's mistakes and failures and to overestimate the influence of internal factors.

- Kevin Kelly, CEO of Emerald Packaging Company, was guilty of the fundamental attribution error when he thought everyone in the organization needed to change except him.
- The **self-serving bias** is the tendency to overestimate the influence of internal factors on one's successes and the influence of external factors on one's failures.

4-5 Cognitive Differences

The final area of individual differences we will explore is cognitive style. **Cognitive style** refers to how a person perceives, processes, interprets, and uses information. Thus, when we talk about cognitive differences, we are referring to varying approaches to perceiving and assimilating data, making decisions, solving problems, and relating to others.[62] Cognitive approaches are *preferences* that are not necessarily rigid, but most people tend to have only a few preferred habits of thought. One of the most widely recognized cognitive differences is between what we call left-brained and right-brained thinking patterns.

Cognitive style how a person perceives, processes, interprets, and uses information

4-5a Patterns of Thinking and Brain Dominance

Neurologists and psychologists have long known that the brain has two distinct hemispheres. Furthermore, science has shown that the left hemisphere controls movement on the body's right side and the right hemisphere controls movement on the left. In the 1960s and 1970s, scientists also discovered that the distinct hemispheres influence thinking, which led to an interest in what has been called left-brained versus right-brained thinking patterns. The left hemisphere is associated with logical, analytical thinking and a linear approach to problem solving, whereas the right hemisphere is associated with creative, intuitive, values-based thought processes.[63] A program sponsored by the New York City Economic Development Corporation illustrates the difference. Artists and other creative people are crucial to the vibrancy of the city, but most artists (right-brain thinking) don't know how to plan and run a business (left-brain skills) so they have a hard time supporting themselves. The city invested $50,000 in a program to teach right-brain creative people the left-brain skills they need to turn their creative works into money.[64] As another simplified example, people who are very good at verbal and written language (which involves a linear thinking process) are using the left brain, whereas those who prefer to interpret information through visual images are more right-brained.

Although the concept of left-brained versus right-brained thinking is not entirely accurate physiologically (not all processes associated with left-brained thinking are located in the left hemisphere and vice versa), this concept provides a powerful metaphor for two very different ways of thinking and decision making. It is also important to remember that everyone uses both left-brained and right-brained thinking, but to varying degrees.

More recently, these ideas have been broadened to what is called the **whole brain concept**.[65] Ned Herrmann began developing his concept of whole brain thinking while he was a manager at GE in the late 1970s and expanded it through many years of research with thousands of individuals and organi-

Whole brain concept an approach that considers not only a person's preference for right-brained versus left-brained thinking, but also conceptual versus experience-based thinking; identifies four quadrants of the brain related to different thinking styles

zations. The whole brain approach considers not only a person's preference for right-brained versus left-brained thinking but also for conceptual versus experience-based thinking. Herrmann's whole brain model thus identifies four quadrants of the brain that are related to different thinking styles. Again, while not entirely accurate physiologically, the whole brain model is an excellent metaphor for understanding differences in thinking patterns. Some people strongly lean toward using one quadrant in most situations, whereas others rely on two, three, or even all four styles of thinking. An individual's preference for each of the four styles is determined through a survey called the *Herrmann Brain Dominance Instrument (HBDI),* which has been administered to hundreds of thousands of individuals.

The whole brain model provides a useful overview of an individual's mental preferences, which in turn affect patterns of communication, behavior, and leadership.[66]

Quadrant A
the part of the brain associated in the whole brain model with logical thinking, analysis of facts, and processing numbers

Quadrant A is associated with logical thinking, analysis of facts, and processing numbers. A person who has a Quadrant-A dominance is rational and realistic, thinks critically, and likes to deal with numbers and technical matters. Quadrant-A thinking might be thought of as the "scientist" part of the brain.[67] These people like to know how things work and to follow logical procedures. The leader who has a predominantly A-quadrant thinking style tends to be directive and authoritative. This leader focuses on tasks and activities, likes to deal with concrete information and facts, and drives for results. Opinions and feelings are generally not considered as important as facts. For example, one leader with a Quadrant-A style said, "I find it exhausting to do all the small talk to make everyone feel good about working together. I just want to get things done . . . and move forward. Having to worry about feelings slows me down."[68]

Quadrant B
the part of the brain associated in the whole brain model with planning, organizing facts, and careful, detailed review

Quadrant B deals with planning, organization of facts, and careful detailed review. A person who relies heavily on Quadrant-B thinking is well-organized, reliable, detail-oriented, and neat. This is the "manager" part of the brain. These people like to establish plans and procedures and get things done on time. Leaders with a predominantly Quadrant-B thinking style are typically pragmatic, conservative, and highly traditional. They tend to avoid risks and strive for stability. Thus, they may insist on following rules and procedures, no matter what the circumstances are. For example, a Quadrant-B person expressed this frustration: "I'm always thinking about how I'm going to implement something, and while 'Ds' have great ideas, they can't be bothered to talk about how to implement them. This is so frustrating!"

Quadrant C
the part of the brain associated in the whole brain model with interpersonal relationships and intuitive and emotional thought processes

Quadrant C is associated with interpersonal relationships and affects intuitive and emotional thought processes. C-quadrant individuals are sensitive to others and enjoy interacting with and teaching others; hence this might be considered the "teacher" part of the brain. These people are typically emotional and expressive, outgoing, and supportive of others. Leaders with a predominantly Quadrant-C style are friendly, trusting, and empathetic. They value relationships and focus on building consensus. C-quadrant leaders are typically more concerned with people's feelings than with tasks and procedures and may put emphasis on employee development and training.

Quadrant D
the part of the brain associated in the whole brain model with conceptualizing, synthesizing, and integrating facts and patterns

Quadrant D is associated with conceptualizing, synthesizing, and integrating facts and patterns, with seeing the big picture rather than the details. This is the

Leadership Practice: Know Yourself 4.4

What's Your Thinking Style?

Instructions: The following characteristics are associated with the four quadrants identified by Herrmann's whole brain model. Think for a moment about how you approach problems and make decisions. In addition, consider how you typically approach your work or class assignments and how you interact with others. Circle ten of the terms below that you believe best describe your own cognitive style. Try to be honest and select terms that apply to you as you are, not how you might like to be. There are no right or wrong answers.

A	B	C	D
Analytical	Organized	Friendly	Holistic
Factual	Planned	Receptive	Imaginative
Directive	Controlled	Enthusiastic	Intuitive
Rigorous	Detailed	Understanding	Synthesizing
Realistic	Conservative	Expressive	Curious
Intellectual	Disciplined	Empathetic	Spontaneous
Objective	Practical	Trusting	Flexible
Knowledgeable	Industrious	Sensitive	Open-Minded
Bright	Persistent	Passionate	Conceptual
Clear	Implementer	Humanistic	Adventurous

The terms in column A are associated with logical, analytical thinking (Quadrant A); those in column B with organized, detail-oriented thinking (Quadrant B); those in column C with empathetic and emotionally based thinking (Quadrant C); and those in column D with integrative and imaginative thinking (Quadrant D). Do your preferences fall primarily in one of the four columns, or do you have a more balanced set of preferences across all four? If you have a strong preference in one particular quadrant, were you surprised by which one?

"artist" part of the brain. A person with a Quadrant-D preference is visionary and imaginative, likes to speculate and break the rules, takes risks, and feels comfortable relying on intuition. These people are curious and enjoy experimentation and playfulness. The D-quadrant leader is holistic, imaginative, and entrepreneurial. This leader enjoys change, experimentation, and risk-taking and generally allows followers a great deal of freedom and flexibility. A Quadrant-D leader admitted, "I have a difficult time adjusting to a 'B' style. I like to generate ideas without judgment. 'Bs' come across as judgmental and don't allow ideas to flow."

Exhibit 4.6 illustrates the model with its four quadrants and some of the mental processes associated with each. There is no style that is necessarily better or worse, though any of the styles carried to an extreme can be detrimental. Each style can have both positive and negative results for leaders and followers. It is important to remember that every individual, even those with a strong preference in one quadrant, actually has a coalition of preferences from each of the four quadrants.[69] Each of us has at least a few qualities of the scientist, manager, teacher, and artist.

In addition, Herrmann believes people can learn to use their "whole brain" rather than relying only on one or two quadrants. His research indicates that very

Exhibit 4.6

Herrmann's Whole Brain Model

A Upper left	**D** Upper right
Logical Analytical Fact-based Quantitative	Holistic Intuitive Integrating Synthesizing
Organized Sequential Planned Detailed	Interpersonal Feeling-based Kinesthetic Emotional
B Lower left	**C** Lower right
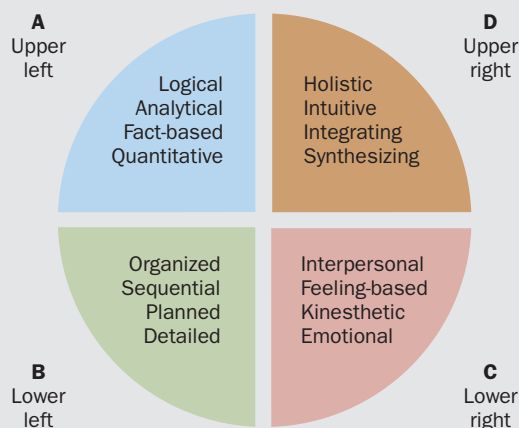
Source: Ned Herrmann, *The Whole Brain Business Book* (New York: McGraw-Hill, 1996) p. 15.

few, if any, individuals can be wholly balanced among the four quadrants, but people can be aware of their preferences and engage in activities and experiences that help develop the other quadrants. Leaders who reach the top of organizations often have well-balanced brains, according to Herrmann's research. Angela Ahrendts, who served as CEO of Burberry for eight years and spent another five years as senior vice president for retail at Apple, uses a variety of thinking styles. For example, as CEO of Burberry, Ahrendts led a stunning turnaround by using creative, holistic thinking (Quadrant D) to transform it from an outdated brand into a "technologically savvy international fashion powerhouse." Another right-brain characteristic was her emphasis on building positive interpersonal relationships (Quadrant C). Yet Ahrendts also demonstrated left-brain thinking in her careful control of the company's finances (Quadrant B) and her ability to be realistic, analytical, and rational when it came to making difficult decisions (Quadrant A). When the recession hit in 2008, Ahrendts quickly took charge, putting on hold plans for new stores, cutting $78 million in expenses, freezing salaries, and changing company procedures to be more cost-effective.[70]

Ahrendts, who was named an honorary DBE, or Dame Commander of the British Empire, for her contribution to British business, reflects the broad, balanced thinking style of a top leader. The typical CEO is a balanced thinker with at least two, usually three, and often four strong preferences and thus has a wide range of thinking options available to choose from. The rank order of quadrants for thousands of CEOs is: D, A, B, C. The rank order for thousands of middle managers is: A, B, D, C. A broad range of thinking styles is particularly important at higher levels of organizations because leaders deal with a greater variety and complexity of people and issues.[71]

Understanding that individuals have different thinking styles can also help leaders be more effective in interacting with followers. Some leaders act as if everyone responds to the same material and behavior in the same way, but this isn't true. Some people prefer facts and figures, whereas others want to know about relationships and patterns. Some followers prefer freedom and flexibility, whereas others crave structure and order. Leaders can work to shift their styles and behaviors to communicate more effectively with followers and help them perform up to their full potential. Leaders can also recruit team members with opposite cognitive styles to help achieve important goals.

4-5b Problem-Solving Styles: Jungian Types

Another approach to cognitive differences grew out of the work of psychologist Carl Jung. Jung believed that differences in individual behavior resulted from preferences in how we go about gathering and evaluating information for solving problems and making decisions.[72] One of the most widely used tests in the United States, the **Myers-Briggs Type Indicator (MBTI)™** assessment, is one way of measuring how individuals differ in these areas.[73] The MBTI™ assessment has been taken by millions of people around the world and can help individuals better understand themselves and others.

> **Myers-Briggs Type Indicator (MBTI)™** test that measures how individuals differ in gathering and evaluating information for solving problems and making decisions

The MBTI™ instrument uses four different pairs of attributes to classify people in one of 16 different personality types:

1. **Introversion versus extroversion:** This dimension focuses on where people gain interpersonal strength and mental energy. Extroverts (E) gain energy from being around others and interacting with others, whereas introverts (I) gain energy by focusing on personal thoughts and feelings.

2. **Sensing versus intuition:** This identifies how a person absorbs information. Those with a sensing preference (S) gather and absorb information through the five senses, whereas intuitive people (N) rely on less direct perceptions. Intuitives, for example, focus more on patterns, relationships, and hunches than on direct perception of facts and details.

3. **Thinking versus feeling:** This dimension relates to how much consideration a person gives to emotions in making a decision. Feeling types (F) tend to rely more on their values and sense of what is right and wrong, and they consider how a decision will affect other people's feelings. Thinking types (T) tend to rely more on logic and be very objective in decision making.

4. **Judging versus perceiving:** The judging versus perceiving dimension concerns an individual's attitudes toward ambiguity and how quickly a person makes a decision. People with a judging preference like certainty and closure. They enjoy having goals and deadlines and tend to make decisions quickly based on available data. Perceiving people, on the other hand, enjoy ambiguity, dislike deadlines, and may change their minds several times before making a final decision. Perceiving types like to gather a large amount of data and information before making a decision.

The various combinations of these preferences result in 16 unique types. There are a number of exercises available in print and on the Internet that can help people determine their preferences according to the MBTI™ assessment. Individuals develop unique strengths and weaknesses as a result of their preferences

for introversion versus extroversion, sensing versus intuition, thinking versus feeling, and judging versus perceiving. As with the whole brain approach, MBTI™ types should not be considered ingrained or unalterable. People's awareness of their preferences, training, and life experiences can cause them to change their preferences over time.

Nearly 200 agencies of the U.S. government, including the Environmental Protection Agency (EPA), the Central Intelligence Agency (CIA), and the Department of Veterans Affairs, have been reported to use the MBTI™ instrument as part of their training programs. Brian Twillman of the EPA says many of the agency's employees have taken the test, and that without it "there would be a lot of blind spots within the agency."[74] A primary value of the MBTI™ assessment is that it starts an important dialogue about how people interact with others. In addition, being aware of their own MBTI™ type enables leaders to maximize their strengths and minimize their weaknesses. Leaders should remember that each type can have positive and negative consequences for behavior.

At Hallmark Cards, top executives wanted to develop leaders who could see things from different perspectives, work together for everyone's success, and fully engage and inspire both employees and customers. One approach to creating that new culture was using the MBTI™ to give managers greater self-awareness and insight into how their patterns of thought and behavior affected others. "We tend to place people into 'files' according to our perceptions of them, which are often skewed," said Mary Beth Ebmeyer, HR manager for corporate development.[75] By understanding different MBTI™ types, Hallmark leaders can flex their communication style as needed and connect more meaningfully with employees.

There has been an increasing application of the MBTI™ assessment in leadership studies.[76] These studies confirm that there is no "leader type," and all 16 of the MBTI™ types can function effectively as leaders. As with the four quadrants of the whole brain model, leaders can learn to use their preferences and balance their approaches to best suit followers and the situation. However, research reveals some interesting, although tentative, findings. For example, although extroversion is often considered an important trait for a leader, leaders in the real world are about equally divided between extroverts and introverts. In regard to the sensing versus intuition dimension, data reveal that sensing types are in the majority in fields where the focus is on the immediate and tangible (e.g., construction, banking, manufacturing). However, in areas that involve breaking new ground or long-range planning, intuitive leaders are in the majority. Thinking (as opposed to feeling) types are more common among leaders in business and industry as well as in the realm of science. In addition, thinking types appear to be chosen more often as managers even in organizations that value "feeling," such as counseling centers. Finally, one of the most consistent findings is that judging types are in the majority among the leaders studied.

Thus, based on the limited research, the two preferences that seem to be most strongly associated with successful leadership are thinking and judging. However, this does not mean that people with other preferences cannot be effective leaders. Much more research needs to be done before any conclusions can be reached about the relationship between MBTI™ types and leadership.

> **Put It Into Practice 4.10**
>
> Write down your ideal long weekend getaway. Be specific about people, setting, location, etc. How does your picture of an ideal weekend reflect your MBTI scores?

Remember This:

- Individuals differ in **cognitive style**, which is how a person perceives, processes, interprets, and uses information.

- A powerful metaphor for understanding differences in thinking styles is the **whole brain concept**, which explores a person's preferences for right-brained versus left-brained thinking and for conceptual versus experience-based thinking, identifying four quadrants of the brain related to different thinking styles.

- In the whole brain model, **Quadrant A** is the part of the brain associated with logical thinking, analysis of facts, and processing numbers; **Quadrant B** is associated with planning, organizing facts, and careful detailed review; **Quadrant C** is associated with interpersonal relationships and intuitive and emotional thought processes; and **Quadrant D** is the part of the brain associated with conceptualizing, synthesizing, and integrating facts and patterns.

- Individuals can learn to use their "whole brain" rather than relying on one thinking style. People who reach high levels in organizations, such as Angela Ahrendts, who served as CEO of Burberry for eight years and spent another five years as senior vice president for retail at Apple, typically use a variety of the four styles.

- Another way of looking at cognitive differences is the **Myers-Briggs Type Indicator MBTI™**, which measures how individuals differ in gathering and evaluating information for solving problems and making decisions.

- The MBTI™ measures an individual's preferences for introversion versus extroversion, sensing versus intuition, thinking versus feeling, and judging versus perceiving, and the various combinations of these preferences result in 16 unique types.

- Brian Twillman of the U.S. Environmental Protection Agency says many of the EPA's employees have taken the MBTI™ and that without it "there would be a lot of blind spots within the agency."

4-6 Working with Different Personality Types

As this chapter has shown, leaders work with individuals who differ in many ways. Personality differences, in particular, can make the life of a leader interesting and sometimes exasperating. These differences can create an innovative environment but also lead to stress, conflict, and negative feelings.

Leaders can learn to work more effectively with different personality types by following some simple guidelines.[77]

- *Understand your own personality and how you react to others.* Avoid judging people based on limited knowledge, and realize that everyone has different facets to their personality. Learn to control your frustration to help you keep different personality types focused on the goal and the tasks needed to reach it.
- *Treat everyone with respect.* People like to be accepted and appreciated for who they are. Even if you find someone's personality grating, remain professional and keep your irritation to yourself. Don't gossip or joke about others.

- *Acknowledge each person's strengths.* Everyone wants to be recognized for their unique talents, so be sure to acknowledge and make use of people's useful personality characteristics. For instance, a pessimistic person can be difficult to be around, but these gloomy folks can sometimes be helpful by calling attention to legitimate problems with an idea or plan.
- *Strive for understanding.* A good approach to take with a personality type widely different from yours is to clarify questions every time there's a potential for miscommunication. Follow up each question or request with a statement explaining why you asked and how it will benefit the organization as well as the individual.

Leadership Practice: Know Yourself 4.5

Personality Assessment: Jung's Typology

Instructions: For each item below, circle either "a" or "b." In some cases, both "a" and "b" may apply to you. You should decide which is more like you, even if it is only slightly more true.

1. I would rather
   a. Solve a new and complicated problem
   b. Work on something that I have done before
2. I like to
   a. Work alone in a quiet place
   b. Be where "the action" is
3. I want a boss who
   a. Establishes and applies criteria in decisions
   b. Considers individual needs and makes exceptions
4. When I work on a project, I
   a. Like to finish it and get some closure
   b. Often leave it open for possible change
5. When making a decision, the most important considerations are
   a. Rational thoughts, ideas, and data
   b. People's feelings and values
6. On a project, I tend to
   a. Think it over and over before deciding how to proceed
   b. Start working on it right away, thinking about it as I go along
7. When working on a project, I prefer to
   a. Maintain as much control as possible
   b. Explore various options
8. In my work, I prefer to
   a. Work on several projects at a time, and learn as much as possible about each one
   b. Have one project that is challenging and keeps me busy

9. I often
   a. Make lists and plans whenever I start something and may hate to seriously alter my plans
   b. Avoid plans and just let things progress as I work on them
10. When discussing a problem with colleagues, it is easy for me
    a. To see "the big picture"
    b. To grasp the specifics of the situation
11. When the phone rings in my office or at home, I usually
    a. Consider it an interruption
    b. Don't mind answering it
12. The word that describes me better is
    a. Analytical
    b. Empathetic
13. When I am working on an assignment, I tend to
    a. Work steadily and consistently
    b. Work in bursts of energy with "down time" in between
14. When I listen to someone talk on a subject, I usually try to
    a. Relate it to my own experience and see if it fits
    b. Assess and analyze the message
15. When I come up with new ideas, I generally
    a. "Go for it"
    b. Like to contemplate the ideas some more
16. When working on a project, I prefer to
    a. Narrow the scope so it is clearly defined
    b. Broaden the scope to include related aspects

(Continued)

Personality Assessment: Jung's Typology (Continued)

17. When I read something, I usually
    a. Confine my thoughts to what is written there
    b. Read between the lines and relate the words to other ideas
18. When I have to make a decision in a hurry, I often
    a. Feel uncomfortable and wish I had more information
    b. Am able to do so with available data
19. In a meeting, I tend to
    a. Continue formulating my ideas as I talk about them
    b. Only speak out after I have carefully thought the issue through
20. In work, I prefer spending a great deal of time on issues of
    a. Ideas
    b. People
21. In meetings, I am most often annoyed with people who
    a. Come up with many sketchy ideas
    b. Lengthen the meeting with many practical details
22. I tend to be
    a. A morning person
    b. A night owl
23. My style in preparing for a meeting is
    a. To be willing to go in and be responsive
    b. To be fully prepared and sketch out an outline of the meeting
24. In meetings, I would prefer for people to
    a. Display a fuller range of emotions
    b. Be more task oriented
25. I would rather work for an organization where
    a. My job was intellectually stimulating
    b. I was committed to its goals and mission
26. On weekends, I tend to
    a. Plan what I will do
    b. Just see what happens and decide as I go along
27. I am more
    a. Outgoing
    b. Contemplative
28. I would rather work for a boss who is
    a. Full of new ideas
    b. Practical
    In the following, choose the word in each pair that appeals to you more:
29. a. Social
    b. Theoretical
30. a. Ingenuity
    b. Practicality
31. a. Organized
    b. Adaptable
32. a. Activity
    b. Concentration

Scoring
Count one point for each item listed below that you circled in the inventory.

Score for I (Introversion)	Score for E (Extroversion)	Score for S (Sensing)	Score for N (Intuition)
2a	2b	1b	1a
6a	6b	10b	10a
11a	11b	13a	13b
15b	15a	16a	16b
19b	19a	17a	17b
22a	22b	21a	21b
27b	27a	28b	28a
32b	32a	30b	30a

Totals _____ _____ _____ _____

Circle the one with more points: Circle the one with more points:

I or E   S or N

(If tied on I/E, don't count #11)   *(If tied on S/N, don't count #16)*

(Continued)

Personality Assessment: Jung's Typology (Continued)

Score for T (Thinking)	Score for F (Feeling)	Score for J (Judging)	Score for P (Perceiving)
3a	3b	4a	4b
5a	5b	7a	7b
12a	12b	8b	8a
14b	14a	9a	9b
20a	20b	18b	18a
24b	24a	23b	23a
25a	25b	26a	26b
29b	29a	31a	31b

Totals _____   _____   _____   _____

Circle the one with more points: | Circle the one with more points:
T or F | J or P
(If tied on T/F, don't count #24) | *(If tied on J/P, don't count #23)*

Your Score Is: I or E_____ S or N_____ T or F_____ J or P _____

Your type is:_____ (example: INTJ, ESFP, etc.)

Scoring and Interpretation

The scores above measure variables similar to the MBTI™ assessment based on the work of psychologist Carl Jung. The MBTI™ assessment, which was described in this chapter, identifies four dimensions and 16 different "types." The dominant characteristics associated with each dimension and each type are shown below. Remember that no one is a pure type; however, each person has preferences for introversion versus extroversion, sensing versus intuition, thinking versus feeling, and judging versus perceiving. Based on your scores on the survey, read the description of your dimension and type in the chart. Do you believe the description fits your personality?

Characteristics Associated with Each Dimension

Extroversion: Energized by outer world of people and objects, broad interests, thinks while speaking.
Sensing: Likes facts, details, and practical solutions.

Thinking: Makes decisions by analysis, logic, and impersonal criteria.
Judging: Lives life organized, stable, systematic, and under control.

Introversion: Energized by inner world of thoughts and ideas, deep interests, thinks before speaking.
Intuition: Likes meanings, theory, associations among data, and possibilities.

Feeling: Makes decisions based on values, beliefs, and concern for others.
Perceiving: Lets life happen, spontaneous, open-ended, last minute.

Characteristics Associated with Each Type

ISTJ: Organizer, trustworthy, responsible, good trustee or inspector.

ISTP: Cool, observant, easy-going, good craftsperson.

ISFJ: Quiet, conscientious, devoted, handles detail, good conservator.

ISFP: Warm, sensitive, team player, avoids conflict, good artist.

INFJ: Perseveres, inspirational, quiet caring for others, good counselor.

INFP: Idealistic, strong values, likes learning, good at noble service.

INTJ: Independent thinker, skeptical, theory, competence, good scientist.

INTP: Designer, logical, conceptual, likes challenges, good architect.

Personality Assessment: Jung's Typology (Continued)

ESTP: Spontaneous, gregarious, good at problem solving and promoting.

ESFP: Sociable, generous, makes things fun, good as entertainer.

ENFP: Imaginative, enthusiastic, starts projects, good champion.

ENTP: Resourceful, stimulating, dislikes routine, tests limits, good inventor.

ESTJ: Order, structure, practical, good administrator or supervisor.

ESFJ: People skills, harmonizer, popular, does things for people, good host.

ENFJ: Charismatic, persuasive, fluent presenter, sociable, active, good teacher.

ENTJ: Visionary planner, takes charge, hearty speaker, natural leader.

Source: From *Organizational Behavior: Experience and Cases,* 4th ed., by Dorothy Marcic. © 1995. Reprinted with permission of South-Western, a division of Thomson Learning: www.thomsonrights.com. Fax: 800-730-2215.

- *Remember that everyone wants to fit in.* No matter their personalities, people typically take on behavior patterns that are the norm for their environment. Leaders can create norms that keep everyone focused on positive interactions and high performance.

Occasional personality conflicts are probably inevitable in any group or organization, but by using these techniques, leaders can generally keep the work environment positive and productive.

Remember This:

- Most leaders work with people who differ in many ways. Personality differences can create an innovative environment but may also create stress and conflict.

- Leaders can learn to work more effectively with different personality types by understanding their own personality characteristics and how they react to others; treating everyone with respect; acknowledging each individual's strengths; circumventing communication breakdowns; and creating a positive environment.

- Following these guidelines can enable a leader to keep diverse people productive and focused on goals instead of personality differences.

Discussion Questions

1. Do you agree that self-awareness is essential for being a good leader? Can you think of some specific negative consequences that might result from a leader not having self-awareness?

2. Extroversion is often considered a "good" quality for a leader to have. Why might introversion be considered an equally positive quality?

3. A survey found that 79 percent of CEOs surveyed fall into the category of being "highly optimistic," whereas a much lower percentage of chief financial officers were rated as highly optimistic. Do you think these differences reflect personality characteristics or the different requirements of the two jobs? Discuss.

4. The chapter suggests that one way to work effectively with different personalities is to treat everyone with respect. How might a leader deal with an employee who is perpetually rude, insensitive, and disrespectful to others?

5. What might be some reasons the dimension of "openness to experience" correlates so strongly with historians' ratings of the greatest U.S. presidents but has been less strongly associated with business leader success? Do you think this personality dimension might be more important for business leaders of today than it was in the past? Discuss.

6. Leaders in many of today's organizations use the results of personality testing to make hiring and promotion decisions. Discuss some of the pros and cons of this approach.

7. From Leadership Practice: Know Yourself 4.3, identify four or five values (instrumental or end values) that could be a source of conflict between leaders and followers. Explain.

8. Do you believe understanding your preferences according to the whole brain model can help you be a better leader? Discuss.

9. How can a leader use an understanding of brain dominance to improve the functioning of the organization?

10. Hallmark Cards discovered that its mid- and upper-level managers were primarily *thinking* types, but top executives displayed primarily *feeling* preferences. Why do you think this might be?

Leadership Skill-Building Exercises

Role Play: Stay or Leave?

William Ortiz has been manager for two years of a small team called Efficiency & Productivity within the Internal Audit function at Carbo Oil & Gas, Inc. Ortiz likes his position because his boss has allowed him great autonomy to do his work and manage his three-person team. His colleagues have described Ortiz as a Millennial who believes in maximum empowerment.

Ortiz's soon-to-be new boss, Jennifer Song, received an early promotion to be Director of Internal Audit from her position as a manager within Quality Control. Ortiz is aware from friends and colleagues that Song has a reputation for being hard driving and a micromanager with a task-oriented leadership style. Ortiz has requested a meeting with Song as soon as she is available in her new position.

Instructions: Allow 15+ minutes for this exercise, with 3 to 4 minutes for the role players to prepare, up to 10 minutes for the actual role-play, and the remaining time for debriefing and giving each other feedback. As indicated by

your instructor, form into groups of three. One person volunteer to play the role of Jennifer and another to play the role of William. The remaining group member will be an observer and provide feedback. Each role player reads only their confidential role. The observer reads both roles. After the role-play, discuss the following questions:

1. Did Song clarify her expectations for Ortiz? Explain.
2. Did Song guide the conversation to a mutual understanding of their personality and style differences, and how to accommodate them? Explain.
3. How well do you expect them to work together? Why?

Confidential information for Jennifer Song: You are known for your intense drive, which is probably why you have received an early promotion to a director position. You have received feedback about easing up on your micromanaging and task-oriented leadership style as you go up the hierarchy, but your style did get you the promotion. Your score on the Herrmann Brain Dominance Instrument (HBDI) reveals a distinct left-brain profile with equally high scores in Quadrants A and B. You have read William Ortiz's file in HR. You noted that his HBDI score shows a right-brain thinking style with the highest score in Quadrant C. You learned from his previous boss that Ortiz can be moody on occasion and may be a bit insecure, but his team has performed very well. You would like to keep him in that position if you can find a way to establish expectations for your opposite styles to work together.

Confidential information for William Ortiz: You have enjoyed a great deal of work autonomy and lead your team with a laid-back leadership style. If a team member has a question or problem, they will talk to you or other team members about it. Your friends and colleagues who have worked with Jennifer Song have cautioned you that she pushes her direct reports to perform at top levels, quite the opposite of your current boss who believes that empowering her direct reports increases productivity. You believe that you and your team members are high performers because of your autonomy. You are feeling nervous and insecure about working as a direct report for someone as driven as Song. You are considering looking for a job in another company. You do not want to leave, nor do you want to be micromanaged. Before starting a job search, you decide to request a meeting with Song to determine whether you will have sufficient autonomy to be happy continuing in your current role. Your score on the company provided HBDI profile was right-brained with the highest score in Quadrant C. You wonder how that will fit with a boss who appears to be left-brained.

Source: Adapted from Koh Cheng Boon, "Perspective on Leadership Effectiveness: From Employee's Lens," Asian Business Case Center at Nanyang Technological University, June 10, 2016, AsiaCase.com, Ref No.: ABCC-2016-009.

Past and Future

Draw a life line below that marks high and low experiences during your life. Think of key decisions, defining moments, peak experiences, and major disappointments that shaped who you are today. Draw the line from left to right, and identify each high and low point with a word or two.

Birth Year: _____   Today's Date: _____

What made these valued experiences? How did they shape who you are today?

_____

_____

Now take the long view of your life. In ten-year increments, write below the leader experiences you want to have. Provide a brief past-tense description of each decade (e.g., next ten years—big starting salary, bored in first job, promoted to middle management). Next ten years:

_____

_____

Following ten years:

_____

Following ten years:

_____

What personal skills and strengths will you use to achieve the future?

_____

_____

What is your core life purpose or theme as expressed in the lifeline and answers above?

_____

_____

How do your answers above relate to your scores on the Leadership Practice: Know Yourself questionnaires you completed in this chapter?

_____

_____

Leadership Skills Application: Cases for Analysis

A Kind and Considerate Manager

Barnes-Perry Industries' management promotion process was a benchmark for providing lateral moves as well as promotion to the next level within the company. With offices, plants, and warehouses located in seven Texas cities, opportunities for the best and brightest were extensive for middle management employees. The process invited candidates to explore goals, strengths, and weaknesses and to recount real-life scenarios and accomplishments. The selection team also visited the worksites of candidates for on-the-job observations and talks with fellow workers before bringing the final candidates to Dallas for interviews. The process offered personal insight and growth opportunities to all candidates for promotion. In March 2015, top management, including Marcus Barnes, Karl Perry, Mitch Ivey, Wayne Hughes, and Barbara Kennedy, were midway through a meeting to consider which of four middle management candidates to promote to the top position in the San Antonio office.

Marcus: "Who do we have next?"

Barbara: "Harry Creighton." Scanning the group, Marcus sees a few nods and a shrug.

Marcus: "Feedback?"

Karl and Wayne, simultaneously: "Great guy."

Karl: "We all know that Harry came into a situation in which that particular location was suffering a drop in performance. Morale was low and there were rumors of layoffs. He came in and calmed employee fears and has done a good job of raising performance levels."

Wayne: "He has a great relationship with employees. As we went around and talked to people, it was obvious that he has developed a level of trust and a vision that workers buy into."

Barbara: "The word that kept coming up among the workers was 'nice.'" As was his habit during meetings, Mitch leaned back in his chair, tapping his pencil on the table. Initially annoyed by the habit, over time the team had gotten used to the sound.

Marcus: "Mitch, your initial reaction to his name was a shrug. What are you thinking?"

Mitch: "Just wondering if *nice* is what we're looking for here?" The remark was met with laughter. "Tell me, how does a manager achieve an across-the-board reputation as a *nice* guy? I've worked for and with a number of managers during my life. I respected them, thought many of them were fair and up-front in their treatment of us; thought some were jerks who should be canned . . ."

Marcus: "I hope I don't fall into that last category." (Laughter)

Mitch: "I don't recall any consensus about a manager being *nice*."

Karl: "Several people mentioned that Harry always has their back."

Barbara: "I got the impression that Harry covers for them."

Marcus: "Meaning what?"

Wayne: "Meaning, giving them some slack when it comes to things like overlooking their weaknesses, a little sloppiness with deadlines or taking time off."

Barbara: "Several mentioned that he's always willing to . . . let me look at my notes . . . '*Always willing to step in and help out.*' The phrase came up more than a few times and when I pressed them, they didn't elaborate. But I wondered . . ."

Karl: ". . . Is he managing or taking on some of their responsibilities?"

Barbara: "Exactly."

Mitch: "It's bothering me that he comes across as the parent who does his kid's project for the science fair."

Wayne: "I don't think it's that bad, but when you look at him in comparison with the other candidates, it makes me question whether he can take on the tough part of top management. There is nothing distinctive about him or his style."

Karl: "There's no *edge* here. No sense of boundaries. Does he want to manage employees or be popular with them? Can he say 'No' and mean it?"

Barbara: "Does Harry have the capability to walk that fine line that separates leaders; that distinguishes respect versus popularity or encouragement and support over *stepping in and helping out?*"

Marcus: "So, we see some good things about Harry. He has a lot of potential. But we also see that he has not yet reached a level where we can entrust him with this top management position. Our task here, then, is to move on with the selection process, but over the next weeks I would like for us to consider ways to help Harry reach that potential for future opportunities."

Questions

1. What does *nice* mean to you? Do you think nice is a good trait for leaders or the kiss of death?

2. Is *nice* related to any concepts in the chapter, such as one of the Big Five personality dimensions, Myers–Briggs components, or left-right brain dominance? Discuss.

3. If Harry is passed over for promotion, what feedback and advice would you give him about how to improve his leadership skills for possible future promotion?

Green Designs International

When Lee Eason returned from a quick lunch, she scanned her e-mail inbox for the message she had been dreading. She found it, labeled "high priority," among a dozen other e-mails and sank back in her chair as she mentally prepared to open it. Eason felt a tightening in her stomach as she clicked on the message and braced herself for the assault she had grown to expect from Barry Kagan, her boss at Green Designs International (GDI), a rapidly growing environmentally friendly company that specializes in retrofitting commercial buildings to improve their energy efficiency.

The primary clients of GDI are owners of skyscrapers who renovate their buildings to reduce energy use and cut down on greenhouse gas emissions, a contributor to global warming. Within these towering skyscrapers, the largest energy guzzlers are lighting, cooling, and heating. Owners of New York City's Empire State Building expect to reduce the skyscraper's energy use by 38 percent within five years at an annual savings of $4.4 million after this 90-year-old building is retrofitted.

Eason had expected Kagan's scathing e-mail and knew he would lambaste her and her team for missing last Friday's deadline for submitting a proposal to retrofit a 60-story Chicago skyscraper to meet new federal green standards. Eason had warned Kagan of the possible delay in completing the proposal due to changing federal regulations for energy efficiency. It was truly out of her hands. She had even consulted with the client to alert them of the delay, and they had agreed to an extended deadline.

Nevertheless, Kagan was angry about the delay and fired off an e-mail that was brusque and insensitive. "I depend on you to meet deadlines and work effectively with regulatory agencies. Your ineptness may cost us this important project," he exclaimed in his e-mail to Eason. "Why aren't you as committed to this project as I am? I can't do this alone," he stated. This was one more example of how Kagan often made life miserable for his direct reports, verbally attacking them to get results. Kagan had also started alienating his peers. During a recent meeting to discuss the replacement of thousands of windows in the Chicago skyscraper, Kagan

embarrassed a colleague by accusing him of selecting a vendor without doing a price comparison among vendors. "How can I value your recommendation, Troy, if you fail to do your homework? I need new prices by Friday!" shouted Kagan.

Kagan was a highly skilled architect and responsible for managing a team of designers in GDI's Chicago office. Although his abrupt personality had helped him climb the corporate ladder, his intimidating communication style was beginning to create problems and hamper his ability to get results. Kagan learned in his performance review that his work relationships were suffering and the complaints about him were increasing. Even his long-time peers were avoiding him as much as possible and finding ways to work around him.

Sensitive to the growing animosity toward him, Kagan began to reconsider how he interacted with his staff and peers. He felt motivated to begin using some of the tools he had recently learned in the executive education course he had just completed. During one of the skills-assessment activities, Kagan learned that he could get better results by communicating more gently, building consensus, and working in a more team-oriented manner. Further, he realized he had to find ways to handle his anger and frustration when dealing with federal regulatory agencies and the inevitable delays that hampered progress on big construction projects. As he thought about the skills assessment, Kagan wondered if he could soften his image and perhaps even be considered for a senior management position he was eyeing in GDI's Los Angeles office.

Sources: Based on information in Gerry Yemen, Erika H. James, and James G. Clawson, "Nicholas Gray: The More Things Change . . .," (Darden Business Publishing, University of Virginia, Copyright 2003); and Mireya Navarro, "The Empire State Building Plans a Growth Spurt, Environmentally," *The New York Times* (April 7, 2009), p. A25.

Questions

1. "At the senior management level, you get hired for competence. You get fired for personality." In your opinion, is this statement true or false? How does it relate to Barry Kagan and his current leadership style?

2. Identify the behaviors described in this case that were damaging to Barry Kagan's work relationships. Why would a manager behave this way? What negative consequences did these behaviors have on his peers and subordinates?

3. How realistic is it that Kagan (or anyone) can change his own leadership skills? What kind of help might he need?

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Leading with Head and Heart

Chapter Outline

Your Leadership Challenge

After reading this chapter, you should be able to:

5-1 Identify how mental models and mindsets guide your behavior and relationships.

5-2 Explain the benefits of challenging one's thoughts and beliefs to consider alternate perspectives.

5-3 Explain the importance of emotional intelligence, including self-awareness, emotion regulation, personal motivation, empathy, and managing relationships, for effective leadership.

5-4 Differentiate between motivating others based on fear and motivating others based on love.

As Lieutenant Colonel Howard Olson considers the crowd before him, he knows that most of the people in the room outrank him. Still, Olson opens his talk with the following statement: "Each and every one of you has something that makes you a jerk . . . Some of you have more than one. I know. I've talked to you."

The lecture is part of what the U.S. Army informally calls "charm school," a week-long course held regularly for the select few who are promoted to brigadier general. Everyone knows about the Army's skill at getting new recruits in boot camp to think and act in a new way, but few people have seen firsthand the training it uses to get high-ranking officers to make a mental and emotional leap and think about command in a new way. At charm school, new generals are advised to get in touch with their inner jerk and work on overcoming that aspect of their personality. Charm school is designed as a reminder that the great officers are those who genuinely care about their soldiers. Other recurring themes during the training include avoiding even the appearance of ethical violations, leading with moral courage, and overcoming arrogance, the "first deadly sin of the general officer."[1]

There's no equivalent training in corporate America, but the lessons taught at the Army's charm school are also being taken to heart at many of today's business organizations, where leaders are learning to build work relationships based on trust, humility, caring, and respect.

This chapter and the next examine current thinking about the importance of leaders becoming fully integrated people by exploring the full capacities of their minds, emotions, and character. Noted leadership author and scholar Warren Bennis has said that "there's no difference between being a really effective leader and becoming a fully integrated person."[2] This chapter first examines the importance of leading with both the head and the heart (mind and emotion). We discuss the concepts of mental models and systems thinking and look at how qualities such as mindfulness and an open mind are important for leaders. Then we take a closer look at human emotions, the concept of emotional intelligence, and the emotions of love versus fear in leader-follower relationships. The next chapter will turn to character as reflected in moral leadership and courage.

To succeed in today's environment requires *whole leaders* who use both their heads and their hearts.[3] The recent COVID-19 crisis brought into sharp focus a crucial skill all leaders need: the ability to navigate uncertainty. Even before the pandemic, a survey of dozens of global leaders identified the top skill needed in today's world as the ability to cope with uncertainty and ambiguity.[4] **Uncertainty** is a condition that exists when a leader does not have sufficient information about environmental factors and has a difficult time predicting external changes. Even in a crisis, leaders have to use their heads to tend to organizational issues such as goals, production schedules, finances, operational issues, and so forth. But times of crisis, uncertainty, and rapid change highlight the crucial importance of also using the heart to tend to human issues, such as understanding, supporting, and developing others.

Consider what happened at Wafels & Dinges, which was in major growth mode when the COVID-19 pandemic hit. Rossanna Figuera and Thomas de Geest started the Belgian waffle truck business in 2007 and were rapidly adding brick-and-mortar restaurants. When COVID-19 brought business to a standstill, the couple had just enough cash on hand to give their employees two weeks' severance

<div style="sidebar">

Put It Into Practice 5.1

Start developing your head and heart: Sit for ten minutes and practice seeing yourself with appreciation and compassion. Suspend critical mental judgments about yourself. Can you awaken positive feelings for yourself? For your inner critic? Think about and make a list of your strengths and good qualities. Pat yourself on the back for the good things you have done.

Uncertainty
a condition that exists when a leader does not have sufficient information about environmental factors and has a difficult time predicting external changes

</div>

pay. Then, they shifted their thinking about how to survive, pivoting to online ordering and moving their operations from New York City to Denver, Colorado, where they already had one store. Next, they decided to donate waffles to frontline healthcare workers who were battling the devastating disease, a heart-based move that was so enthusiastically embraced by customers that Wafels and Dinges was able to bring some employees back on board.[5]

5-1 Mental Models and Systems Thinking

A mental model can be thought of as an internal picture that affects a leader's thoughts, actions, and relationships with others. A **mental model** is a theory a person holds about how something works in the world, the relationships among its parts, and its expected behavior.[6] To understand what is meant by a mental model, consider an electrical circuit as a system. Exhibit 5.1 shows the elements of an electrical circuit system.

A mental model would give you a picture in your mind of how these four elements fit together to produce the outcome of light. If you have no idea how the elements fit together, you lack a mental model for how electricity produces light. An accurate mental model helps a leader understand cause–effect relationships and how to arrange the key elements in an organizational system to get the desired outcome.

Leaders have many mental models that tend to govern how they interpret experiences and how they act in response to people and situations. Consider the two different mental models in the following quote from Robert Townsend, former CEO of Avis Rent-a-Car. To have a successful organization, he advised leaders, "you'll have to give up being an administrator who loves to run others

Mental model
a theory a person holds about how something works in the world, the relationships among its parts, and its expected behavior

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Exhibit 5.1

Elements of a System

Do you have a mental model that would enable you to connect these four elements to produce light?
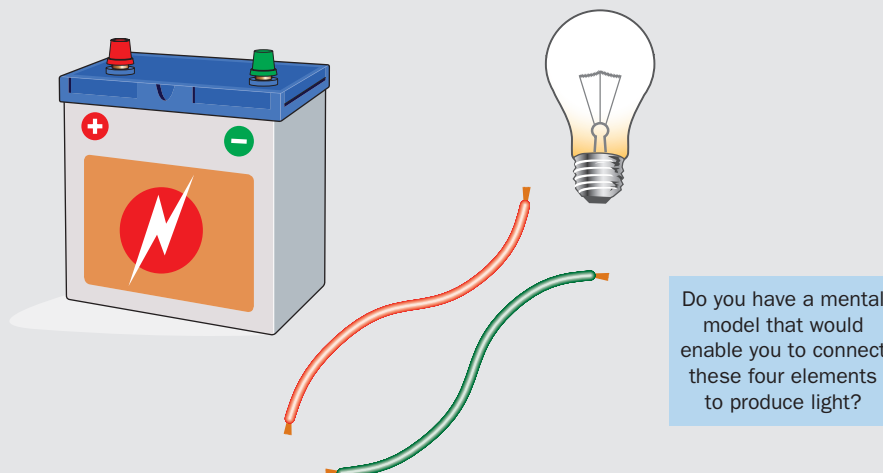
Exhibit 5.2

Google Leaders' Mental Model

- Stay uncomfortable
- Let failure coexist with triumph
- Use a little less "management" than you need
- Defy convention
- Move fast and figure things out as you go

Source: Based on Adam Lashinsky, "Chaos by Design," *Fortune* (October 2, 2006), pp. 86–98.

Put It Into Practice 5.2

Become aware of your mental model (theory) for getting your desired grade in a course you are taking. What are the elements and connections among those elements in your model? Sketch them out.

Systems thinking
a specific type of mental model that grasps the synergy of the whole rather than just the separate elements of a system in order to reinforce or change whole system patterns

and become a manager who carries water for his people so they can get on with the job."[7] The first part of the phrase reflects a mental model that it is the leader's job to control people to achieve a desired outcome, whereas the second part reflects a mental model that the leader is a servant who helps people do their best. Exhibit 5.2 shows the mental model that Google's top leaders use to keep the company on the cutting edge as its core business of search matures. At Google, leaders believe that risk-taking, a little craziness, and making mistakes are important for the sake of innovation. Too much structure and control are considered death to the company.[8]

Systems thinking is a specific type of mental model that grasps the synergy of the whole rather than just the separate elements of a system in order to reinforce or change whole system patterns.[9] Just as the electric circuit discussed above is a system, an organization is a system, as is a nuclear submarine, a city, or a university. Some systems are huge and difficult to comprehend. With systems thinking, a leader sees the big picture and connects the dots rather than just looking at specific dots or subsystems. Many people have been trained to solve problems by breaking a complex system, such as an organization, into discrete parts and working to make each part perform as well as possible. However, the success of each piece does not add up to the success of the whole. In fact, sometimes changing one part to make it better actually makes the whole system function less effectively. For example, a small city embarked on a road-building program to solve traffic congestion without whole-systems thinking. With new roads available, more people began moving to the suburbs. The solution actually increased traffic congestion, delays, and pollution by enabling suburban sprawl.[10]

It is the *relationship* among the parts that form a whole system—whether it be a community, an automobile, a nonprofit agency, a human being, or a business organization—that matters. Systems thinking enables leaders to look for patterns of movement over time and focus on the qualities of rhythm, flow, direction, shape, and networks of relationships that accomplish the performance of the whole. Systems thinking is a mental discipline and framework for seeing patterns and interrelationships. Thomas Marting, Director of Facilities, EH&S & Sustainability at GOJO Industries, is a systems thinker at the hand hygiene company that makes PURELL Instant Hand Sanitizer. Marting thinks through the stages of a product from raw materials to customer use to end of

life and relates each step to sustainability hotspots. He also thinks across the silos that commonly separate different functions and departments in an organization. Sustainability has to be embedded in all the decisions and actions across the company and across each product's lifecycle. Marting specializes in examining sustainability initiatives from multiple perspectives.[11]

It is important to see an organizational system as a whole because of its complexity. Complexity can overwhelm leaders, undermining confidence. When leaders can see the structures that underlie complex situations, they can facilitate improvement. But it requires a focus on the big picture. Leaders can develop what David McCamus, former chairman and CEO of Xerox Canada, calls "peripheral vision"—the ability to view the organization through a wide-angle lens rather than a telephoto lens—so that they perceive how their decisions and actions affect the whole.[12]

5-1a Assumptions and Mindsets

An **assumption** is something that is accepted as true or certain to happen, without evidence. Assumptions can be dangerous because people tend to accept them as "truth" despite no proof.[13] In Chapter 4, we discussed two very different sets of attitudes and assumptions that leaders may have about subordinates, called Theory X and Theory Y, and how these assumptions affect leader behavior. Someone who assumes that people can't be trusted will act very differently in a situation than someone who has the assumption that people are basically trustworthy.

Leaders have assumptions about events, situations, and circumstances as well as about people. J.C. Penney provides a good example. Ron Johnson, who helped create the popular and successful Apple retail stores, was hired to save J.C. Penney from a slow death, but he was fired just 17 months into the job. Johnson's assumptions about the transformation, which included making stores and merchandise more upscale, were based on his experience with what worked at Apple. He created in-store "boutiques" with expensive shelving and signage and pushed stores to stock youthful, slim-fitting clothing and European designs, reflecting a shift away from the retailer's core customers. The problem is that J.C. Penney isn't Apple. Customers flock to Apple stores for cutting-edge, status-symbol products, but J.C. Penney's customers want basic clothing and home goods at low prices. Johnson's remake assumed the only department store customer that mattered was the one "who shops at Target or Macy's or Nordstrom's," said Margaret Bogenrief of ACM Partners.[14]

A leader's assumptions are part of the leader's mindset. A **mindset** is a collection of beliefs, thoughts, mental attitudes, assumptions, and dispositions that predetermines a person's interpretations and responses to outside events and situations. In simplified terms, a mindset is a patterned way of seeing and responding to the world. Based on the original research into mindsets, two basic mindsets people may possess about themselves and others are a *fixed mindset* or a *growth mindset*.[15] Leaders with a fixed mindset believe that personal characteristics, such as intelligence or talent, are fixed and unchangeable. Someone with a fixed mindset strives to minimize errors as the primary way to increase performance. A fixed mindset causes leaders to become defensive when confronted with an error. People with a growth mindset believe their own or other people's abilities can be developed through dedication and hard

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Put It Into Practice 5.3

For the next three decisions you make today, consider a bigger picture of influences than you normally do, including relationships among the parts of a larger system that might bear on your decisions.

Assumption
something that is accepted as true or certain to happen, without evidence

---

Put It Into Practice 5.4

Keep a log for one day of assumptions you are making about other people. Analyze the log entries to find patterns that reveal insights into your underlying mindset toward other people.

Mindset
a collection of beliefs, thoughts, mental attitudes, assumptions, and dispositions that predetermines a person's interpretations and responses to outside events and situations

---

work. Natural intelligence and talent are just the starting point; learning, commitment, and grit are what lead to success. Leaders with a growth mindset typically achieve greater success because they provide a climate within which growth based on mistakes is encouraged.

Researchers have described another type of mindset difference among police and military. Some police and military members believe the way to get someone to do what you want is to "command obedience," a rather authoritarian approach to influencing others in line with Theory X thinking described in Chapter 4. The opposite mindset believes in a cooperation approach to influencing others. Cooperation takes skill and more time, and it has the long-term payoff of building trust. Yet another mindset difference was found among Child Protective Services workers. The best caseworkers saw their job as continually solving problems, while less effective caseworkers believed their job was to follow procedures.[16]

As these examples and the J.C. Penney example illustrate, it is important for leaders to regard their assumptions and mindsets about themselves and others as temporary ideas rather than fixed truths. The more aware leaders are of their assumptions and patterns of mental tendencies and reactions, the more they understand how their mindset guides their behavior, responses, and decisions. In addition, a leader can question whether long-held assumptions fit the reality of the current situation. Questioning assumptions can help leaders understand and shift their mental models.

5-1b Changing or Expanding Mental Models

The mental models and mindsets of top leaders have always played a key role in organizational success. A Harvard University study ranking the top 100 business leaders of the twentieth century found that they all shared what the researchers refer to as "contextual intelligence," the ability to sense the social, political, technological, and economic context of the times and adopt a mental model that helped their organizations best respond.[17] In a world of uncertainty and rapid change, the greatest factor determining the success of leaders and organizations may be the ability to change or expand one's mental model.[18]

Organizations are vulnerable when leaders stick with obsolete mental models in the face of new realities. Harald Krüger, who resigned as CEO of BMW in 2019, seemed to have a hard time shifting his mental model to help BMW remain competitive in the shifting auto industry. He took on the top job at a time when the company was thriving, but BMW stock fell 36 percent within four years after he became chief executive. Krüger focused on operational excellence and stability and was criticized for letting BMW's early lead in electric vehicles falter and for failing to provide a vision for BMW to move forward in the rapidly changing industry.[19] Another classic example is the BlackBerry smartphone, where sales plummeted because leaders at Research in Motion stayed with what worked in the past and had a hard time shifting their mental model to keep the company competitive in an environment that changed quickly with the introduction of Apple and Samsung smartphones. In contrast, leaders at Apple have been masters at shifting or expanding their mental models over the years, continuously evolving the company into new products and services.[20]

Unfortunately, many leaders become prisoners of their own assumptions and mindsets because these led to success in the past. They find themselves simply going along with the traditional way of doing things—whether it be running a

business such as BMW, managing a charitable foundation, handling insurance claims, selling cosmetics, or coaching a basketball team—without even realizing they are making decisions and acting within the limited frame of their own mental model.[21] Despite the mental discomfort and sense of disorientation it might cause, leaders must allow their mental models to be challenged and even demolished.[22] Becoming aware of assumptions and mindsets and understanding how they influence emotions and actions is the first step toward being able to shift mental models and see the world in a new way. Effective leaders learn to question their own beliefs, assumptions, and perceptions in order to see things in unconventional ways and meet the challenge of the future head on.[23] Leaders who are unable to see and change their own ineffective mindsets or mental models often need outside help, as described in this chapter's Leader's Bookshelf.

Leader's Bookshelf	What Got You Here Won't Get You There	by Marshall Goldsmith and Mark Reiter

Success, says executive coach Marshall Goldsmith, makes many people believe they must be doing everything right. Therefore, as leaders move up the hierarchy they often continue to rely on mental models about interpersonal relationships that seemed to work when they were in lower-level positions. Consequently, they may sabotage their effectiveness and career advancement. "All other things being equal, your people skills (or lack of them) become more pronounced the higher up you go," Goldsmith writes in *What Got You Here Won't Get You There.* Goldsmith and his collaborator, Mark Reiter, identify 20 mental habits that damage leader relationships at higher levels.

Nobody's Perfect
Every leader has some habits or negative behaviors that can limit effectiveness. Following are a few of the behavioral flaws Goldsmith and Reiter describe. Do you recognize any of these in your own behaviors?

- ***The Need to Win at All Costs and in All Situations.*** We all know them—those people who feel like they have to win every argument and always be right. They want to win the big points, the small points, and everything in between. If they go along with another's idea that doesn't work out, they adopt an "I told you so" attitude. In the workplace, a top leader's need to be right and to point out that they are right damages relationships and destroys teamwork.

- ***Clinging to the Past.*** There's nothing wrong with looking at and understanding the past as a way to come to terms with it or learn from it. Too often, though, people cling to the past as a way to blame others for things that have gone wrong in their lives, using the past as a weapon to control others or punish them for not doing exactly what the leader wants.

- ***Never Being Able to Say You're Sorry.*** It's not true that "love means never having to say you're sorry." Apologizing is love in action. Refusing to apologize probably causes more ill will— whether in a romance, a family, or a work relationship—than any other interpersonal flaw. "People who can't apologize at work may as well be wearing a T-shirt that says: 'I don't care about you,' " Goldsmith writes.

Change Is Possible
As an executive coach, Goldsmith has spent his career helping leaders find and fix the mental models that hold them back. His prescription for success can benefit any leader who genuinely wants to improve interpersonal relationships. The first step is to gather feedback that helps you identify the specific behaviors you need to change. Next, focus your mind on fixing the problem by apologizing for your behavioral flaws, advertising your efforts to change, listening to ideas from others, showing gratitude for others' contributions to your change process, and following up on your progress. When you are mindful of your dependence on others, Goldsmith points out, other people typically not only agree to help you be a better person, they also try to become better people themselves.

Source: *What Got You Here Won't Get You There* by Marshall Goldsmith and Mark Reiter, is published by Hyperion Books.

Remember This:

- Leaders use both emotional and intellectual capabilities and understandings (heart and head) to guide organizations through an uncertain environment and help people feel energized, motivated, productive, and cared for.

- **Uncertainty** is a condition that exists when a leader does not have sufficient information about environmental factors and has a difficult time predicting external changes.

- A **mental model** is a theory a person holds about how something works in the world, the relationships among its parts, and its expected behavior. **Systems thinking** is a specific type of mental model that grasps the synergy of the whole rather than just the separate elements of a system in order to reinforce or change whole system patterns.

- Thomas Marting is a systems thinker at GOJO Industries, which makes PURELL hand sanitizer. Marting thinks through the stages of a product from raw materials to customer use to end of life and relates each step to sustainability across diverse departments.

- Leaders' mental models tend to govern how they interpret experiences and how they act in response to people and situations. Some leaders find themselves simply going along with the traditional way of doing things without even realizing they are acting within the limited frame of their own mental model.

- Becoming aware of assumptions and mindsets is a first step toward shifting or expanding one's mental model and being able to see the world in new and different ways.

- An **assumption** is something that is accepted as true or certain to happen, without evidence. Assumptions can be dangerous because people tend to accept them as "truth."

- **Mindset** is defined as a collection of beliefs, thoughts, mental attitudes, assumptions, and dispositions that predetermines a person's interpretations and responses to outside events and situations.

- Two basic mindsets people may possess about themselves and others are a *fixed mindset* or a *growth mindset*. Leaders with a growth mindset are typically more successful because they provide a climate within which growth based on mistakes is encouraged. A fixed mindset strives to minimize errors as the primary way to increase performance.

5-2 Developing a Leader's Mind

How do leaders expand their mental models? The leader's mind can be developed beyond the nonleader's in two critical areas: mindfulness and open-mindedness. Taken together, these disciplines provide a foundation that can help leaders examine their mental models and overcome blind spots that may limit their leadership effectiveness and the success of their organizations.

5-2a The Rise of Mindfulness

Many people working from home while their offices were shut down during the COVID-19 pandemic learned firsthand just how easy it is for the mind to be distracted. In a 2020 survey, at-home workers reported wasting up to two hours a day because they were distracted by social media, with distractions from children coming in a close second. That's no surprise to the leaders of a Harvard University study, who found that the average person's mind wanders 47 percent of the time.[24] That means nearly half the time you're doing something—studying for a test, cooking an omelet, completing an important report at work, giving your toddler a bath, or even carrying on a conversation with a partner—you're thinking about something else.

A few people have wised up and learned to limit distractions from technology by turning off the dinging notifications from their social media feeds, e-mails, and text messages. Others try to reduce the distraction of technology using sheer willpower, but most have found that self-control doesn't work for very long. Moreover, technology is not the only problem. Most of us are faced with a continual stream of distractions, and it can take 20 to 30 minutes to get your mind re-focused on a task after a seemingly brief interruption.[25] The rapid pace of today's world in general contributes to the widespread challenge of a lack of focus. So, how do leaders train their brains to ignore distractions and focus on followers, projects, and important issues? One partial solution is leader mindfulness.[26]

Mindfulness can be defined as paying intentional focused attention in the present moment and doing so without judgmental reactions.[27] Mindfulness means paying attention to what is happening in the present moment with a sense of acceptance without judging things as good or bad. Judgmental reactions are biased toward the negative, and maintaining a non-agitated, cool, and objective perspective is a more accurate way to perceive a situation.

Practicing mindfulness improves a person's memory and focus by training the mind to let go of distractions. Indeed, practicing mindfulness has been shown in many studies to improve an individual's well-being and happiness, which is why mindfulness training programs have increased in popularity. For example, Google sent members of a sales team to a "mindful knitting" workshop, where everyone had to turn off their smartphones and learn to knit. Things got off to a rough start, but gradually everyone became absorbed in finding their own rhythm. "Are we being hypnotized?" saleswoman Brie O'Reilly said, as she noticed how quietly focused the room had become.[28]

One way to build up mindfulness is with some form of meditation. People who practice mindfulness by meditating regularly are more capable of pushing away distractions and concentrating on the matter at hand. They react less strongly to things that used to upset them, recover more quickly when they do get upset, and are less prone to make hasty choices. Research on mindfulness has also shown a variety of other positive outcomes, including improved work performance, psychological well-being, and interpersonal relationships.[29] Gretchen Spreitzer and her colleagues found that engaging in mindfulness practices at work, even something as brief as a seven-minute meditation, leads to more helpful behavior toward both colleagues and customers. At an insurance company call center, the researchers found that

> ❝Some would argue that human attention, not money, is the most valuable commodity there is. It's the ultimate scarce resource.❞
>
> Angela Duckworth, Professor of Psychology at the University of Pennsylvania and author of *Grit: The Power of Passion and Perseverance*

Mindfulness
paying intentional focused attention in the present moment and doing so without judgmental reactions

employees who engaged in mindfulness exercises each day for a week spend more time asking questions and really trying to understand and address the caller's concerns.[30] Another interesting study looked at 226 retail and professional stock traders and found that those who practiced meditation intensely ran portfolios that gained more than those run by traders who didn't meditate or meditated less intensely. The authors of the study suggest that meditation was associated with greater discipline and less tendency to overreact to news reports and panic selling.[31]

Some people meditate every morning or evening as a routine practice. Others find that taking short breaks to meditate for a few minutes several times a day is just as effective. Yet others have no luck with meditation or have no desire to try it.

Exhibit 5.3 provides a simple meditation routine that you can apply at any time during the day when you're feeling overwhelmed. Meditation can be an important part of an overall healthy lifestyle that helps you think more clearly, handle your responsibilities more effectively, and better cope with stress.

Being mindful can be valuable for leaders because they can easily become overwhelmed with the amount and variety of tasks that confront them. The deluge of e-mail, text messages, Web conferences, blogs, and so forth has intensified the problem. Doing things on autopilot is easy.[32] But in the world of organizations, circumstances are constantly changing. What worked in one situation may not work the next time. In these conditions, mental laziness, operating on autopilot, and accepting others' answers can hurt the organization and all its members. Consider what happened to entrepreneur Kord Campbell, who failed for 12 days to notice an e-mail from a large company interested in buying his small Internet startup. Why? With the hectic pace of his life, Campbell had been operating on autopilot. "It seems he can no longer be fully in the moment," said his wife.[33]

Exhibit 5.3

Simple Meditation

1. Find a quiet place where you won't be distracted.
2. Sit upright in a comfortable chair.
3. Close your eyes and relax your body.
4. Bring your full focus to your breathing. Don't try to control your breathing. Just breathe naturally while focusing your attention on your inhaling and exhaling.
5. Do this for at least 10 minutes, building up to 20 minutes with repeated practice.
6. If your mind wanders, bring the focus back to your breathing. Assume a passive attitude. Don't judge how well you are doing.
7. Practice the technique once or twice daily.

Sources: Based on Daniel Goleman's tips for meditation in Elizabeth Bernstein, "Stressed Out, Anxious or Sad? Try Meditating," *The Wall Street Journal* (December 4, 2017), www.wsj.com/articles/anxious-sad-or-grumpy-try-meditating-1512404519 (accessed March 29, 2021); and "Mindful Relaxation," Center for Spirituality and Healing, University of Minnesota, www.takingcharge.csh.umn.edu/activities/practice-mindful-relaxation (accessed July 14, 2020).

5-2b Open-Mindedness

The power of the conditioning that limits our thinking and behavior is illustrated by what has been called the *Pike Syndrome.* In an experiment, a northern pike is placed in one half of a large glass-divided aquarium, with numerous minnows placed in the other half. The hungry pike makes repeated attempts to get the minnows but succeeds only in battering itself against the glass, finally learning that trying to reach the minnows is futile. The glass divider is then removed, but the pike makes no attempt to attack the minnows because it has been conditioned to believe that reaching them is impossible. When people assume they have complete knowledge of a situation because of past experiences, they exhibit the Pike Syndrome, a trained incapacity that comes from rigid commitment to what was true in the past and an inability to consider alternatives and different perspectives.[34]

Leaders have to forget many of their conditioned ideas to be open to new ones. This openness—putting aside preconceptions and suspending beliefs and opinions—can be referred to as "beginner's mind." When someone becomes an expert in a particular subject, their mind often becomes closed to the perspectives of other people.

The expert mind becomes a danger in organizations because it rejects new ideas based on past experience and knowledge. Consider how Matthew Broderick's expert mind got in the way of effectively managing a crisis. Broderick led the Homeland Security Operations Center when Hurricane Katrina hit New Orleans, and as a brigadier general with 30 years' experience running emergency operations, he seemed like the perfect leader to oversee response to the storm. However, Broderick was so adept at handling crises in military contexts that he failed to recognize that dealing with a natural disaster in the civilian environment was different. The situation required speed of response more so than Broderick's method of verifying every fact, as he had been trained to do to avoid decisions made in "the fog of war." Because of Broderick's extensive Marine Corps expertise, he assumed (incorrectly) that key federal emergency officials would automatically report information up the chain of command.[35]

In contrast to the expert mind, the beginner's mind reflects the openness and innocence of a young child just learning about the world. Effective leaders strive to keep open minds and cultivate an organizational environment that encourages curiosity and learning. They understand the limitations of past experience and reach out for diverse perspectives. Rather than seeing any questioning of their ideas as a threat, these leaders encourage everyone to openly debate assumptions, confront paradoxes, question perceptions, and express feelings.[36] In a study of 500 CEOs appointed over a 20-year period, researchers found the appointed CEOs with experience consistently underperformed their novice counterparts over the medium and long term. The experienced CEOs tended to rely on their expert mind based on what had worked in their previous jobs and they often became overly concerned with cost cutting. The rookies were more open to fresh ideas and a longer term and more balanced approach to performance.[37]

Put It Into Practice 5.6

Think back to a time when you misjudged something or someone or made a mistake. Upon reflection, identify how your mental model, assumptions, or mindset influenced that error.

Leadership Practice: Know Yourself 5.1

Mindfulness

Instructions: Think back to your state of mind and awareness during various situations at home, school, and work. Please respond to the following items based on how often you exhibited each behavior. Indicate whether each item is Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. I tend to walk quickly to where I am going without paying much attention to what is going on around me.	_____	_____
2. I tend not to notice feelings of physical tension or discomfort until they really grab my attention.	_____	_____
3. I find myself listening to someone with one ear while thinking about something else.	_____	_____
4. I experience moments of inner peace and ease, even when things get hectic and stressful.	_____	_____
5. I forget a person's name almost as soon as I have been told it for the first time.	_____	_____
6. I typically rush through activities without enjoying or being really attentive to them.	_____	_____
7. I see my mistakes and difficulties without criticizing myself about them.	_____	_____
8. I snack without paying attention to what I am eating.	_____	_____
9. I could experience some emotion and not be conscious of it until sometime later.	_____	_____
10. I am aware of my feelings without letting them take me over.	_____	_____

Scoring and Interpretation

Give yourself one point for each Mostly False checked for items 1–3, 5–6, and 8–9. Give yourself one point for checking Mostly True for items 4, 7, and 10. A total score of 7 or higher would be considered a high level of mindfulness. A score of 3–6 would be a medium level and 1–2 a low level of mindfulness as defined in the text. Questions 4, 7, and 10 represent non-judgmental acceptance, and the other questions pertain to paying focused attention to the present moment. Analyze the specific questions for which you did not get credit to see more deeply into your pattern of mindfulness strengths or weaknesses.

Sources: Based on Kirk Warren Brown and Richard M. Ryan, "The Benefits of Being Present: Mindfulness and Its Role in Psychological Well-Being," *Journal of Personality and Social Psychology* 84, no. 4 (2003), pp. 822–848; and Yaprak Kalafatoğlu and Tülay Turgut, "Individual and Organizational Antecedents of Trait Mindfulness," *Journal of Management, Spirituality and Religion* 16, no. 2 (2019), pp.199–220.

Remember This:

- Mindfulness and open-mindedness provide a foundation that can help people examine their mental models and overcome blind spots that may limit leadership effectiveness and success.
- **Mindfulness** can be defined as paying intentional focused attention in the present moment and doing so without judgmental reactions. Mindfulness can be valuable for leaders because leaders can easily become overwhelmed with the amount and variety of tasks that confront them.

- A Harvard University study found that the average person's mind wanders 47 percent of the time. Practicing mindfulness can improve memory and focus by training the mind to let go of distractions.
- Google sent members of a sales team to a mindful knitting workshop, where everyone had to turn off their smartphones and learn to knit.
- One way to build up mindfulness is with some form of meditation. A study looked at 226 retail and professional stock traders and found that those who practiced meditation intensely ran portfolios that gained more than those run by traders who did not meditate or meditated less intensely.
- Leaders have to forget many of their conditioned ideas to be open to new ones. This openness—putting aside preconceptions and suspending beliefs and opinions—can be referred to as "beginner's mind."
- The "expert mind" can be a danger in organizations because it rejects new ideas based on past experience and knowledge. A study of 500 CEOs found the CEOs appointed with previous experience consistently underperformed their novice counterparts who had no previous experience.

5-3 Emotional Intelligence

People have long recognized the importance of cognitive intelligence, or IQ (intelligence quotient), in determining a person's success and effectiveness. In general, research shows that leaders score higher than most people on tests of cognitive ability, such as IQ tests, and that cognitive ability is positively associated with effective leadership.[38] Increasingly, leaders and researchers are recognizing the critical importance of emotional intelligence, or EQ, as well. Some have suggested that emotion, more than cognitive ability, drives our thinking and decision making, as well as our interpersonal relationships.[39] Consider the following example derived from a study of emotion and decision making. After spending two hours in bumper-to-bumper traffic, a top executive angrily turned down a request for a potentially profitable partnership without giving it due consideration. This executive allowed her negative emotions to cloud her judgment and trigger a desire for action, causing her to make a hasty decision rather than carefully looking at whether the partnership was a good opportunity for her company.[40] In one study of leaders, two-thirds of the difference between average and top-performing leaders was found to be due to emotional competence, with only one-third due to technical skills. Other research has supported a correlation between emotional intelligence and effective leadership.[41]

Emotional intelligence refers to a person's abilities to perceive, identify, understand, and successfully manage emotions in self and others. Being emotionally intelligent means being able to effectively manage ourselves and our relationships.[42] Leaders with emotional intelligence are typically more effective and rated as more effective by peers and subordinates.[43]

5-3a What Are Emotions?

There are hundreds of emotions and more subtleties of emotion than there are words to explain them. An important ability for leaders is to understand the range of emotions people have and how these emotions may manifest themselves. One

Emotional intelligence
a person's abilities to perceive, identify, understand, and successfully manage emotions in self and others

Exhibit 5.4

Positive and Negative Emotions
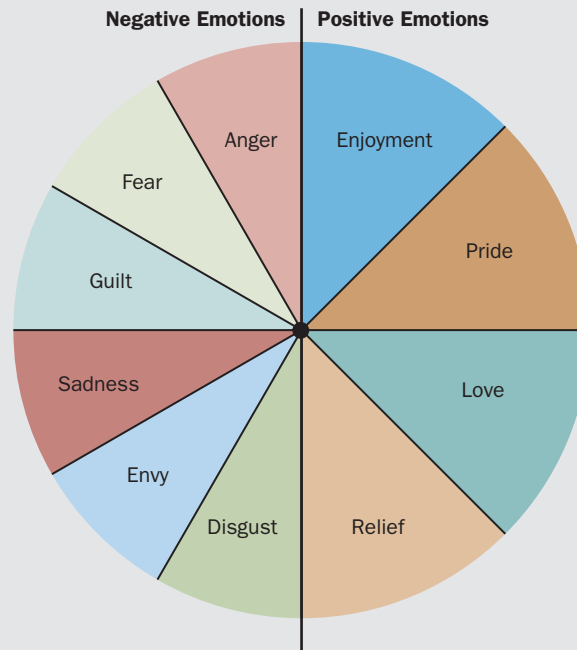
model that is useful for leaders distinguishes the major positive and negative emotions, as illustrated in Exhibit 5.4.[44] These primary emotions and some of their variations are as follows:

- *Anger:* fury, outrage, frustration, exasperation, indignation, animosity, annoyance, irritability, hostility
- *Sadness:* grief, sorrow, gloom, melancholy, self-pity, loneliness, dejection, despair, discouragement
- *Relief:* release, reassurance, ease, contentment
- *Fear:* anxiety, apprehension, nervousness, concern, consternation, wariness, edginess, dread, fright, terror, panic
- *Enjoyment:* happiness, joy, delight, amusement, sensual pleasure, thrill, rapture, euphoria
- *Love:* affection, acceptance, respect, friendliness, trust, kindness, affinity, devotion, adoration, infatuation
- *Envy:* jealousy, resentment, suspicion, spite
- *Disgust:* contempt, disdain, scorn, abhorrence, aversion, distaste, revulsion
- *Pride:* satisfaction, dignity, self-esteem, fulfillment
- *Guilt:* shame, embarrassment, chagrin, remorse, humiliation, regret, mortification, contrition

Exhibit 5.5

Emotional Intelligence and Earning Power

Most Expressive					
Least Expressive					
Best at Reading Emotions					
Worst at Reading Emotions					

➡ **Thousands of Dollars**
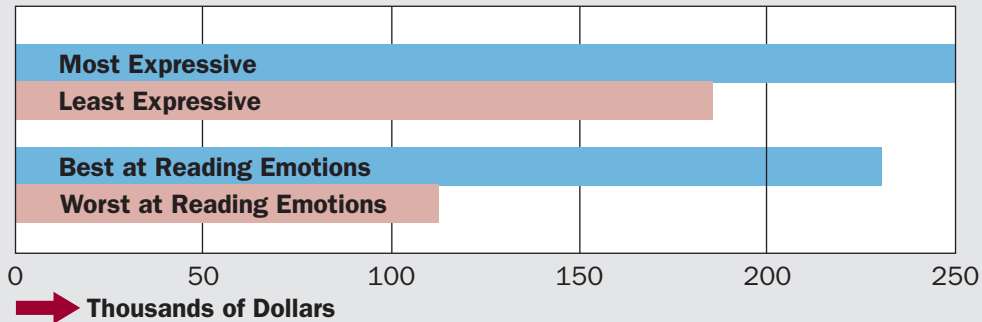
Source: Rensselaer Polytechnic Institute, Lally School of Management and Technology, as reported in *BusinessWeek Frontier* (February 5, 2001), p. F4.

Some leaders act as if people leave their emotions at home when they come to work, but we all know this isn't true. Indeed, a key component of leadership is being emotionally connected to others and understanding how emotions affect working relationships and performance.

5-3b Why Are Emotions Important?

In a study of entrepreneurs, researchers at Rensselaer Polytechnic Institute found that those who are more expressive of their own emotions and more in tune with the emotions of others make more money, as illustrated in Exhibit 5.5.[45] One reason for this is that leaders who harness and direct the power of emotions to improve followers' satisfaction, morale, and motivation get better results and enhance overall organizational effectiveness.

Emotions Are Contagious The emotional state of the leader influences the entire team, department, or organization.[46] Most of us recognize that we can "catch" emotions from others. If we're around someone who is smiling and enthusiastic, the positive emotions rub off on us. Conversely, someone in a bad mood can bring us down. As an example, a former administrative assistant of Mesa Air Group CEO Jonathan Ornstein says she was in charge of tracking the short-tempered leader's moods and warning other executives when they needed to stay away. "Sometimes he would come into the office in a bad mood … and it would set the tone for the whole office," she says.[47]

The process in which a person or group influences the emotions or behavior of another person or group, either consciously or unconsciously, is called **emotional contagion**.[48] Leaders who are able to maintain balance and keep themselves motivated can serve as positive role models to help motivate and inspire those around them. The energy level of the entire organization increases when leaders are optimistic and hopeful rather than angry or depressed. During the recent COVID-19 pandemic, many leaders shifted their leadership style toward

Put It Into Practice 5.7

Identify which emotions in Exhibit 5.4 you are aware of within yourself today. Which one do you feel most? Which one least?

Emotional contagion
the process in which a person or group influences the emotions or behavior of another person or group, either consciously or unconsciously

demonstrating a more people-oriented approach, as described in Chapter 3, to keep people positive and motivated. Particularly when employees were working from home with offices shut down, leaders found a greater need to keep tabs on the emotional state of their followers, not just track their completion of tasks.[49] Unfortunately, research by organization behavior scientists suggests that negative emotions might spread more easily than positive ones because people's positive emotions are generally less influenced by other people. Psychologists have also found that negative people and events have a disproportionately large effect on our emotions and moods.[50]

Therefore, leaders recognize the importance not only of keeping their own emotions in balance but also of helping others manage negative emotions so they don't infect the entire team or organization. Leaders "tune in" to the emotional state of others, bring unhealthy or negative emotions to the surface, and encourage people to explore and use positive emotion in their everyday work.[51]

Emotions Influence Performance A study of teams found that untrained teams made up of members with high emotional intelligence performed as well as trained teams made up of members who rated low on emotional intelligence.[52]

Much evidence points to a clear connection between people's emotions and various aspects of their performance, such as teamwork, creativity, decision making, and task performance.[53] Negative emotions drain energy and prevent people from doing their best.

Executives at an oil refinery called in a team of consultants to determine why employees were not responding to their request for cost-cutting ideas. In meetings with people across the company, strong feelings of frustration, fear, and hopelessness emerged. A long history of strong, top-down management and previous rejections of employee contributions had created an environment in which negative emotions blocked creativity and collaboration.[54] An entire organization in a bad mood can't succeed because people have no energy and feel anxious, disillusioned, or hopeless. In this kind of toxic work environment, most of an individual's effort is used for emotional survival, as illustrated in Exhibit 5.6. In a positive environment, on the other hand, most of a person's effort is available for work. When a leader unlocks positive emotions of joyfulness, appreciation, trust, and respect, people's energy, creativity, and intellectual commitment expand. Positive instead of negative emotions enable people to perform to the best of their abilities.[55] At the oil refinery described above, when leaders began making a concerted effort to personally ask employees for help, thank them for their ideas, and genuinely express gratitude, people began coming forward with ideas that collectively identified around $4 million of annual savings.[56]

Emotions May Require Hard Work A *Gallup Management Journal* survey emphasizes that leaders, especially frontline supervisors, have a lot to do with whether employees have positive or negative feelings about their work lives.[57] Research into the factors affecting mood in the workplace is growing. One thing seems clear: almost everything that influences people's moods in the workplace is under the control of leaders.[58] That is why leaders have to regulate their own emotions to remain positive and hopeful and then pull others up with them. It might be one of the leader's toughest jobs.

Exhibit 5.6

Positive Leadership and Performance
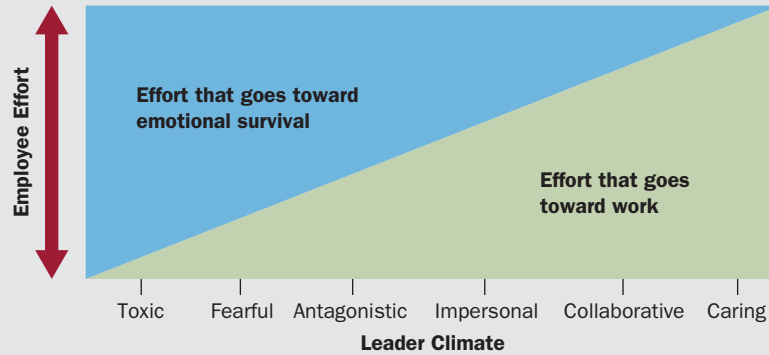
Source: Based on "Success & the Team Climate," Team Leadership Toolkit, Lindsay-Sherwin Company Web site, www.lindsay-sherwin.co.uk/guide_team_leadership/html_team_development/1_success_and_team_climate.htm (accessed May 13, 2011).

Emotional labor refers to the effort required to manage one's feelings or emotions at work according to the emotional requirements of the situation.[59] Emotional labor involves closing the gap between what you are feeling (e.g., disappointment that you didn't get a promotion) and what you want to express (e.g., happiness for your colleague who did get the promotion). Emotional labor has two dimensions: surface acting and deep acting. In *surface acting*, a person acts in a particular way without experiencing the emotion. This is done by modifying facial expressions and body pose to express an emotion that is not felt. A leader might smile and pat an employee on the back, for example, without genuinely feeling emotions such as happiness, friendliness, or gratitude. Surface acting typically comes across as inauthentic. *Deep acting*, in contrast, involves shifting one's internal feelings so that they are more appropriate to the situation, producing a more genuine emotional response. Deep acting involves an active effort to modify one's emotions. A leader often must draw on qualities deep within to manage negative emotions and shift toward more positive ones.

5-3c The Components of Emotional Intelligence

Kyle Wheat started as an apprentice at a New Hampshire technology company just out of high school and once spent an entire day trying to figure out how to take a printer apart because he was too scared to ask his supervisor for help. Scott Johnson, president of the company, Certified Retail Solutions, realized people needed more than technical training; they also needed training in emotional intelligence. Today, Wheat can look anyone in the eye with confidence and talk to them in a professional manner.[60] It is important to remember that emotional intelligence can be learned and developed. The competencies and abilities of EI are grouped into four fundamental categories, as illustrated in Exhibit 5.7.[61]

Emotional labor
the effort required to manage one's feelings or emotions at work according to the emotional requirements of the job

Put It Into Practice 5.8
Practice deep acting: Sit quietly and visualize someone who annoys you. During your visualization, awaken positive feelings toward that person. Replace a feeling of dislike by saying, "May you have peace and harmony." Repeat it several times.

Exhibit 5.7

The Components of Emotional Intelligence

	SELF	**OTHERS**
AWARENESS	**Self-Awareness** • Emotional self-awareness • Accurate self-assessment • Self-confidence	**Social Awareness** • Empathy • Organizational awareness • Service orientation
BEHAVIOR	**Self-Management** • Emotional self-control • Trustworthiness • Conscientiousness • Adaptability • Optimism • Achievement-orientation • Initiative	**Relationship Management** • Development of others • Inspirational leadership • Influence • Communication • Change catalyst • Conflict management • Bond building • Teamwork and collaboration

Source: Adapted from Richard E. Boyatzis and Daniel Goleman, *The Emotional Competence Inventory—University Edition* (Boston, MA: The Hay Group, 2001).

Self-Awareness Self-awareness includes the ability to recognize and understand your own emotions and how they affect your life and work. It is the basis of all the other competencies. People who are in touch with their emotions are better able to guide their own lives. Leaders with a high level of self-awareness learn to trust their "gut feelings" and realize that these feelings can provide useful information about difficult decisions. Answers are not always clear as to whether to propose a major deal, let an employee go, reorganize a business, or revise job responsibilities. When the answers are not available from external sources, leaders have to rely on their own feelings. This component also includes the ability to accurately assess your own strengths and limitations, along with a healthy sense of self-confidence.

Self-Management The second key component, self-management, includes the ability to control disruptive, unproductive, or harmful emotions and desires. An interesting experiment from the 1960s sheds some light on the power of self-management. A group of four-year-olds and five-year-olds were offered a marshmallow, which the researcher placed in front of each child on the desk. Then, the children were told that if they could wait 15 minutes while the researcher ran an errand, they would be given two marshmallows. Some children were unable to resist the temptation of a marshmallow "right now" and ate theirs immediately. Others employed all sorts of techniques, from singing or talking to themselves to hiding under the desk, to resist their impulses and earn the reward of two marshmallows instead of one. Researchers then followed the children over a period of 20 years. As young men and women, the ones who had resisted the desire to eat

the marshmallow revealed a much higher ability to handle stress and embrace difficult challenges. They also were more self-confident, trustworthy, dependable, and tenacious in pursuing goals.[62] The children who developed techniques for self-management early in life carried these with them into adulthood.

It is never too late for people to learn how to manage their emotions and impulses. Former acting Secretary of the Navy Thomas Modly says he is trying to learn better self-management after a highly visible blunder. In April 2021, Modly publicly fired the commanding officer of the aircraft carrier USS *Roosevelt* after a letter the officer wrote warning about the worsening coronavirus outbreak aboard the carrier was leaked to the press. Days later, Modly's angry, profanity-laced speech to the distressed crew was also leaked and led to widespread criticism. Modly resigned, and later wrote, "Without question, anger will undermine your credibility as a leader, and it may lead to false assumptions about your compassion and respect for your people." He said, "Put yourself in the shoes of those you are addressing. Lecture less, listen and empathize more."[63]

Social Awareness The component of social awareness relates to one's ability to understand others. Socially aware leaders practice **empathy**, which means being able to put yourself in other people's shoes, sense their emotions, and understand their perspective. Empathy is about recognizing and sharing the emotions of others, or "getting" where others are coming from.[64] For example, most leaders know that effective leadership sometimes means pushing people beyond their comfort zone, and empathetic leaders appreciate and are sensitive to the fear or frustration this can engender in followers. They learn to engage in "professional intimacy," which means they can display understanding and concern for others without becoming so wrapped up in others' emotions that it clouds their judgment.[65] For instance, Jane Fraser, the CEO of Citigroup described in Chapter 4, is a leader who possesses a high degree of the components of emotional intelligence. Fraser must frequently make tough decisions, but people who have worked with her say that, even in a difficult situation like cutting jobs, her empathy always comes through.[66]

Socially aware leaders are also capable of understanding divergent points of view and interacting effectively with many different types of people and emotions. The related characteristic of *organizational awareness* refers to the ability to navigate the currents of organizational life, build networks, and effectively use political behavior to accomplish positive results. This component also includes a *service orientation*, which refers to the ability to recognize and serve the needs of employees, customers, or clients.

Relationship Management Relationship management refers to the ability to connect with others and build positive relationships. Leaders with high emotional intelligence are aware of the impact their behaviors have on others, and they treat people with consideration, sensitivity, and kindness.[67] This component of EQ encompasses developing others, inspiring others with a powerful vision, learning to listen and communicate clearly and convincingly, and using emotional understanding to influence others in positive ways. Carilion Clinic in Roanoke, Virginia, uses online training, simulation labs, and job coaching to help employees with their relationship management skills, such as how to handle difficult conversations with patients. Lisha Osborne, a nursing unit director, says, "Our ability to help families and patients understand what's going on is probably one of the biggest things that we do."[68]

Put It Into Practice 5.9
Try a small random act of kindness toward someone. You can do this anonymously or not. How did offering kindness with no return make you feel?

Empathy
being able to put yourself in someone else's shoes, sense their emotions, and understand their perspective

Put It Into Practice 5.10
Practice for one day acting in your school or business dealings as if your bottom line is caring about others rather than grades or dollars. Notice what happens within yourself and with others' responses.

Leadership Practice: Know Yourself 5.2

Emotional Intelligence

Instructions: For each of the following items, rate how well you display the behavior described. Before responding, try to think of actual situations in which you have had the opportunity to use the behavior. Indicate whether each item is Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. Associate different internal physiological cues with different emotions.	_____	_____
2. Relax when under pressure in situations.	_____	_____
3. Know the impact that your behavior has on others.	_____	_____
4. Initiate successful resolution of conflict with others.	_____	_____
5. Know when you are becoming angry.	_____	_____
6. Recognize when others are distressed.	_____	_____
7. Build consensus with others.	_____	_____
8. Produce motivation when doing uninteresting work.	_____	_____
9. Help others manage their emotions.	_____	_____
10. Make others feel good.	_____	_____
11. Identify when you experience mood shifts.	_____	_____
12. Stay calm when you are the target of anger from others.	_____	_____
13. Know when you become defensive.	_____	_____
14. Follow your words with actions.	_____	_____
15. Engage in intimate conversations with others.	_____	_____
16. Accurately reflect people's feelings back to them.	_____	_____

Scoring and Interpretation

Sum your Mostly True responses to the 16 questions to obtain your overall emotional intelligence score. Your score for self-awareness is the total of questions 1, 5, 11, and 13. Your score for self-management is the total of questions 2, 8, 12, and 14. Your score for social awareness is the sum of questions 3, 6, 9, and 15. Your score for relationship management is the sum of questions 4, 7, 10, and 16. This questionnaire provides some indication of your emotional intelligence. If you received a total score of 14 or more, you are certainly considered a person with high emotional intelligence. A score from 10 to 13 means you have a good platform of emotional intelligence from which to develop your leadership capability. A score of 7 to 9 would be moderate emotional intelligence. A score below 7 indicates that you realize that you are probably below average in emotional intelligence.

For each of the four components of emotional intelligence—self-awareness, self-management, social awareness, and relationship management—a score of 4 is considered high, whereas a score of 2 or fewer would be considered low. Review the discussion in this chapter about the four components of emotional intelligence and think about what you might do to develop those areas where you scored low. Compare your scores to those of other students. What can you do to improve your scores?

Source: Adapted from Hendrie Weisinger, *Emotional Intelligence at Work* (San Francisco: Jossey-Bass, 1998), pp. 214–215.

Leaders use their understanding of emotions to inspire change and lead people toward something better, to build teamwork and collaboration, and to resolve conflicts that inevitably arise. These leaders cultivate and maintain a web of relationships both within and outside the organization.

Taken together, the four components shown in Exhibit 5.7 build a strong base of emotional intelligence that leaders can use to more effectively guide teams and organizations. Google created the Search Inside Yourself Leadership Institute to

help both employees and outsiders expand their EQ. The program was started by former Google software engineer Chade-Meng Tan in collaboration with neuroscientist Philippe Goldin and Marc Lesser, a Zen teacher with an MBA and experience as an entrepreneur. The goal of the program is to help people become more aware of their emotions, develop greater empathy and compassion toward others, and be more able to build enduring relationships, Lesser explains, adding, "as we call them, leadership skills." Everyone at Google is expected to be a leader, and at Google leadership is equated with mindfulness and emotional intelligence. Greater emotional intelligence, Lesser says, also improves communication and collaboration by enabling people to think calmly and clearly, listen more closely to others, and be more mindful.[69]

Perhaps most importantly, emotional intelligence enables leaders to recognize and respect followers as whole human beings with feelings, opinions, and ideas of their own. They can use their emotional intelligence to help followers grow and develop, see and enhance their self-image and feelings of self-worth, and help meet their needs and achieve personal and organizational goals.

Remember This:

- A key component of leadership is being emotionally connected to others and understanding how emotions affect working relationships and performance. Leaders need a high degree of **emotional intelligence** (EQ), which refers to a person's abilities to perceive, identify, understand, and successfully manage emotions in self and others.

- Understanding emotions is imperative because emotions are contagious and emotions influence individuals' performance.

- **Emotional contagion** is the process in which a person or group influences the emotions or behavior of another person or group, either consciously or unconsciously.

- One former administrative assistant to a CEO said sometimes her boss would come into the office in a bad mood and it would influence the mood of the entire staff for the whole day.

- Leaders strive to regulate their own emotions to remain positive and hopeful and then pull others up with them, but it can be tough work. **Emotional labor** refers to the effort required to manage one's feelings or emotions at work according to the emotional requirements of the situation.

- Four basic components of emotional intelligence are self-awareness, self-management, social awareness, and relationship management. Emotionally intelligent leaders can have a positive impact on organizations by helping employees grow, learn, and develop; creating a sense of purpose and meaning; instilling unity and team spirit; and basing relationships on trust and respect.

- **Empathy** means being able to put yourself in someone else's shoes, sense their emotions, and understand their perspective.

- It is never too late for people to enhance their emotional intelligence. Carilion Clinic uses online training, simulation labs, and job coaching to help employees with their relationship management skills, such as how to handle difficult conversations with patients.

5-4 Positive Leadership: Leading with Love versus Leading with Fear

Negativity is widespread in many organizations. People moan and complain about the company, the boss, or the benefits. Of course, a leader cannot lead a great team or organization based on pessimism and complaints. Moreover, the fields of psychology and organizational behavior have also typically adopted a negative perspective—trying to identify and fix what is wrong with managers and employees and concentrating on deficiencies and weaknesses. Taking the opposite view, **positive leadership** is an emerging field of study that uses theoretically grounded principles to promote positive emotions such as love and caring to facilitate outcomes such as individuals thriving at work, interpersonal flourishing, and energized teams. Before exploring positive leadership in more detail, let's understand more about the negative role of fear.

A large part of traditional leadership was based on inspiring fear in employees. An unspoken notion among many senior-level executives is that fear is a good thing, motivates employees, and benefits the organization.[70] **Fear** is an unpleasant emotion caused by the belief that someone or something has the potential to be a threat and is likely to cause pain.[71] Indeed, fear can be a powerful motivator, but many leaders are learning that an environment that reflects love for people is much more effective than one in which people are fearful. **Love** is defined as the act of caring and giving to someone else, of having someone else's best interest and well-being as a priority.[72]

When organizational success depended primarily on people mindlessly following orders, leading with fear often met the organization's needs. Today, though, success in most organizations depends on the knowledge, mindpower, commitment, creativity, and enthusiasm of everyone in the organization. A fear-based organization loses its best people, and the knowledge they take with them, to other firms. In addition, even if people stay with the organization, they typically do not perform up to their real capabilities. As discussed previously, there is evidence that people who experience positive emotions at work perform better.[73]

Showing emotions associated with love in the workplace, such as concern, respect, and trust, also enables people to feel emotionally connected with their work so that their lives are richer and more balanced. Leaders can rely on negative emotions such as fear to fuel productive work, but by doing so they may slowly destroy people's spirits, which ultimately is bad for employees and the organization.[74] Consider, for example, that two-thirds of employees surveyed said their performance declined after being the victim of rudeness or hostility at work. Four out of five said they lost work time fretting about the unpleasant incident, three-quarters said their commitment to their employer declined, and 12 percent even quit their jobs.[75]

At the New York State Health Department, at least nine top health officials resigned or retired in early 2021. Morale plummeted in the department after New York Governor Andrew Cuomo seized control over COVID-19 policy during the vaccination phase of the pandemic, and senior health officials expressed concern over being sidelined and treated disrespectfully. Although Cuomo built a reputation as a caring and compassionate leader in the early days of the pandemic, his typical approach has been to lead with aggression and sometimes intimidation. "His primary tool for governing is to create fear," said a communication consultant

Positive leadership
a new field of study using theoretically grounded principles to promote positive emotions such as love and caring to facilitate outcomes such as individuals thriving at work, interpersonal flourishing, and energized teams

Fear
an unpleasant emotion caused by the belief that someone or something has the potential to be a threat and is likely to cause pain

Love
the act of caring and giving to someone else, of having someone else's best interest and well-being as a priority

Leadership Practice: Know Yourself 5.3

Love or Fear?

Instructions: The following items describe reasons why you work. *Answer the questions twice,* the first time for doing work (or homework) that is not your favorite and the second time for doing a hobby or sports activity that you enjoy. *Consider each item thoughtfully and respond according to your inner motivation and experience.* Indicate whether each item is Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. I feel it is important to perform well so I don't look bad.	_____	_____
2. I have to force myself to complete the task.	_____	_____
3. I don't want to have a poor outcome or get a poor grade.	_____	_____
4. I don't want to embarrass myself or do less well than others.	_____	_____
5. The experience leaves me feeling relieved that it is over.	_____	_____
6. My attention is absorbed entirely in what I am doing.	_____	_____
7. I really enjoy the experience.	_____	_____
8. Time seems to pass more quickly than normal.	_____	_____
9. I am completely focused on the task at hand.	_____	_____
10. The experience leaves me feeling great.	_____	_____

Scoring and Interpretation

These items reflect motivation shaped by either love or fear. Your "fear of failure" score is the number of Mostly True answers for questions 1–5. Your "love of task" score is the number of Mostly True answers for questions 6–10. A score of 4 or 5 would be considered high for either love or fear, and a score of 0–2 would be considered low. You would probably score more points for "love of task" for your hobby or sports activity than for homework.

Some people are motivated by high internal standards and fear of not meeting those standards. This may be called fear of failure, which often spurs people to great accomplishment. Love of task provides a great intrinsic pleasure but won't always lead to high achievement. Love of task is related to the idea of "flow" wherein people become fully engaged and derive great satisfaction from their activity. Would love or fear influence your choice to become a leader or how you try to motivate others? Discuss with other students the relative importance of love or fear motivation in your lives.

Love in the workplace means genuinely caring for others and sharing one's knowledge, understanding, and compassion to enable others to grow and succeed.

who has worked with Cuomo. A former aide told *The New York Times* Cuomo is prone to "screaming at people inside and outside of the state government when he does not get exactly what he wants."[76]

5-4a Fear in Organizations

The workplace can hold many kinds of fear, including fear of failure, fear of change, fear of personal loss, fear of being judged, and fear of the boss. All these fears can prevent people from doing their best, from taking risks, and from challenging and changing the status quo. Leaders control the fear level in the organization. Those who lead with fear create a toxic culture in which people play it safe, keep their heads down, and avoid making mistakes, which means they and the organization cannot grow, improve, and succeed over the long term.[77]

Although there are almost certainly a few people who intentionally lead with fear, many are simply acting out of their own fears and uncertainties. When leaders act from their own fear, they create fear in others. A *fear-based leader* may have a title and authority, but inside may feel weak and powerless. These leaders compensate for their own low self-esteem and fear by treating others badly, keeping people on edge to make sure they "don't get out of line." They use fear to control people because they are too scared to trust others or to help others grow stronger and more capable. Here are a few examples of fear-based leadership behaviors:[78]

- Insisting on being involved in every team meeting and decision (fear of trusting others and fear of missing out)
- Making safe decisions, seeking easy goals, and avoiding challenging opportunities (fear of failure)
- Avoiding difficult conversations and ignoring conflicts among team members (fear of conflict)
- Being constantly on the lookout for mistakes, constantly finding fault, pointing out shortcomings, and blaming others (fear of weakness and fear of losing credibility)

A leader's fear also can manifest itself in arrogance, selfishness, deception, unfairness, and disrespect for others.[79] To be an effective leader, you have to first overcome your own fears, such as a fear of failure, fear of criticism, fear of appearing incompetent, or fear of uncertainty. Everyone has fears, but good leaders learn to manage their fears and not allow them to influence how they treat people or make decisions.

Consequences of Fear Leading from fear, even when it is unintentional, gets in the way of people feeling good about their work, themselves, and the organization. It creates an atmosphere in which people feel powerless, so that their confidence, commitment, enthusiasm, imagination, and motivation are diminished.[80] One major drawback of leading with fear is that it creates avoidance behavior because no one wants to make a mistake. Fear in the workplace weakens trust and communication. Employees feel threatened by repercussions if they speak up about work-related concerns. A survey of employees in 22 organizations found that 70 percent of them "bit their tongues" at work because they feared repercussions. Twenty-seven percent reported that they feared losing their credibility or reputation if they spoke up. Other fears reported were lack of career advancement, possible damage to the relationship with their supervisor, demotion or losing their job, and being embarrassed or humiliated in front of others.[81] When people are afraid to speak up, important issues are suppressed and problems hidden. Employees are afraid to talk about a wide range of issues, but by far the largest category of "undiscussables" is the behavior of executives, particularly their interpersonal and relationship skills. When leaders inspire fear, they destroy the opportunity for feedback, blinding them to reality and denying them the chance to correct damaging decisions and behaviors.

Relationship with Leaders Exhibit 5.8 outlines some indicators of love-based versus fear-based leadership in organizations.[82] Organizations driven by love are marked by openness and authenticity, a respect for diverse viewpoints, and emphasis on positive interpersonal relationships. Organizations driven by fear, in contrast, are characterized by cautiousness and secrecy, blaming others, excessive control, and emotional distance among people. The relationship between an employee and

Exhibit 5.8

Indicators of Love versus Fear in Organizations

Fear-Driven Indicators	Love-Driven Indicators
Caution and secrecy	Openness and authenticity, even when it's difficult
Blaming and attacking	Understanding diverse viewpoints
Excessive control	Expecting others to do great things
Sideline criticalness	Involvement and discernment
Coming unglued	Keeping perspective
Aloofness and distance	Interpersonal connection
Resistance hidden	Resistance out in open, explored

Source: Daniel Holden, "Team Development: A Search for Elegance," *Industrial Management* (September–October 2007), pp. 20–25. Copyright © by Institute of Industrial Engineers.

the direct supervisor is the primary factor determining the level of fear experienced at work. Unfortunately, the legacy of fear and mistrust associated with traditional hierarchies in which bosses gave orders and employees jumped to obey "or else" still colors life in many organizations. Leaders can create a new environment that enables people to feel safe speaking their minds. Leaders can act from love rather than fear to free employees and the organization from the chains of the past.

5-4b Bringing Love to Work

Leaders can learn to bind people together for a shared purpose through positive forces such as caring and compassion, listening, and connecting to others on a personal level. In contrast to fear-based leaders, people who base their leadership on love understand that leadership is not in their title or formal authority; it is in simple but powerful acts such as caring for others, giving up control, building trust, learning from mistakes, valuing diverse viewpoints, and seeking feedback.[83] Examples of love-based leadership behaviors include:[84]

- Finding ways to connect employees with one another as human beings, not just cogs in a machine; always looking for ways to build a sense of community
- Being self-aware, seeking feedback to learn and grow, and being open to input from others
- Being transparent with followers, and seeking to understand others' viewpoints to reach joint solutions to problems
- Letting others take the wheel—sharing power and decision making to build others' capabilities

Leaders should remember that love is more than a feeling; to be a real force, it is translated into behavior. Stephen Covey points out that in all the great literature, love is a verb rather than a noun.[85] Love is something you do, the sacrifices you make, and the giving of yourself to others, as illustrated by the poignant story in this chapter's *Think on This.*

Organizations have traditionally rewarded people for strong qualities such as rational thinking, ambition, and competitiveness. These qualities are important, but their overemphasis has left many organizational leaders out of touch with their softer, caring, creative capabilities, unable to make emotional connections with others and afraid to risk showing any sign of weakness or emotion. What does it mean to lead with love? In all groups and organizations, feelings of compassion, respect, and loyalty are translated into action, such as acts of friendliness, teamwork, cooperation, listening, understanding, and serving others above oneself. Sentiments emerge as action. Exhibit 5.9 shows results of an exercise in which people reported what they do to show others they care and what it feels like to be cared about. Leaders who fail often do so because they are blind to the importance of the attributes in Exhibit 5.9.

Exhibit 5.9

The Practical Aspects and Outcomes of Caring About Others

What do you do when you care for someone?*	What does it feel like to be cared about?*
1. reach out	1. valuable
2. embrace, hug	2. alive
3. be there with them	3. responsive
4. compassion	4. positive outlook
5. acceptance	5. exhilarated
6. share dreams	6. respect
7. acknowledge accomplishments	7. free
8. trust	8. important
9. encourage	9. good
10. be a cheerleader	10. safe
11. tell you care	11. more open to express yourself
12. relate feelings	12. elevates self-esteem
13. respect them	13. boosts morale
14. be positive	14. proud
15. give them a smile	15. loved
16. give them time	16. worthy
17. give them recognition	17. blessed
18. protect	18. you make a difference
19. reassure	19. fulfilled
20. celebrate with	20. happy

*These are the actual, unedited words called out by participants and written on a whiteboard during a seminar at which people were asked these two questions.

Source: Marilyn R. Zuckerman and Lewis J. Hatala, *Incredibly American: Releasing the Heart of Quality.* © 1992. American Society for Quality. Reprinted with permission from the authors.

Think on This: The Greatest Love?

Army Staff Sgt. Ian Newland saw the enemy grenade land in his Humvee. In the next instant, his friend Ross McGinnis threw himself onto that grenade. "I try not to live my life in vain for what he's done," said Newland. When asked why McGinnis did it, Newland simply said, "He loved us."

During the Iraq war, at least five U.S. soldiers died because they used their own bodies to shield their comrades from grenades. "What a decision that is," said Temple University psychologist Frank Farley. "I can't think of anything more profound in human nature." A Navy lieutenant said of a comrade who sacrificed his life by blocking a grenade thrown onto a rooftop near his team, "You think about him every day. And everything pretty much revolves around what he did."

What do you think?

Source: Based on Gregg Zoroya, "Coping After a Hero Dies Saving You in Iraq," *USA Today* (September 20, 2007).

5-4c Why Followers Respond to Love

Most people yearn for more than a paycheck from their jobs. Leaders who lead with love have extraordinary influence because they meet five unspoken employee needs:

> **H**ear and understand me.
> **E**ven if you disagree with me, please don't make me wrong.
> **A**cknowledge the greatness within me.
> **R**emember to look for my loving intentions.
> **T**ell me the truth with compassion.[86]

When leaders address these subtle emotional needs directly, people typically respond by loving their work and becoming emotionally engaged in solving problems and serving customers. Their enthusiasm for work and the organization increases. People want to believe that their leaders genuinely care. From the followers' point of view, love versus fear has different motivational potential.

- **Fear-based motivation:** I need a job to pay for my basic needs (fulfilling lower needs of the body). You give me a job and I will give you just enough to keep my job.
- **Love-based motivation:** If the job and the leader make me feel valued as a person and provide a sense of meaning and contribution to the community at large (fulfilling higher needs of heart, mind, and body), then I will give you all I have to offer.[87]

Fear-based motivation
motivation based on fear of losing a job

Love-based motivation
motivation based on feeling valued in the job

Many examples throughout this book illustrate what happens when leaders use positive emotion. One management consultant went so far as to advise that finding creative ways to love could solve every imaginable leadership problem.[88] Rational thinking and technical skills are important, but leading with love builds trust, stimulates creativity, inspires commitment, and unleashes boundless energy.

Leaders can develop their capacity for the positive emotions of love and caring. When Walt Bettinger, president and CEO of Charles Schwab, was in college, he learned a lesson he tries to apply every day. The professor handed each student a blank sheet of paper and gave them one final exam question: *What's the name of the lady who cleans this building?* The students had spent four hours a night twice a week in the building for 10 weeks, encountering the cleaning lady several times a night as they went to get a soft drink or use the restroom. Bettinger says, "I didn't know Dottie's name—her name was Dottie—but I've tried to know every Dottie since."[89]

Remember This:

- **Positive leadership** uses theoretically grounded principles to promote positive emotions such as love and caring to facilitate outcomes such as individuals thriving at work, interpersonal flourishing, and energized teams.

- Traditional organizations have often relied on fear as a motivator. **Fear** is an unpleasant emotion caused by the belief that someone or something has the potential to be a threat and is likely to cause pain.

- Although fear does motivate people, it prevents people from feeling good about their work and often causes avoidance behavior. Fear can reduce trust and communication so that important problems and issues are hidden or suppressed.

- A survey of employees in 22 organizations found that 70 percent said they "bit their tongues" at work because they feared repercussions, including the fear of damaging their credibility, limiting their potential for career advancement, demotion or losing their job, or being embarrassed or humiliated in front of others.

- When leaders act from their own fear, they create fear in others. A *fear-based leader* may have a title and authority, but inside may feel weak and powerless. These leaders compensate for their own low self-esteem and fear by treating others badly and using fear to control others.

- Leaders can choose to lead with love instead of fear. **Love** is defined as the act of caring and giving to someone else, of having someone else's best interest and well-being as a priority.

- In contrast to fear-based leaders, people who base their leadership on love understand that leadership is not in their title or formal authority; it is in simple but powerful acts such as caring for others, giving up control, building trust, learning from mistakes, valuing diverse viewpoints, and seeking feedback.

- **Fear-based motivation** is motivation based on the fear of losing a job, whereas **love-based motivation** is based on feeling valued in a job.

- Rational thinking (head) is important to leadership, but it takes love (heart) to build trust, creativity, and enthusiasm.

Discussion Questions

1. How do you feel about developing the emotional qualities of yourself and other people in the organization as a way to be an effective leader? Discuss.

2. What does it mean to be a *whole leader* as described in the chapter? Can you give an example of a whole leader or nearly whole leader from your experience? Explain.

3. Why is it so hard for people to change their assumptions? What are some specific reasons why leaders need to be aware of their mindset?

4. Discuss the similarities and differences between mindfulness and open-mindedness.

5. Do you think mindfulness is a frivolous new age concept or something that leaders should seriously consider adopting? Explain.

6. Which of the four elements of emotional intelligence do you consider most essential to an effective leader? Why?

7. Consider fear and love as potential motivators. Which is the best source of motivation for you? For salespeople? For top executives at a media conglomerate? Why?

8. Have you ever experienced love and/or fear from leaders at work? Give an example. How did you respond?

9. Do you think it is appropriate for a leader to spend time developing people's emotional intelligence? Why or why not?

10. Think about the class for which you are reading this text as a system. How might the instructor making changes without using systems thinking cause a problem for students?

Leadership Skill-Building Exercises

Show How Much You Care

One of the causes of workplace dissatisfaction most often mentioned is the lack of appreciation from leaders. People feel underappreciated because leaders often take them for granted and do not take the time to express their gratitude.

Appreciation is an expression of the heart. For this exercise, think about how you can express appreciation to the people around you. You might add a personal note of gratitude in a digital communication, send a handwritten note, provide public recognition when possible, or simply provide a compliment for someone's ongoing or completed work.

For this exercise, give five compliments during a one-day period beyond what you would normally give. Be vigilant for positive characteristics or actions of people that you appreciate. Stretch yourself by showing more appreciation from the heart than you normally show to family members, friends, fellow students, employees, or team members. You may also show appreciation for something that happened in the past. Below are some examples of keywords to show appreciation to get you started:

Well done	Good job	You hit a homerun
This is excellent	Great idea	Good advice
Keep up the good work	Good insight	Thank you so much
Insightful	Great teamwork	I appreciate you

After you have completed this assignment, make notes below in response to the following questions: What kind of responses did you receive to your expressions of appreciation? What did you discover about yourself from offering more appreciation?

_____

_____

In Class or Online (optional as indicated by your instructor): The instructor may assign this exercise to be completed prior to a specific class session. During class time, the students may be organized into pairs or small groups to share the details of each person's appreciation experiences. After the groups have finished their discussion, the instructor might ask a few student volunteers to report their experiences to the entire class. One point is to identify common themes among students' experiences and discuss the following: Do any students disagree with the idea of a leader generously showing appreciation? What additional ways might leaders show appreciation from the heart?

Source: Dale Collie, "Show Employees How Much You Care," *AnswerStat* (December 1, 2005), www.answerstat.com /article/show-employees-how-much-you-care/ (accessed March 30, 2021).

Increase Your Mindfulness

Pick one of the two mindfulness exercises below.

1. **Let Impulses Pass:** Sit quietly for 20 minutes with your eyes closed and away from any stimulation (TV, music, phone, people). The point of this exercise is to stay seated and let arising impulses pass. When you feel an urge to stretch, check your phone, get a drink, etc., just let it pass. Stay seated. Don't try to do anything other than stay seated. Do not get up for any reason. See what happens after 20 minutes. Notice how you feel and how you approach tasks after not following impulses.

   The Point—Many people find that by letting impulses pass for 20 to 60 minutes, they more easily get focused, immersed, and productive for the rest of the day.

   Did you approach tasks more easily after the exercise? Did you feel more in the flow for completing your daily tasks?

   _____

   _____

2. **Experience More Focus:** During routine activities such as brushing your teeth, showering, dressing, walking up the stairs, or eating alone, your mind will wander. Focus closely on HOW you are doing those routine activities. Concentrate on subtle details of how the toothbrush feels in your hand, or how the soap smells, or how each bite of your food looks and tastes. Practice in 1 to 2 minute intervals for a total of 15 minutes.

The Point—You are learning better focus and concentration by keeping your mind present on what you are experiencing in each moment.

How did those more focused experiences feel? How might you translate them into continued deeper focus?

_____

_____

In Class or Online (optional as indicated by your instructor): The instructor may assign this exercise to be completed prior to a specific class session. During class time, the students may be organized into pairs or small groups to share the details of each person's experiences. After the groups have finished their discussion, the instructor might ask a few student volunteers to report their experiences to the entire class.

This exercise was suggested by Michael Ray, Stanford Graduate School of Business.

Leadership Skills Application: Cases for Analysis

Castle Medical

Sam Cahill clicked the mouse for one more round of solitaire on the computer in his den. He'd been at it for more than an hour, and his wife had long ago given up trying to persuade him to join her for a movie or a rare Saturday night on the town. The mind-numbing game seemed to be all that calmed Sam down enough to stop agonizing about work and how his job seemed to get worse every day.

Cahill was chief information officer at Castle Medical, a large medical products company based in Connecticut. He had joined the company four years ago, and since that time Castle had made great progress integrating technology into its systems and processes. Cahill had already led projects to design and build two highly successful systems for Castle. One was a benefits-administration system for the company's human resources department. The other was a complex Web-based purchasing system that streamlined the process of purchasing supplies and capital goods. Although the system had been up and running for only a few months, modest projections were that it would save Castle nearly $2 million annually. The new Web-based system dramatically cut the time needed for processing requests and placing orders. Purchasing managers now had more time to work collaboratively with key stakeholders to identify and select the best suppliers and negotiate better deals.

Cahill thought wearily of all the hours he had put in developing trust with people throughout the company and showing them how technology could not only save time and money but also support team-based work, encourage open information sharing, and give people more control over their own jobs. He smiled briefly as he recalled one long-term HR employee, 61-year-old Ethel Moore. She had been terrified when Cahill first began showing her the company's intranet, but she was now one of his biggest supporters. In fact, it had been Ethel who had first approached him with an idea about a Web-based job posting system. The two had pulled together a team and developed an idea for linking Castle managers, internal recruiters, and job applicants using artificial intelligence software on top of an integrated Web-based system. When Cahill had presented the idea to his

boss, executive vice president Sandra Ivey, she had enthusiastically endorsed it. Within a few weeks the team had authorization to proceed with the project.

But everything began to change when Ivey resigned her position six months later to take a plum job in New York. Ivey's successor, Tom Labo, seemed to have little interest in the project. During their first meeting, Labo had openly referred to the project as a waste of time and money. He immediately disapproved several new features suggested by the company's internal recruiters, even though the project team argued that the features could double internal hiring and save millions in training costs. "Just stick to the original plan and get it done. All this stuff needs to be handled on a personal basis anyway," Labo countered. "You can't learn more from a computer than you can talking to real people—and as for internal recruiting, it shouldn't be so hard to talk to people if they're already working right here in the company." Labo seemed to have no understanding of how and why technology was being used. He became irritated when Ethel Moore referred to the system as "Web-based." He boasted that he had never visited Castle's intranet site and suggested that "this Internet obsession" might cool down at some point. Even Ethel's enthusiasm couldn't get through to him. "Technology is for those people in the IT department. My job is people, and yours should be, too," Labo shouted. Cahill sighed and leaned back in his chair. The whole project had begun to feel like a joke. The vibrant and innovative human resources department his team had imagined now seemed like nothing more than a pipe dream. But despite his frustration, a new thought entered Cahill's mind: "Is Labo just stubborn and narrow-minded or does he have a point that HR is a people business that doesn't need a high-tech job posting system?"

Questions

1. Describe the two different mindsets and mental models represented in this story.

2. What are some of the assumptions that shape the mindset of Sam Cahill? Of Tom Labo?

3. Do you think it is possible for Labo to shift to a new mental model? If you were Sam Cahill, what would you do?

Sources: Based on Carol Hildebrand, "New Boss Blues," *CIO Enterprise,* Section 2 (November 15, 1998), pp. 53–58; and Megan Santosus, "Advanced Micro Devices' Web-Based Purchasing System," *CIO,* Section 1 (May 15, 1998), p. 84. A version of this case originally appeared in Richard L. Daft, *Organization Theory and Design,* 7th ed. (Cincinnati, OH: South-Western, 2001), pp. 270–271.

The Trident Submarine Captain

The atmosphere in a Trident nuclear submarine is generally calm and quiet. Even pipe joints are cushioned to prevent noise that might tip off a pursuer. The Trident ranks among the world's most dangerous weapons—swift, silent, and armed with 24 long-range missiles carrying 192 nuclear warheads. Trident crews are the cream of the Navy crop, and even the sailors who fix the plumbing exhibit a white-collar decorum. The culture aboard ship is a low-key, collegial one in which sailors learn to speak softly and share close quarters with an ever-changing roster of shipmates. Being subject to strict security restrictions enhances a sense of elitism and pride. To move up and take charge of a Trident submarine is

an extraordinary feat in the Navy—fewer than half the officers qualified for such commands ever get them. When Michael Alfonso took charge of the USS *Florida*, the crew welcomed his arrival. They knew he was one of them—a career Navy man who joined up as a teenager and moved up through the ranks. Past shipmates remembered him as basically a loner, who could be brusque but generally pleasant enough. Neighbors on shore found Alfonso to be an unfailingly polite man who kept mostly to himself.

The crew's delight in their new captain was short-lived. Commander Alfonso moved swiftly to assume command, admonishing his sailors that he would push them hard. He wasn't joking—soon after the *Florida* slipped into deep waters to begin a postoverhaul shakedown cruise, the new captain loudly and publicly reprimanded those whose performance he considered lacking. Chief Petty Officer Donald MacArthur, chief of the navigation division, was only one of those who suffered Alfonso's anger personally. During training exercises, MacArthur was having trouble keeping the boat at periscope depth because of rough seas. Alfonso announced loudly, "You're disqualified." He then precipitously relieved him of his diving duty until he could be recertified by extra practice. Word of the incident spread quickly. Crew members, accustomed to the Navy's adage of "praise in public, penalize in private," were shocked. It didn't take long for this type of behavior to have an impact on the crew, according to Petty Officer Aaron Carmody: "People didn't tell him when something was wrong. You're not supposed to be afraid of your captain, to tell him stuff. But nobody wanted to."

The captain's outbursts weren't always connected with job performance. He bawled out the supply officer, the executive officer, and the chief of the boat because the soda dispenser he used to pour himself a glass of Coke one day contained Mr. Pibb instead. He exploded when he arrived unexpectedly at a late-night meal and found the fork at his place setting missing. Soon, a newsletter titled *The Underground* was being circulated by the boat's plumbers, who used sophomoric humor to spread the word about the captain's outbursts over such petty matters. By the time the sub reached Hawaii for its "Tactical Readiness Evaluation," an intense week-long series of inspections by staff officers, the crew was almost completely alienated. Although the ship tested well, inspectors sent word to Rear Admiral Paul Sullivan that something seemed to be wrong on board, with severely strained relations between captain and crew. On the Trident's last evening of patrol, much of the crew celebrated with a film night—they chose *The Caine Mutiny* and *Crimson Tide*, both movies about Navy skippers who face mutinies and are relieved of command at sea. When Humphrey Bogart, playing the captain of the fictional USS *Caine*, exploded over a missing quart of strawberries, someone shouted, "Hey, sound familiar?"

When they reached home port, the sailors slumped ashore. "Physically and mentally, we were just beat into the ground," recalls one. Concerned about reports that the crew seemed "despondent," Admiral Sullivan launched an informal inquiry that eventually led him to relieve Alfonso of his command. It was the first-ever firing of a Trident submarine commander. "He had the chance of a lifetime to experience the magic of command, and he squandered it," Sullivan said. "Fear and intimidation lead to certain ruin." Alfonso himself seemed dumbfounded by Admiral Sullivan's actions, pointing out that the USS *Florida* under his command posted "the best-ever grades assigned for certifications and inspections for a postoverhaul Trident submarine."

Questions

1. Analyze Alfonso's impact on the crew in terms of love versus fear. What might account for the fact that he behaved so strongly as captain of the USS *Florida*?

2. Which do you think a leader should be more concerned about aboard a nuclear submarine—high certification grades or high-quality interpersonal relationships? Do you agree with Admiral Sullivan's decision to fire Alfonso? Discuss.

3. Discuss Commander Alfonso's level of emotional intelligence in terms of the four components listed in the chapter. How might he have benefited from Charm School? What advice would you give him?

Source: Based on Thomas E. Ricks, "A Skipper's Chance to Run a Trident Sub Hits Stormy Waters," *The Wall Street Journal* (November 20, 1997), pp. A1, A6.

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Courage and Moral Leadership

Chapter Outline

Your Leadership Challenge

After reading this chapter, you should be able to:

6-1 Explain the importance of a leader's ability to combine a rational approach to leadership with a concern for people and ethics.

6-2 Differentiate between ethical and unethical leadership.

6-3 Examine your own stage of moral development and ways to accelerate your moral maturation.

6-4 Apply the principles of stewardship and servant leadership.

6-5 Summarize the importance of recognizing courage in others and within yourself.

Leaders at Stanford University, UCLA, Yale, and several other top schools in the United States faced an unprecedented ethical nightmare when U.S. prosecutors charged at least 50 people, including well-known actresses, prominent businesspeople, and college athletic coaches, in a scheme to get applicants accepted into elite schools by paying millions of dollars in bribes. Although the eight schools tied to the bribery scandal were not charged by the government, dozens of students and parents have filed suit against those schools, which include Stanford, UCLA, Wake Forest, University of Southern California, University of Texas at Austin, Georgetown, University of San Diego, and Yale, arguing that the schools took students' application fees "while failing to take adequate steps to ensure that their admissions process was fair and free of fraud, bribery, cheating, and dishonesty."

College consultant William Rick Singer pleaded guilty to federal charges and said he unethically facilitated college admission for children in more than 750 families. All the schools involved have taken action to fire coaches or others who were charged in the case, and federal prosecutors say the schools were victims of the fraudulent activity carried out by others. At least two dozen of the defendants, including actresses Felicity Huffman and Lori Loughlin, the head men's tennis coach at the University of Texas at Austin, the head women's soccer coach at Yale, and the sailing coach at Stanford, have pleaded guilty and some have already served jail terms.[1]

What do you think caused this moral breach and its unintended consequences? Was it extreme self-interest mixed with greed that caused wealthy parents and university employees to flout the rules about payoffs in this ethical debacle? The federal case and the lawsuits filed by students and parents are ongoing and the alleged ringleader has yet to be sentenced. He faces up to 65 years in prison and more than $1 million in fines.

This chapter explores ideas related to courage and ethical leadership. In the previous chapter, we discussed mind and emotion, two of the three elements that come together for successful leadership. This chapter focuses on the third element, integrity—on the ability to look within, to contemplate the human condition, to think about what is right and wrong, to see what really matters in the world, and to have the courage to stand up for what is worthy and right. We begin by looking at the situation in which most organizations currently operate, the dilemma leaders face in the modern world, and the importance of leaders setting an ethical tone within the organization. Next, we explore how leaders can act in an ethical way, examine a model of personal moral development, and look at the importance of stewardship and servant leadership. The final sections of the chapter explore what courage means and how leaders develop the courage for ethical leadership to flourish.

6-1 Moral Leadership Today

Mahatma Gandhi once said, "There are seven things that will destroy us: wealth without work, pleasure without conscience, knowledge without character, religion without sacrifice, politics without principle, science without humanity, business without ethics."[2] In the early 2000s, we witnessed the names of once-revered corporations such as Lehman Brothers, Bear Stearns, and Countrywide become

synonymous with greed, deceit, arrogance, or lack of moral conscience. Lehman Brothers and Bear Stearns no longer exist, and Countrywide was acquired by Bank of America.

Although the high-profile stories of ethical misconduct in organizations have slowed a bit since those days, there are plenty of leaders still on the hot seat because of ethically questionable behavior. McDonald's fired CEO Steve Easterbrook after the board determined that a consensual relationship he had with an employee violated the company's ethics policy. Insiders later reported that Easterbrook engaged in inappropriate relationships with several female employees and covered up his actions, as well as that he covered up the misconduct of other managers. The U.S. Transportation Department's inspector general recently issued a report accusing former Transportation Secretary Elaine Chao of repeatedly using the staff and resources of her office to help family members run a global shipping business with major operations in China.[3] Social media giant Facebook and its CEO Mark Zuckerberg have come under fire a number of times in relation to issues of user privacy. As one example, the company used people as unwitting test subjects by manipulating users' news feeds to change the number of positive and negative posts they saw as part of a psychological study.[4]

6-1a The Ethical Climate in Business

Leaders face many pressures that challenge their ability to do the right thing. The most dangerous obstacles for leaders are personal weakness and self-interest rather than full-scale corruption.[5] Pressures to cut costs, increase profits, meet the demands of vendors or business partners, and look successful can all contribute to ethical lapses. For example, Goldman Sachs Group recently admitted it broke U.S. antibribery laws and will pay billions in financial penalties to regulators in four countries to settle a years-long investigation into the bank's dealings with a Malaysian investment fund known as 1MDB. Prosecutors say that nearly $1.6 billion raised by Goldman for 1MDB by selling bonds to investors ended up being paid in bribes to government officials in Malaysia and the Middle East.[6]

Another challenge in today's business environment is an overemphasis on pleasing shareholders, which may cause some leaders to behave unethically toward customers, employees, and the broader society.[7] Executives are under enormous pressure to meet short-term earnings goals, and some even use accounting gimmicks or other techniques to show returns that meet market expectations rather than ones that reflect true performance.[8] All leaders want their organizations to appear successful, and they can sometimes do the wrong thing just so they will look good to others. The question for leaders is whether they can summon the fortitude to do the right thing despite outside pressures. "Life is lived on a slippery slope," says Harvard Business School's Richard Tedlow. "It takes a person of character to know what lines you don't cross."[9]

6-1b Leaders Set the Ethical Tone

Top leaders in particular face close scrutiny because what goes on at the top sets the standard for the rest of the organization. In a study of unethical activities in *Fortune* 100 companies, researchers concluded that the misdeeds in many cases could be traced to the failure of top executives to enforce and live up to high ethical standards.[10]

Leaders carry a tremendous responsibility for setting the ethical climate and acting as positive role models for others.[11] Leaders signal what matters through their behavior, and when leaders operate from principles of self-interest and greed, many employees come to see that type of behavior as okay. Moreover, many ethical lapses in organizations occur because followers are drawn into **crimes of obedience**, which are actions performed in response to orders or pressure from superiors that are generally considered unethical or illegal by the larger community. In a National Business Ethics survey, 41 percent of those surveyed felt that they had been involved in unethical practices within the previous year, and 10 percent reported feeling forced to do so because of organizational pressure. It is very difficult for most people to go against directions, or even subtle pressures, from those who have power and authority over their work lives.[12] The recent scandal at Wells Fargo provides an illustration. The financial services company became entangled in a legal as well as ethical mess when it was discovered that employees were opening fake bank and credit card accounts and forcing customers into unnecessary fee-generating products in order to meet high sales goals set by top management. District managers gathered and discussed daily sales for each branch and each employee several times a day. Eventually, the U.S. Consumer Financial Protection Bureau revealed that the scheme lasted more than a decade and involved around 5,000 employees. Although top executives said the sham accounts were the result of poor decisions by unethical employees, Sharif Kellogg spoke for other employees when he said, "It seems that [managers would] have to be willfully ignorant to believe that these goals are achievable through any other means." Prosecutors agreed, and the bank's former CEO, John Stumpf, was fined $17.5 million and other executives faced smaller fines for their roles in the scam.[13]

People with a high level of moral awareness are better able to cope with ethical issues and resist wrongdoing, even under pressure. **Moral awareness** is an individual's recognition that a potential action or decision could affect the welfare or interests of self or others in a way that may conflict with ethical standards. A keen moral awareness makes a person more sensitive to moral issues and provides internal guidance on how to interpret and respond to ethical challenges.[14] Later in this chapter, we will describe a model of the levels of moral development.

Leaders can also shape the organization's cultural values to strengthen moral awareness and ethical behavior. **Ethical leadership** is the demonstration of ethically appropriate behavior through personal actions and interpersonal relationships, and the promotion of such behavior among followers via two-way communication, reinforcement, and decision making.[15] An example of ethical leadership in practice comes from the Container Store, where cofounder and former CEO Kip Tindell renamed Valentine's Day "We Love Our Employees Day." Managers bring gifts and chocolates and tell employees they love them. It's just one symbol of the importance the Container Store puts on treating people and relationships with respect and appreciation. When Tindell cofounded the Container Store in 1978, he knew he wanted to build a different kind of company, one where employees were treated well and paid well and business was conducted with ethical values in mind. Leaders make clear the ethical values the company stands for and everyone is expected to honor the values 100 percent of the time. Whenever there's news to celebrate, people are gathered together for games and snacks and lots of confetti. Tindell believes it is important to recognize employees' efforts not only because it makes them happier and more fulfilled but also because that trickles down and makes better, stronger families and communities. "I enjoy making money for myself and

Crimes of obedience
actions performed in response to orders or pressure from superiors that are generally considered unethical or illegal by the larger community

Moral awareness
an individual's recognition that a potential action or decision could affect the welfare or interests of self or others in a way that may conflict with ethical standards

Ethical leadership
the demonstration of ethically appropriate behavior through personal actions and interpersonal relationships, and the promotion of such behavior among followers via two-way communication, reinforcement, and decision making

the people around me," Tindell says. "I'm not saying this is the only way to make money. I'm saying this is the best way."[16]

Kip Tindell built a culture of integrity and ethical leadership at the Container Store by putting people and relationships above just making money. Exhibit 6.1 compares ethical and unethical leadership. The behaviors listed in column 1 contribute to an organizational climate of trust, fairness, and doing the right thing, such as the one at the Container Store. Column 2 lists the opposite behaviors, which contribute to a climate ripe for ethical and legal abuses.[17]

Ethical leaders typically aren't preoccupied with their own importance. They keep the focus on employees, customers, and the greater good rather than taking every opportunity to satisfy their self-interest, feed their greed, or nourish their egos. Unethical leaders typically pay more attention to gaining benefits for themselves than to the company or the larger society. For example, an investigation of New York State's pension fund for public workers found that former New York Comptroller Alan Hevesi and other political leaders and advisors accepted millions in sham consulting fees, travel expenses, campaign contributions, and other favors in exchange for giving specified investment firms parts of the fund to manage, enabling the firms to earn hefty management fees. Hevesi and advisor Hank Morris both pleaded guilty to felony corruption charges and served time in prison.[18]

Also shown in Exhibit 6.1, ethical leaders are honest with employees, partners, customers, vendors, and shareholders. They strive for fairness and take care to honor their agreements or commitments to others. Unethical leaders, on the other hand, often practice deception. In a *USA Today* survey some years ago, 82 percent of CEOs said they lied about their golf scores. Sure, it's a small thing, but little by little, dishonesty can become a way of life and business.[19]

Exhibit 6.1

Comparing Ethical versus Unethical Leadership

The Ethical Leader	The Unethical Leader
Possesses humility	Is arrogant and self-serving
Maintains concern for the greater good	Excessively promotes self-interest
Is honest and straightforward	Practices deception
Fulfills commitments	Breaches agreements
Strives for fairness	Deals unfairly
Takes responsibility	Shifts blame to others
Shows respect for each individual	Diminishes others' dignity
Encourages and develops others	Neglects follower development
Serves others	Withholds help and support
Shows courage to stand up for what is right	Lacks courage to confront unjust acts

Source: Based on Donald G. Zauderer, "Integrity: An Essential Executive Quality," *Business Forum* (Fall 1992), pp. 12–16.

Leadership Practice: Know Yourself 6.1

Ethical Maturity

Instructions: Think about how you typically behave and make decisions and respond honestly to the following statements. Answer as you actually behave, not as you would want to behave.

	Mostly False	Mostly True
1. I can clearly state the principles and values that guide my actions.	_____	_____
2. I promptly own up to my own mistakes and failures.	_____	_____
3. I am able to quickly "forgive and forget" when someone has made a serious mistake that affects me.	_____	_____
4. When making a difficult decision, I take the time to assess my principles and values.	_____	_____
5. I have a reputation among my friends and coworkers for keeping my word.	_____	_____
6. I intentionally reflect on my mistakes to improve my performance.	_____	_____
7. When someone asks me to keep a confidence, I always do so completely.	_____	_____
8. When things go wrong, I seldom blame others or circumstances.	_____	_____
9. I am able to forgive myself soon after a serious mistake.	_____	_____
10. My coworkers would say that my behavior is very consistent with my values.	_____	_____

Scoring and Interpretation

Give yourself 1 point for each Mostly True answer you checked above. Total Score_____. Your score for the ethical maturity scale suggests whether you are on track to become an ethical leader as described in Exhibit 6.1. A high score of 8–10 is suggestive of someone who is more concerned with values and other people than with self-interest. A score of 0–3 would be considered low, and a score of 4–7 is the middle ground. Your score also provides a clue about your level of moral development shown in Exhibit 6.4. The postconventional level of development means that you consider principles and values, take personal responsibility, and do not blame others. A high score suggests that you have a highly developed moral sense. A lower score suggests you may be at the conventional or even preconventional level. Reflect on what your score means to you.

Source: Based on and adapted from Doug Lennick and Fred Kiel, *Moral Intelligence: Enhancing Business Performance and Leadership Success* (Upper Saddle River, NJ: Cordon School Publications, 2005), pp. 251–263.

Ethical leaders tend to share the credit for successes and accept the blame when things go wrong, whereas unethical leaders often take credit for followers' accomplishments and diminish the dignity of others by treating people with discourtesy and disrespect. Ethical leaders help followers develop their potential and have a role in decision making, whereas unethical leaders often see followers as a means to an end.

Finally, one of the primary ways leaders contribute to an ethical organization is by speaking up against acts they believe are wrong. If a leader knows someone is being treated unfairly by a colleague and does nothing, the leader is setting a precedent for others to behave unfairly as well. Peers and subordinates with lax ethical standards feel free to act as they choose.

Remember This:

- People want honest and trustworthy leaders. However, leaders face many pressures that challenge their ability to do the right thing, including pressures to cut costs, increase profits, meet the demands of various stakeholders, and look successful.

- The most dangerous obstacles for leaders are personal weakness and self-interest rather than full-scale corruption.

- Many ethical lapses in organizations occur when followers are drawn into **crimes of obedience**, which are actions performed in response to orders from superiors that are generally considered unethical or illegal by the larger community.

- People with a high level of moral awareness are better able to resist wrongdoing. **Moral awareness** is an individual's recognition that a potential action or decision could affect the welfare or interests of self or others in a way that may conflict with ethical standards.

- Leaders are responsible for setting the ethical climate and acting as positive role models for others. **Ethical leadership** is the demonstration of ethically appropriate behavior through personal actions and interpersonal relationships, and the promotion of such behavior among followers via two-way communication, reinforcement, and decision making.

- Ethical leaders are humble, honest, and straightforward. They maintain a concern for the greater good, strive for fairness, and demonstrate the courage to stand up for what is right. Acting as an ethical leader means demonstrating the importance of serving people and society as well as increasing profits or personal gain.

- Container Store cofounder and former CEO Kip Tindell renamed Valentine's Day "We Love Our Employees Day." Container Store leaders believe treating employees right trickles down and makes better, stronger families and communities.

6-2 Acting Like an Ethical Leader

Companies that get into ethical trouble typically have top leaders who make quarterly earnings and the share price their primary purpose of business and the most important measure of individual and organizational success.[20] When leaders forget that business is about *values* and not just economic performance, organizations and the broader society are hurt in the process.

Ethical leadership doesn't mean ignoring profit and loss, share price, production costs, and other hard, measurable facts, but it does require recognizing and adhering to ethical values and acknowledging the importance of human meaning, quality, and higher purpose.[21] Henry Ford's century-old comment seems tailor-made for today's poor ethical climate: "For a long time people believed that the only purpose of industry was to make a profit. They are wrong. Its purpose is to serve the general welfare."[22] Marc Benioff agrees. He made a conscious decision to build a culture of giving at Salesforce. "When I started Salesforce . . . I said we're going to put one percent of our equity, product, and time into a foundation

and create a culture of service within our company." On an employee's first day at Salesforce, the morning is spent showing the new hire around the offices and introducing colleagues. "Then we take them out and they do service in the afternoon," says Benioff. "They'll go to a homeless shelter or they'll go to the hospital or go to a public school. This is a very core part of our culture."[23]

Despite the corporate realities of competition and the drive to achieve goals and profits, leaders can act based on moral values and encourage others to develop and use moral values and adhere to ethical standards of conduct in the workplace. *The single most important factor in ethical decision making in organizations is whether leaders show a commitment to ethics in their talk and especially their behavior.*[24] Employees learn about the values that are important in the organization by watching leaders. Harvard Business School professor Max Bazerman describes how one corporation created an internal video showing four high-level executives each telling a story about going above their boss's head at a time when the boss wasn't adhering to the organization's ethical values. By reminding people that questioning authority is the right thing to do when that authority is being unethical, the training video enabled and empowered people throughout the company to hold themselves and others to high ethical standards.[25] At the money-management firm BlackRock Inc., top leaders publicly fired two executives for having romantic relationships with subordinates. BlackRock announced in a memo to all 16,000 employees what happened and why, communicating that the company would hold everyone to high ethical standards.[26]

Exhibit 6.2 lists some specific ways leaders act to build an environment that encourages people to behave ethically. Leaders create organizational systems and

Exhibit 6.2

How to Act Like an Ethical Leader

1. Articulate and uphold high moral principles.

2. Focus on what is right for the organization as well as all the people involved.

3. Set the example you want others to live by.

4. Be honest with yourself and others.

5. Drive out fear and eliminate undiscussables.

6. Establish and communicate ethics policies.

7. Develop a backbone—show zero tolerance for ethical violations.

8. Reward ethical conduct.

9. Treat everyone with fairness, dignity, and respect, from the lowest to the highest level of the organization.

10. Do the right thing in both your private and professional life—even if no one is looking.

Source: Based on Linda Klebe Treviño, Laura Pincus Hartman, and Michael Brown, "Moral Person and Moral Manager: How Executives Develop a Reputation for Ethical Leadership," *California Management Review* 42, no. 4 (Summer 2000), pp. 128–142; Christopher Hoenig, "Brave Hearts," *CIO* (November 1, 2000), pp. 72–74; and Patricia Wallington, "Honestly?!" *CIO* (March 15, 2003), pp. 41–42.

Exhibit 6.3

More Than Wheels Core Values

At More Than Wheels our Core Values guide us in achieving our mission by working with clients and partners towards the goal of building lasting financial outcomes for our clients.

Trust

We respect and believe in one another and in our customers.
We speak the truth to each other, even when it's hard.
We value one another's opinions.

Nonjudgmental

We deal with current reality, without judgment.
We are pragmatic and forward-looking.

Accountability

We live up to our agreements.
We are relentless about reaching our goals and creatively solving problems.
We do the very best we can for our clients.

Teamwork

We value collaboration.
Our success relies on teamwork.

Learning

We learn from one another and from our successes and failures.
We strive for continual and meaningful improvement in our work.

Source: More Than Wheels Mission and Core Values, https://greatnonprofits.org/org/more-than-wheels-inc (accessed April 12, 2021).

policies that support ethical behavior, such as creating open-door policies that encourage people to talk about anything without fear, establishing clear ethics codes, rewarding ethical conduct, and showing zero tolerance for violations. Most importantly, leaders articulate and uphold high ethical standards, and they behave ethically even when they think no one is looking. Many companies have hired high-level chief compliance officers to police managers and employees.[27] Most companies have established codes of ethics to guide employee behavior or lists of core values that employees are expected to honor. Exhibit 6.3 lists the core values for More Than Wheels, which recently merged with nonprofit Strategic Grant Partners. Its mission was "To help struggling individuals & families break the cycle of poor financial decision making by using the car buying process to catalyze lasting change, financial stability and control."[28]

There is some evidence that doing right by employees, customers, and the community, as well as by shareholders, is good business. For example, a study of the top 100 global companies that have made a commitment to environmental sustainability found they had significantly higher sales growth, return on assets,

profits, and cash flow from operations in at least some areas of business.[29] Another review of the financial performance of large U.S. corporations considered "best corporate citizens" found that they enjoy both superior reputations and superior financial performance.[30] The Drucker Institute at Claremont Graduate University found that companies that put higher emphasis on social values generated higher stock values versus the broader S&P 500. Social factors include customer satisfaction, employee engagement, and social responsibility, which are elements of corporate culture. Culture may be the most important contributor to the higher stock values, as other studies have shown that companies with more satisfied employees typically outperform the broader market.[31]

Remember This:

- The single most important factor in ethical decision making in organizations is whether leaders show a commitment to ethics in their talk and especially their behavior.
- The CEO of BlackRock Inc. publicly fired two executives for having romantic relationships with subordinates, sending a symbolic message and communicating the standards of behavior and values expected of everyone.
- Leaders can create organizational systems and policies that support ethical behavior, such as establishing codes of ethics to guide employee behavior, creating open-door policies that encourage people to talk about anything without fear, rewarding ethical conduct, and showing zero tolerance for violations.
- A review of the financial performance of large U.S. corporations considered "best corporate citizens" found that they enjoy both superior reputations and superior financial performance.

6-3 Becoming a Moral Leader

Leadership is not merely a set of practices with no association with right or wrong. All leadership practices can be used for good or evil and thus have a moral dimension. Leaders choose whether to act from selfishness and greed to diminish others or to behave in ways that serve others and motivate people to expand their potential as employees and as human beings.[32] Moral leadership is often about distinguishing right from wrong and doing right, seeking the just, the honest, the good, and the right conduct in achieving goals and fulfilling purpose. Leaders have great influence over others, and moral leadership uplifts people and enhances the lives of others. Immoral leadership takes away from others in order to enhance oneself.[33]

Leaders most often know what is right; the question becomes how they choose to act on it and what internal strengths and external policies and processes are in place to enable them to follow through on doing the right thing.[34] One internal characteristic that influences a leader's capacity to make moral choices is the individual's level of moral development.[35] Exhibit 6.4 shows a simplified illustration of one model of personal moral development.

Exhibit 6.4

Three Levels of Personal Moral Development

Level 3: Postconventional
Follows internalized universal principles of justice and right. Balances concern for self with concern for others and the common good. Acts in an independent and ethical manner regardless of expectations of others.

Level 2: Conventional
Lives up to expectations of others. Fulfills duties and obligations of social system. Upholds laws.

Level 1: Preconventional
Follows rules to avoid punishment. Acts in own interest. Blind obedience to authority for its own sake.

Sources: Based on Lawrence Kohlberg, "Moral Stages and Moralization: The Cognitive-Developmental Approach," in *Moral Development and Behavior: Theory, Research, and Social Issues,* ed. Thomas Likona (Austin, TX: Holt, Rinehart and Winston, 1976), pp. 31–53; and Jill W. Graham, "Leadership, Moral Development, and Citizenship Behavior," *Business Ethics Quarterly* 5, no. 1 (January 1995), pp. 43–54.

Preconventional level

the level of personal moral development in which individuals are egocentric and concerned with receiving external rewards and avoiding punishments

At the **preconventional level**, individuals are egocentric and concerned with receiving external rewards and avoiding punishments. They obey authority and follow rules to avoid detrimental personal consequences or satisfy immediate self-interests. The basic orientation toward the world is one of taking what one can get. Some of the high-level executives and politicians who have come under criticism for ignoring COVID-19 protocols or jumping vaccine lines are likely at the preconventional level of moral development, focused on serving their own interests above those of the broader community. For example, the CEO of the Canada Pension Plan Investment Board Fund resigned under pressure after *The Wall Street Journal* reported that he traveled to the United Arab Emirates in early February 2021 and received a COVID-19 vaccination there. The trip came amid a slow rollout of vaccines across Canada and at a time when the government was advising all Canadians not to travel because of the pandemic.[36] The CEO resigned shortly after his vaccination became public. Someone with this orientation in a leadership position would tend to be autocratic toward others and to use the position for personal advancement.

Conventional level

the level of personal moral development in which people learn to conform to the expectations of good behavior as defined by colleagues, family, friends, and society

At level two, the **conventional level**, people learn to conform to the expectations of good behavior as defined by colleagues, family, friends, and society. People at this level follow the rules, norms, and values in the corporate culture. If the rules are to not steal, cheat, make false promises, or violate regulatory laws, a person at this level will attempt to obey. People at the conventional level adhere to the norms of the larger social system. If the social system says it is okay to inflate bills to the government or make achieving the bottom line more important than honesty and integrity, they will usually go along with that norm also. Consider the cheating scandals that have rocked several respected schools, including the Air Force Academy, Stuyvesant High School in Manhattan, and Harvard University.

Interviews with students and former students at Stuyvesant indicate that many of them were simply going along with the system, a culture in which students banded together and cheated in a common understanding that it was a "necessary evil" to reach their goals.[37] Howard Gardner, a professor at the Harvard Graduate School of Education, says "the ethical muscles [of students] have atrophied" because of a broader societal culture that exalts success at any cost—going along with the system.[38]

At the **postconventional level**, sometimes called the *principled level,* leaders are guided by an internalized set of principles universally recognized as just and right. People at this level may even disobey rules or laws that violate these principles. These internalized values become more important than the expectations of other people in the organization or community. Would students at a postconventional level of moral development cheat on tests as those mentioned above did, since others were cheating to get ahead? At least one study suggests they would not. In a stock trading simulation, researchers gave randomly selected business school students "insider information" on actual stock earnings, allowing them to accept or reject the information. Those students who rejected the insider information scored higher on moral development, in the postconventional range, whereas those who accepted the information scored at lower levels.[39]

Most adults operate at level two of moral development, and some have not advanced beyond level one. Only about 20 percent of American adults reach the third, postconventional level of moral development, although most of us have the capacity to do so.[40] A leader at this level is visionary, empowering, and committed to serving others and a higher cause. These leaders can impartially apply universal standards to resolve moral conflicts and balance self-interest with a concern for others and for the common good. Research has consistently found a direct relationship between higher levels of moral development and more ethical behavior on the job, including less cheating, a tendency toward helpfulness to others, and the reporting of unethical or illegal acts, known as whistleblowing.[41]

Postconventional level
the level of personal moral development in which leaders are guided by an internalized set of principles universally recognized as right

Remember This:

- All leadership practices can be used for good or evil and thus have a moral dimension. Moral leadership is about distinguishing right from wrong and doing right, seeking the just, the honest, the good, and the right conduct in achieving goals and fulfilling purpose.

- Leaders use an understanding of the stages of moral development to enhance their own as well as followers' moral growth. Leaders who operate at higher stages of moral development focus on the needs of followers and universal moral principles.

- At the **preconventional level** of moral development, individuals are egocentric and concerned with receiving external rewards and avoiding punishments. At level two, the **conventional level**, people learn to conform to the expectations of good behavior as defined by colleagues, family, friends, and society.

- Only about 20 percent of American adults reach the third, **postconventional level** of moral development, at which people are guided by an internalized set of principles universally recognized as just and right. People at this level may even disobey rules or laws that violate these principles.
- In a stock trading simulation, researchers gave randomly selected students "insider information" on actual stock earnings and found that those students who rejected the insider information scored higher on moral development, in the postconventional range, whereas those who accepted the information scored at lower levels.

6-4 Servant Leadership

What is a leader's moral responsibility toward followers? Is it to limit and control them to meet the needs of the organization? Is it to pay them a fair wage? Or is it to enable them to grow and create and expand themselves as human beings?

Much of the thinking about leadership today implies that moral leadership involves turning followers into leaders, thereby developing their potential rather than using a leadership position to control or limit people. The ultimate expression of this leadership approach is called *servant leadership,* which can best be understood by comparing it to other approaches. Exhibit 6.5 illustrates a continuum of leadership thinking and practice. Traditional organizations were based on

Exhibit 6.5

Changing Leader Focus from Self to Others

Stage 1 Control	Stage 2 Participation	Stage 3 Empowerment	Stage 4 Service
Authoritarian leader	Participative leader	Stewardship leader	Servant leader
Obedient subordinates	Team players	Self-responsible employees	Whole employees

Control Centered in the Leader ⟷ Control Centered in the Follower
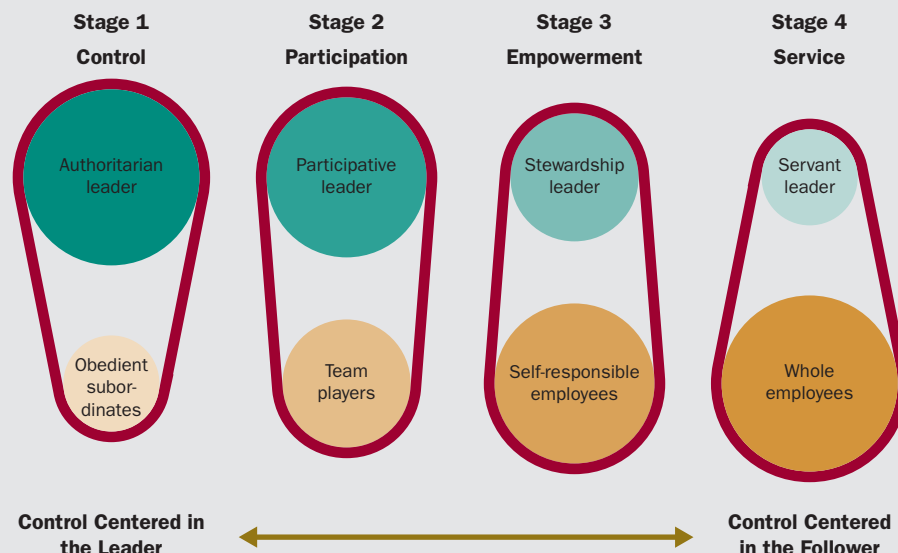
the idea that the leader is in charge of subordinates and the success of the organization depends on leader control over followers. In the first stage, employees are passive—not expected to think for themselves but simply to do as they are told. Stage two in the continuum involves followers more actively in their own work. Stage three is stewardship, which represents a significant shift in mindset by moving responsibility and authority from leaders to followers.

Servant leadership represents a stage beyond stewardship, where leaders give up control and make a choice to serve employees. Along the continuum, the focus of leadership shifts from leader to followers. In the following sections, we discuss each stage of this leadership continuum in more detail.

6-4a Authoritarian Management

The traditional understanding of leadership is that leaders are good managers who direct and control their people. Followers are obedient subordinates who follow orders. In Chapter 2, we discussed the autocratic leader, who makes the decisions and announces them to subordinates. Power, purpose, and privilege reside with those at the top of the organization. At this stage, leaders set the strategy and goals, as well as the methods and rewards for attaining them. Organizational stability and efficiency are paramount, and followers are routinized and controlled along with machines and raw materials. Subordinates are given no voice in creating meaning and purpose for their work and no discretion as to how they perform their jobs. This leadership mindset emphasizes tight top-down control, employee standardization and specialization, and management by impersonal measurement and analysis.

6-4b Participative Management

Since the 1980s, many organizations have made efforts to actively involve employees. Leaders have increased employee participation through employee suggestion programs, participation groups, and quality circles. Teamwork has become an important part of how work is done in most organizations. Studies indicate that around 70 percent of the largest U.S. corporations have adopted some kind of employee participation program or shifted to a team design. However, many of these programs do not redistribute power and authority to lower-level workers.[42] The mindset is still paternalistic in that leaders determine purpose and goals, make final decisions, and decide rewards. Employees are expected to make suggestions for quality improvements, act as team players, and take greater responsibility for their own jobs, but they are not allowed to be true partners in the enterprise.[43]

6-4c Stewardship

Stewardship is a pivotal shift in leadership thinking. **Stewardship** means that leaders are guardians and curators of organizational resources and values and they place the long-term interests of the organization first.[44] As stewards, leaders empower followers to make decisions and have control over how they do their own jobs. Four principles provide the framework for stewardship.

1. *Adopt a partnership mindset.* Partnership can happen only when power and control shift away from formal leaders to core employees. As partners, leaders and followers are totally honest with one another, jointly responsible for

Stewardship
a belief that leaders are deeply accountable to others as well as to the organization, without trying to control others, define meaning and purpose for others, or take care of others

defining vision and purpose, and mutually accountable for outcomes that benefit the whole.

2. *Give decision-making power and the authority to act to those closest to the work and the customer.* This means reintegrating the "managing" and the "doing" of work, so that everyone becomes a leader and is also doing some of the core work of the organization. Nobody gets paid simply to plan and manage the work of others.

3. *Tie rewards to contributions rather than formal positions.* With stewardship, everyone's fortunes are connected to the success of the enterprise. Stewardship involves redistributing wealth by designing compensation so that people can make significant gains when they make exceptional contributions.

4. *Expect core work teams to build the organization.* Teams of employees define goals, maintain controls, create a nurturing environment, and organize and reorganize themselves to respond to a changing environment and marketplace.

Stewardship leaders guide the organization without dominating it and facilitate followers without controlling them. At Julia's House, a children's hospice in Dorset and Wiltshire (United Kingdom) that has won numerous awards including *The Sunday Times* Best Companies award, the CEO and all department heads sit in an open-plan office with other staff to signal a partnership approach. The organization chart was redesigned to read left to right rather than the usual vertical hierarchy.[45] Stewardship allows for a relationship between leaders and followers in which each makes significant, self-responsible contributions to organizational success. In addition, it gives followers a chance to use their minds, bodies, and spirits on the job, thereby allowing them to be whole human beings.

6-4d The Servant Leader

Servant leadership takes stewardship assumptions about leaders and followers one step further. Robert Wood Johnson, who built Johnson & Johnson from a small private company into one of the world's greatest corporations, summarized his ideas about management in the expression "to serve." In a statement called "Our Management Philosophy," Johnson went on to say, "It is the duty of the leader to be a servant to those responsible to him."[46] Johnson died decades ago, but his beliefs about the moral responsibility of a leader are as fresh and compelling (and perhaps as controversial) today as they were when he wrote them.

Servant leadership
leadership in which the leader transcends self-interest to serve the needs of others, help others grow, and provide opportunities for others to gain materially and emotionally

Servant leadership is leadership upside down. Servant leaders transcend self-interest to serve the needs of others, help others grow and develop, and provide opportunity for others to gain materially and emotionally. Fred Keller built a highly successful plastics manufacturing company, Cascade Engineering, by continuously asking one question: *What good can we do?* Keller started the business nearly 50 years ago with six employees. Today, it has 1,900 employees and 13 North American facilities, with additional operations in Budapest, Hungary. Keller, who continues to serve on the board, made serving others a cornerstone of the business. The company's Welfare to Career program has guided more than 800 people off welfare and into thriving careers. Keller donates large amounts to various philanthropic causes, both as an individual and through Cascade. Cascade is one of the largest certified B-Corporations in the world, which means it meets rigorous standards in social and environmental performance, transparency, and legal accountability.[47]

Leadership Practice: Know Yourself 6.2

Your Servant Leadership Orientation

Instructions: Think about situations in which you were in a formal or informal leadership role in a group or organization. Imagine using your personal approach as a leader. To what extent does each of the following statements characterize your leadership? Please answer whether each item is Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. My actions meet the needs of others before my own.	_____	_____
2. I explicitly enable others to feel ownership for their work.	_____	_____
3. I like to consult with people when making a decision.	_____	_____
4. I'm a perfectionist.	_____	_____
5. I like to be of service to others.	_____	_____
6. I try to learn the needs and perspectives of others.	_____	_____
7. I consciously utilize the skills and talents of others.	_____	_____
8. I am assertive about the right way to do things.	_____	_____
9. I give away credit and recognition to others.	_____	_____
10. I believe that others have good intentions.	_____	_____
11. I quickly inform others of developments that affect their work.	_____	_____
12. I tend to automatically take charge.	_____	_____
13. I encourage the growth of others, expecting nothing in return.	_____	_____
14. I value cooperation over competition as a way to energize people.	_____	_____
15. I involve others in planning and goal setting.	_____	_____
16. I put people under pressure when needed.	_____	_____

Scoring and Interpretation

There are four subscale scores that represent four dimensions of leadership—authoritarian, participative, stewardship, and servant. For each dimension below, give yourself one point for each Mostly True response to the items indicated.
My leadership scores are:

Authoritarian, items 4, 8, 12, 16: _____

Participative, items 2, 6, 10, 14: _____

Stewardship, items 3, 7, 11, 15: _____

Servant, items 1, 5, 9, 13: _____

These scores represent the four aspects of leadership called authoritarian, participative, stewardship, and servant as described in the text and illustrated in Exhibit 6.5. A score of 3–4 on any of these dimensions would be considered above average, and a score of 0–1 is below average.

Compare your four scores to each other to understand your approach to stewardship and servant leadership. On which of the four dimensions would you like to have the highest score? The lowest? Study the specific questions on which you scored Mostly True or Mostly False to analyze your pattern of strengths and weaknesses. It is not possible to display all four dimensions of leadership simultaneously, so you should think about the dimension you want to emphasize to reflect your leader ideal.

There has been an explosion of interest in the concept of leader as servant in recent years.[48] Servant leadership was first described by Robert Greenleaf in his book, *Servant Leadership*.[49] There are four basic precepts in Greenleaf's model:[50]

1. *Put service before self-interest.* In this view, the organization exists as much to provide meaningful work to the person as the person exists to perform work for the organization.

2. *Listen first to affirm others.* One of the servant leader's greatest gifts to others is listening authentically.

3. *Inspire trust by being trustworthy.* Servant leaders build trust by doing what they say they will do, being honest with others, and focusing on the well-being of others.

4. *Nourish others and help them become whole.* Servant leaders care about followers and believe in the unique potential of each person to have a positive impact on the world.

The servant leader's top priority is service to employees, customers, shareholders, and the general public. Leadership flows out of the act of service because it enables other people to grow and become all they are capable of being.[51] Hamdi Ulukaya, the founder and CEO of yogurt company Chobani, says "the people we work with are the reason we exist." Ulukaya, who immigrated to the United States from Turkey, bought a closed dairy factory in 2005 and the company he founded now earns more than $1.5 billion in annual revenue. In 2016, Ulukaya stunned employees by giving them shares worth about 10 percent of the privately held company. Ulukaya began considering an initial public offering in 2021, with Chobani now valued at as much as $10 billion. "It's better than a bonus or a raise," said one employee. "It's the best thing because you're getting a piece of this thing you helped build." Around 30 percent of Chobani's employees are immigrants and refugees. "This isn't a charity, it's a business practice," Ulukaya says. "Your responsibility is not only to make money for your shareholders but to all stakeholders."[52]

Remember This:

- Ideas about control versus service between leaders and followers are changing and expanding, reflected in a continuum of leader–follower relationships. The continuum varies from authoritarian managers to participative managers to stewardship to servant leadership.

- Leaders who operate from the principles of stewardship and servant leadership can help build ethical organizations.

- **Stewardship** means that leaders are deeply accountable to others as well as to the organization, without trying to control others, define meaning and purpose for others, or take care of others.

- **Servant leadership** is leadership in which the leader transcends self-interest to serve the needs of others, help others grow, and provide opportunities for others to gain materially and emotionally.

- An example of a servant leader is Hamdi Ulukaya of Chobani, who says "the people we work with are the reason we exist." Ulukaya gave his employees, many of whom are immigrants and refugees, shares worth about 10 percent of the company.

6-5 Leading with Courage

Leaders sometimes have to reach deep within themselves to find the courage and strength of character to serve others, resist temptation, behave morally, or stand up for ethical principles when others may ridicule them or when they may suffer financially or emotionally for their actions.

Some would say that without courage, leadership cannot exist.[53] However, for many leaders, particularly those working in large organizations, the importance of courage is easily obscured—the main thing is to get along, fit in, and do whatever brings promotions and pay raises. The courage to take risks has always been important for living a full, rewarding life, as discussed in the *Think on This* box. Yet the leadership courage to resist jumping on the bandwagon and taking unnecessary or unethical risks is equally important.[54]

Think on This: Is It Worth the Risk?

- To *laugh* . . . is to risk appearing the fool.
- To *weep* . . . is to risk appearing sentimental.
- To *reach out* . . . is to risk involvement.
- To *expose feelings* . . . is to risk exposing your true self.
- To *place your ideas and dreams before a crowd* . . . is to risk rejection.
- To *love* . . . is to risk not being loved in return.
- To *live* . . . is to risk dying.
- To *hope* . . . is to risk despair.
- To *try* . . . is to risk failure.

But risks must be taken, because the greatest hazard in life is to risk nothing. Those who risk nothing do nothing and have nothing.

They may avoid suffering and sorrow, but they cannot learn, feel, change, grow, or love.

Chained by their certitude, they are slaves; they have forfeited their freedom.

Only one who risks is free.

What Do You Think?

In a world of stability and abundance, leaders can often forget even the *meaning* of courage, so how can they know where to find it when they need it? In the following sections, we examine the nature of leadership courage and discuss some ways courage is expressed in organizations. The final section of the chapter explores the sources of leadership courage.

6-5a What Is Courage?

Many people know intuitively that courage can carry you through deprivation, ridicule, and rejection and enable you to achieve something about which you

> ❝ Leadership must start from within—from within the leader's heart—where real courage resides.❞
> Peter Voyer, senior artillery officer in the Canadian Army

Leader's Bookshelf	Forged in Crisis: The Power of Courageous Leadership in Turbulent Times	by Nancy Koehn

Most of us have experienced times when we feel overwhelmed by struggles in our personal, school, or work lives. Most of us have experienced a failure of some type. Most of us have experienced uncertainty and fear at some point. Every leader has. In *Forged in Crisis*, Nancy Koehn profiles five extraordinary leaders who found courage and inner strength in the midst of such conditions to accomplish great things.

Stories of "Real" Leaders

"Read these stories and get to work," Koehn writes. "The world has never needed you and other real leaders more than it does now." Her book offers readers a chance to look into the past for inspiration from leaders such as these:

- *Ernest Shackleton.* Imagine being an explorer trapped on an iceberg off the coast of Antarctica, with 27 people depending on your leadership to get them safely home. This is the situation Shackleton found himself in when *The Endurance* became stuck in ice during a 1915 expedition and he realized the crew would have to survive the brutal winter marooned a thousand miles from civilization with three lifeboats, limited canned food, and no means of communication. During the night when he couldn't sleep, Shackleton paced the ice, filled with doubt and fear. But each morning, he stepped out of his tent showing confidence and positive energy. Each evening after supper, he would walk around the tents to play cards or tell stories. Every action he took was designed to make everyone feel that they were part of a team that together could not fail. Shackleton and the entire crew survived this harrowing event.

- *Frederick Douglass.* Imagine being born into slavery, like American abolitionist Frederick Douglass, and sent off to a new overseer at the age of eight. Later, as a young man, you are deeply afraid of the overseer, but one day you decide you're not going to put up with the abuse any longer and you physically fight back. That is just the first step through fear—after you escape you must continually dodge capture by your former owner and make your way to a free state. Douglass went on to become a great orator, an author of incisive antislavery writings, and a national leader of the abolitionist movement prior to his death in 1895.

- *Rachel Carson.* Imagine being alone in your study trying to finish a manuscript about the dangers of widespread pesticide use. You're tired. You've been battling aggressive metastatic cancer for more than a year. The subject is controversial, and you know large chemical companies, the U.S. Department of Agriculture, and other powerful institutions are poised to attack you and the book as soon as it is published. Anxiety rises, and you pace the room, staring out into the darkness. Rachel Carson doubted at times that she could finish the job, but she reminded herself: "I've got to wake people to the dangers here." She finished *Silent Spring*, published in 1962, and it spurred a reversal in national pesticide policy, led to a nationwide ban on DDT for agricultural uses, and inspired a widespread environmental movement.

One Step at a Time

The other leaders profiled in *Forged in Crisis* are U.S. President Abraham Lincoln and the Nazi-resisting clergyman Dietrich Bonhoeffer. Each of the leaders Koehn describes faced long odds of success, but they found within themselves the ability to move forward through fear and doubt based on their need to accomplish a worthy purpose. Leadership courage is often a journey of one small step at a time, and it is the belief in advancing the common good that provides the energy.

Source: *Forged in Crisis: The Power of Courageous Leadership in Turbulent Times*, by Nancy Koehn, is published by Scribner.

Workplace courage
the mental and moral strength to perform a relevant act for a worthy cause despite the threat of personal loss or pain

care deeply. Courage is both a moral and a practical matter for leaders. A lack of courage is what allows greed and self-interest to overcome concern for the common good.[55] **Workplace courage** is the mental and moral strength to perform a work-relevant act for a worthy cause despite the threat of personal loss or pain.[56] Courage doesn't mean the absence of doubt, confusion, or fear, but the ability to act in spite of them when it is necessary for the greater good. In fact, if there were no fear or doubt, courage would not be needed. The Leader's Bookshelf

describes some historical leaders who found the inner strength to overcome doubts and fears.

People experience all kinds of fears, including fear of death, mistakes, failure, embarrassment, change, loss of control, loneliness, pain, uncertainty, abuse, rejection, success, and public speaking. It is natural and right for people to feel fear when real risk is involved, whether the risk is losing your life, losing your job, losing a loved one, or losing your reputation.

However, many times it isn't fear as an actual threat that holds people back, but rather F.E.A.R., which stands for *False Evidence Appearing Real*. This kind of "fear" arises not from a true threat but from our own thoughts. This type of fear might be better termed *anxiety*, and this is what writer Seth Godin had to say about it: "Anxiety is nothing but repeatedly re-experiencing failure in advance. What a waste."[57] This reflects that many fears are learned and prevent people from doing what they want. For example, Adam Grant, the Wharton professor whose book, *Give and Take: A Revolutionary Approach to Success*, was described in the Leader's Bookshelf in Chapter 2, had a phobia about speaking in public. He forced himself as a graduate student to lecture as much as possible and take advantage of every opportunity to speak publicly so he could learn to step through the fear (really F.E.A.R.) that was holding him back from achieving his goals.[58] True leaders step through these learned fears to accept and learn from failure, lay the groundwork for change by being prepared, take risks, speak up, and fight for a higher purpose.

Courage Means Accepting and Learning from Failure Fear of failure may be the biggest fear for leaders. No one *likes* to fail. But effective leaders know that failure is a route to learning, improving, and growing. The fear of failure is a big problem for many executives—it prevents them from taking reasonable risks that could make their teams and organizations stronger and more successful. In a Boston Consulting Group survey, 31 percent of respondents said a risk-averse culture was a key obstacle to innovation in their firms. As Ed Catmull, cofounder of Pixar and president of Walt Disney Animation Studios, says "Mistakes aren't a necessary evil. They aren't evil at all. They are an inevitable consequence of doing something new . . . and should be seen as valuable."[59] Consider that Sir James Dyson tried 5,127 times before he perfected the Dyson Dual Cyclone bagless vacuum cleaner. Post-it Notes, one of the best-selling office products of all time, was invented at 3M based on a failed product, a not-very-sticky adhesive that resulted from an engineer's attempts to create a superglue. In fact, a Broadridge Financial survey indicates that more than half of all innovation projects at large companies fail.[60]

Rather than fearing mistakes and failure, successful leaders adopt a mindset that accepts and learns from them. They encourage people to reflect on projects or activities that didn't work out as planned and then share lessons learned from failures across the organization. "The biggest mistake you can make as a leader is to shoot the messenger and bury the bad news," one executive said. Leaders at an elite consulting firm were embarrassed when their company lost a desirable government contract to a much less prestigious competitor. It was a hard blow, but in an hour-long meeting discussing what went wrong, the executive committee realized that they simply hadn't done a good enough job—their firm's status and previous success had led to complacency. Whereas their firm

> **Put It Into Practice 6.6**
>
> During the next two days, ask a "dumb" question whenever the opportunity arises in a public setting (during class, a work or team meeting). A dumb question is the one you think of and do not ask for fear of looking dumb.

had relied on assumptions, the competitor had worked closely with officials to find out exactly what the client wanted and how to position their bid. The elite firm hadn't even put their best people on the job of preparing the proposal, assuming their brand would be enough to win the contract. Today, the "story of the lost bid" has become a shorthand way colleagues remind one another to check their arrogance.[61]

Courage Means Being Prepared Leadership often requires going against the grain, breaking traditions, and initiating change. Courageous leaders are willing to take risks and make a positive difference in their organizations, but leaders initiating change can encounter resistance, rejection, loneliness, and even ridicule. It is often easier to stay with what is familiar, even if it will lead to certain failure, than to initiate bold change, but courage is about taking action despite the potential risk.

Effective leaders prepare beforehand the groundwork for change by establishing their competence and credibility, spending months or years showing that they excel at their jobs, that they are invested in the organization, and that they have a track record of being fair to all sides of a situation.[62] They earn trust and build a stock of goodwill throughout the organization. Catherine Gill, a former senior vice president of fundraising and communication at social investment fund Root Capital, provides an example. Gill wanted to initiate changes in what she and others perceived as the company's internal bias against women. Gill knew it was a thorny issue, but her track record of excellent job performance and fitting in enabled her to open a conversation about the company culture with colleagues in senior management that led to concrete positive changes. Gill had spent her first two years at Root Capital proving that she was deeply committed to the firm and its mission, willingly taking on difficult challenges and consistently achieving high performance. She was always careful to point out when she didn't consider something a gender issue, so people on both sides of a discussion would see her as fair. By the time she raised concerns about internal bias, Gill had set the stage so that others could hear her without becoming defensive.[63]

Courage Means Pushing beyond the Comfort Zone To take a chance and improve things means leaders have to push beyond their comfort zones. When people go beyond the comfort zone, they encounter an internal "wall of fear." A social experiment from decades ago illustrates the wall of fear that rises when people push beyond their comfort zones. To explore the web of unwritten rules that govern people's behavior on New York City subways, Dr. Stanley Milgram asked his first-year graduate students to board a crowded train and ask someone for their seat. Milgram's focus of interest soon shifted to the students themselves, as the seemingly simple assignment proved to be extremely difficult, even traumatic. Most students found it decidedly uncomfortable to bluntly ask someone for their seat. One now says of the experiment: "I was afraid I was going to throw up."[64]

People may encounter the internal wall of fear when about to ask someone for a date, confront the boss, break off a relationship, launch an expensive project, or change careers. Facing the internal wall of fear is when courage is needed most. One finance manager at a small company put up with risqué comments

and playful clutching from the company president for years before she pushed through the wall of fear to talk to him about his behavior. She finally told him his behavior made her uncomfortable and was a signal that she would never advance in the company because he didn't view her as an equal. To the finance manager's surprise, her boss apologized, thanked her for her honesty, and said he was horrified that this was how she felt and that other women in the company might feel the same way. The president later made a formal apology to the entire staff and he continued to seek advice about how to improve.[65]

Courage Means Speaking Up Leaders have to speak out to influence others. However, the desire to please others—especially the boss—can sometimes block the truth. Everyone wants approval, so it is difficult to say things when you think others will disagree or disapprove. Author and scholar Jerry Harvey tells a story of how members of his extended family in Texas decided to drive 40 miles to Abilene for dinner on a hot day when the car air conditioning did not work. They were all miserable. Talking about it afterward, each person admitted they had not wanted to go but went along to please the others. The **Abilene Paradox** is the name Harvey uses to describe the tendency of people to not voice their true thoughts because they want to please others.[66]

In organizations, people hold back from speaking up for a variety of reasons. They might want to avoid contradicting the boss or embarrassing a colleague; they don't want to risk looking ignorant or coming across as a know-it-all; or they don't think their contributions will be valued. One nurse at a hospital struggling to contain an infection spreading across multiple wards had read about steps taken to slow the spread of the same infection at another hospital, but she kept quiet, thinking "I'm just a nurse; they aren't going to listen to me." As another example, a human resources manager who was asked to initiate an external recruitment drive for a major upcoming project knows there are good internal candidates, but she doesn't want to tell her boss he's wrong, so she goes ahead with the external drive.[67] By failing to speak up, these people missed opportunities to help their organizations in important ways. Courage means speaking your mind even when you know others may disagree with you and may even deride you. Courage also means asking for what you want and setting boundaries. It is the ability to say no to unreasonable demands from others, as well as the ability to ask for what you want to help achieve the vision.

Courage Means Fighting for a Higher Purpose Courage means fighting for valued outcomes that benefit the whole. Leaders take risks, but they do so for a higher purpose. For example, Ashok Khemka has been a government worker in India for 28 years, and during that time he has been demoted or transferred to another department 51 times. Why? Because Khemka is a tireless fighter against corruption, and sometimes he ruffles the wrong feathers. Some people—especially bosses who are bending the rules—see him as a troublemaker, but India's anti-corruption activists and many people in the community fully support him. "There are two kinds of government officers— officers who work only to please their political masters, and other officers [like Khemka] who work to uphold the law, who work for justice and the poor," said advocate Kuldip Tiwari.[68]

Abilene Paradox
the tendency of people to resist voicing their true thoughts or feelings in order to please others and avoid conflict

Leadership Practice: Know Yourself 6.3

Assess Your Moral Courage

Instructions: Think about situations in which you either assumed or were given a leadership role in a group or organization. Imagine using your own courage as a leader. To what extent does each of the following statements characterize your leadership? Please answer whether each item is Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. I risk substantial personal loss to achieve the vision.	_____	_____
2. I take personal risks to defend my beliefs.	_____	_____
3. I say no even if I have a lot to lose.	_____	_____
4. I consciously link my actions to higher values.	_____	_____
5. I don't hesitate to act against the opinions and approval of others.	_____	_____
6. I quickly tell people the truth, even when it is negative.	_____	_____
7. I feel relaxed most of the time.	_____	_____
8. I speak out against organizational injustice.	_____	_____
9. I stand up to people if they make offensive remarks.	_____	_____
10. I act according to my conscience even if it means I lose status and approval.	_____	_____

Scoring and Interpretation

Each of the preceding statements pertains to some aspect of displaying courage in a leadership situation. Add up your points for Mostly True answers: ___. If you received a score of 7 or higher, you have real potential to act as a courageous leader. A score below 3 indicates that you avoid difficult issues or have not been in situations that challenge your moral leadership. Is your score consistent with your understanding of your own courage? Look at the individual questions for which you scored Mostly False or Mostly True and think about your specific strengths and weaknesses. Compare your score to that of other students. How might you increase your courage as a leader? Do you want to?

6-5b How Does Courage Apply to Moral Leadership?

There are many people working in organizations who have the courage to be unconventional, to step up and take responsibility, and to do what they believe is right. Balancing profit with people, self-interest with service, and control with stewardship requires individual moral courage.

Acting Like a Moral Leader Requires Personal Courage To practice moral leadership, leaders have to know themselves, understand their strengths and weaknesses, know what they stand for, and often be nonconformists. Honest self-analysis can be painful, and acknowledging one's limitations in order to recognize the superior abilities of others takes personal strength of character. In addition, moral leadership means building relationships, which requires listening, having significant personal experiences with others, and making yourself vulnerable—qualities that frighten many people. Yet, by getting close and doing what is best for others—sharing the good and the bad, the pain and anger as well as the success and the joy—leaders bring out the best qualities in others.[69]

An example of this in practice is when William Peace had to initiate a layoff as general manager of the Synthetic Fuels Division of Westinghouse. Peace had the courage to deliver the news about layoffs personally. He took some painful blows in the face-to-face meetings he held with the workers to be laid off, but he believed allowing people to vent their grief and anger at him and the situation was the moral thing to do. His action sent a message that leaders valued employees as human beings with feelings. Thus, employees rededicated themselves to helping save the division.[70] For Peace, the courage to practice moral leadership by personally facing employees gained respect, renewed commitment, and higher performance, even though he suffered personally in the short run.

Opposing Unethical Conduct Requires Courage Whistleblowing means employee disclosure of illegal, immoral, or unethical practices in the organization.[71] One example is Charles M. Smith, who was the senior civilian overseeing the U.S. Army's multibillion-dollar contract with KBR when he faced a test of courage. Smith couldn't find evidence justifying more than $1 billion in costs for food, housing, and other services from the contractor, but he was being asked to approve the payments anyway. He refused to sign off, despite pressures from both Army and civilian officials. Smith was removed from his job and transferred to another position. He retired soon afterward and went to the media with the story.[72]

As this example shows, it is highly risky for employees to blow the whistle because they may lose their jobs, be ostracized by coworkers, or be transferred to undesirable positions. Michael Woodford, former president and CEO of Olympus, described what it was like to be at the center of a major whistleblowing scandal. Woodford had been with Olympus for 30 years when he was named president and CEO in early 2011. He soon discovered that unauthorized payments had been made to third parties in an effort to hide significant losses. He went to the board, but they ignored his findings. After he went public, Woodford was voted out of a job. He describes what happened next: "I was petrified. You feel your career is slipping away." Woodford says as painful as the experience was, it was a huge education, and he has no regrets for doing the right thing. The entire board at Olympus eventually resigned, and three senior executives pleaded guilty to fraud.[73]

Most whistleblowers, like Charles Smith and Michael Woodford, realize they may suffer financially and emotionally, but they act courageously to do what they think is right. As Woodford says, "If you know something is wrong and you don't deal with it, you are complicit."[74]

6-5c Finding Personal Courage

How does a leader find the courage to step through fear and confusion, to act despite the risks involved? All of us have the potential to live and act courageously. There are a number of ways leaders can unlock the courage within themselves, including committing to causes they believe in, connecting with others, harnessing anger, and developing their skills.

Believe in a Higher Purpose Courage comes easily when we fight for something we really believe in. Leaders who have a strong emotional commitment to a larger vision or purpose find the courage to step through fear. Activist and author Noorjahan Akbar, who currently runs Free Women Writers, a collective of activists and writers in Afghanistan, says many people fighting for women's rights in Afghanistan have been

Whistleblowing employee disclosure of illegal, immoral, or unethical practices in the organization

Put It Into Practice 6.8
Spend some time today thinking about a "bigger purpose" for which you would risk a huge personal failure. Write down that purpose. What is the source of your personal courage that would champion that purpose despite high risk?

injured or killed, but it only strengthened their resolve to push for change. Akbar and others don't risk their lives just for the thrill of it. They do it for a cause they deeply believe in.[75]

General Stanley McChrystal, who retired from the U.S. Army as a four-star general after more than 34 years of service, explains how a higher purpose of serving followers can be a source of courage. McChrystal says his greatest fear has always been failing the organization and his followers. "It's not fear of getting shot at, or worrying that you're going to crash the airplane, or something like … that," he says. Leading people means that you have a huge commitment to a lot of people. To overcome the fear, McChrystal focuses on the problem at hand and how to achieve the best possible outcome for his followers and the organization. "I think of the young private on a checkpoint in Baghdad … who has almost no control [over what happens] and lots of time on his hands to think," McChrystal says. "When I look at courage, I look at the 18-year-old kid … standing out there doing that…. That's pretty humbling."[76]

Draw Strength from Others Caring about others and having support from others is a potent source of courage in a topsy-turvy world. Support for this proposition comes from studies of the civil rights movement in the southern United States in the 1960s. In the Mississippi Freedom Summer Project, young volunteers were recruited to register black voters, run Freedom Schools, and raise civil rights awareness. Within days of the volunteers arriving in Mississippi, three were kidnapped and killed. Throughout the summer, dozens of churches were set on fire, safe houses were bombed, and volunteers were shot at, beaten, and arrested. A quarter of the volunteers in the program dropped out. Researchers have looked at what distinguished those who stayed from those who left. The volunteers who stayed were far more likely to have what is referred to as *strong ties*, close friends who were also in the program and people they were close to back home who were deeply interested in their lives and activities. Those who left the program were just as committed to the goals and purpose, but they typically didn't have the same social support.[77]

People who feel alone in the world take fewer risks because they have more to lose.[78] Interestingly, although social media such as Twitter and Facebook have made it easier for people to join with others to support social causes or push for change within organizations, there is some evidence that social media actually reduce strong ties (deep personal connections), making it harder for people to express courage when they need it.[79]

Harness Frustration and Anger If you have ever been really angry about something, you know that it can cause you to forget about fear of failure, fear of embarrassment, or fear that others won't like you. U.S. Senator Elizabeth Warren channeled her anger at social injustice to fuel an expensive and daunting campaign for the Democratic presidential nomination in 2020. Warren wrote in an e-mail message to her critics: "I am angry and I own it." Anger gave Warren the courage to move forward even when she realized she would face criticism and probable failure.[80] Frustration and anger spurred Glenn McIntyre to found a company. After he was paralyzed in a motorcycle accident, McIntyre got angry every time he stayed at a hotel. His anger and frustration over how poorly hotels served guests with disabilities gave him the courage to stop feeling sorry for himself and start a new business, Access Designs Inc. The firm helps hotels such as Quality Suites and

Renaissance Ramada redesign their spaces to be more usable for travelers with disabilities.[81] Anger, in moderate amounts, is a healthy emotion that provides energy to move forward. The challenge is to harness anger and use it appropriately.[82]

Take Small Steps In most cases within organizations, finding courage is a deliberate act rather than an instantaneous response.[83] Courage can be thought of as a decision-making skill that is developed through conscious thought and practice. Courageous leaders are not reckless and foolhardy; they typically are people who have developed the skills and resources they need to take a difficult stand or pursue a tough course of action. In addition, courageous leaders can develop courageous followers by modeling courage in their own behavior and by helping people practice courage.

One woman who joined an apparel and accessories company as a product manager quickly learned that the representatives of one of the company's vendors were rude, dishonest, and manipulative. However, the two organizations had long-standing ties, including a friendship between two of the managers. Rather than pushing to replace the vendor right away, this leader spent several months gathering evidence of the problems, and identifying alternative suppliers and how their products were superior to the troublesome vendor. When she finally made her presentation, her boss responded positively to a request to replace the vendor.[84] Good leaders remind themselves that dealing with difficult ethical issues is a crucial part of their jobs.

Remember This:

- A lack of courage allows greed and self-interest to overcome concern for the common good. **Workplace courage** is the mental and moral strength to perform a work-relevant act for a worthy cause despite the threat of personal loss or pain.

- Courage doesn't mean the absence of doubt, confusion, or fear, but the ability to act in spite of them when it is necessary for the greater good.

- Courageous leaders accept and learn from failure and mistakes, lay the groundwork for change by being prepared, push beyond their comfort zone, and are willing to speak out and fight for a higher purpose.

- The **Abilene Paradox** is the tendency of people to resist voicing their true thoughts or feelings in order to please others and avoid conflict.

- Two expressions of courage in organizations are moral leadership and ethical whistleblowing.

- **Whistleblowing** is employee disclosure of illegal, immoral, or unethical practices in the organization.

- Sources of courage include belief in a higher purpose, connection with others, harnessing anger, and developing courage step by step.

- U.S. Senator Elizabeth Warren channeled her anger at injustice to fuel an expensive and daunting campaign for the Democratic presidential nomination in 2020.

Discussion Questions

1. What are some pressures you face as a student that challenge your ability to do the right thing? Do you expect to face more or fewer pressures as a leader? Discuss what some of these pressures might be.

2. If most adults are at a conventional level of moral development, what does this mean for their potential for moral leadership?

3. How might understanding the difference between "fear" and "F.E.A.R.," as described in the chapter, make you a better leader? Can you name an example from your own life of "false evidence appearing real"?

4. One finding is that when leaders are under stress so that fear and risk increase, they tend to revert to an authoritarian, command-and-control style. As a leader, how might you find the courage to resist this tendency?

5. The Wells Fargo Bank false accounts situation described in the chapter went on for years before being exposed. What is your explanation for why this unethical situation was not exposed earlier?

6. Should serving others be placed at a higher moral level than serving oneself? Discuss.

7. If it is immoral to prevent those around you from growing to their fullest potential, are you being moral? Explain.

8. Look at the list in Exhibit 6.2. Which item would be easiest for you to perform? Which would be hardest? Explain why.

9. Self-driving cars may be taking over the road in a few years. The cars' computers may have to be programmed to make ethical decisions, such as whether to prioritize passengers versus pedestrians in an accident or saving older versus younger people. Who should make these kinds of decisions in the cars' programming? Discuss.

10. A consultant recently argued that the emphases on scrupulously honest corporate governance and more social responsibility have distracted leaders from key business issues such as serving customers and beating competitors. Do you agree? Discuss whether leaders should put business issues first or ethical issues first.

Leadership Skill-Building Exercises

Role Play: What's the Big Deal?

Background: Melinda Chan is the manager of Frantz Office Furniture, a successful office furniture retailer in Phoenix. With the tough economy because of COVID-19 office closures, office furniture sales have declined. When companies do shop, they often go online, and Frantz's Web site is not as easy to navigate as those of the bigger office suppliers are. Therefore, Frantz needs every member of the sales team working at top speed. William Atwood has been with Frantz for three years and is the top salesperson. Frantz cannot afford to lose him now, but there is a serious ethical problem that can be avoided no longer.

In Class or Online (as indicated by your instructor): Form into groups of three. One person will play the role of Melinda and one the role of William. The third person is an observer and will provide feedback after the role players finish. Each person read only your confidential role, but the observer should read both. Spend five minutes reading and preparing and ten minutes on the role-play.

   Confidential information for Melinda: Two sales reps in your retail furniture store have complained to you about William, your star sales associate. William is responsible for 35 percent of the sales of the seven-member sales team, so he is truly gifted and a hard worker. Nevertheless, these two reps have each told you a similar story: that William cuts ethical corners to make so many sales. William confided to them that he would give unauthorized discounts to make a sale, and then remove the discount for billing purposes because the purchaser normally did not see the invoice, which went to accounting. He also admitted to substituting a cheaper model of furniture that the buyer would typically not notice. Moreover, one time he "took care of" the purchasing manager. Both reps said they told William his behavior was unethical, but he said it works for him during a tough time and they should consider doing the same things to increase their sales. This behavior is opposite Frantz's written value statement about absolute honesty with customers. Frantz's reputation would be hurt badly if William's behavior were revealed to companies in the area. You've called in William to talk about this. The last thing you need is a blemished reputation or a lawsuit. You want to make your expectations clear to him. However, you also don't need sales figures that don't include William's contribution. So you really hope he doesn't get angry and quit.

   Confidential information for William: You love your job and you are a very good salesperson. No one can even get close to you on sales. You have had two job offers in the past few months, but you love this place, the people, and the location. In addition, you just love selling office furniture. Prior to COVID, you loved making office calls and getting to know people in the companies around Phoenix. In the past six months, your sales have made up over one-third of the total—and there are six other sales associates. For three years in a row, you've gotten salesperson of the year. Now there's some trouble brewing and you have to go talk to the boss. But it's all a tempest in a teapot. Everyone knows how you love making a sale. That's just how you are made. Therefore, what if you cut a corner here and there—only when needed to make the sale, and besides, what people don't know does not hurt them. Really, doesn't more sales make the workplace tolerable and more fun? Other sales reps should do what you do if necessary to get the sale. The other reps should not blame you for their problems. Nothing you have done is a crime. You will explain it all to Melinda, because she knows how important sales are right now. Just let her leave you alone so you can keep those sales coming.

   After the role play, discuss these questions:

1. How should a leader approach a salesperson about a possible ethical infraction?

2. When you have a "star" performer, is it reasonable for a leader to bend the rules of acceptable behavior? What if *not* bending the rules means losing William and possibly going out of business?

3. When ethics and profits collide, what is the right course of action to take? Is a statement of values to be treated as real or is it more for show?

Scary Person

Think of a person in your life right now who is something of a scary person for you. Scary people are those you don't really know but who are scary to you because you anticipate that you won't like them, perhaps because you don't like the way they act or look from a distance, and hence you avoid building relationships with them. A scary person might be a student at school, someone at work, a neighbor, or someone you are aware of in your social circle.

Scary people trigger a small amount of fear in us—that is why we avoid them and don't really get to know them. A test of courage is whether you can step through your fear. You will experience fear many times as a leader.

For this exercise, your assignment is to reach out to at least one scary person in your life. Invite the person for lunch or just walk up and introduce yourself and start a conversation. Perhaps you can volunteer to work with the person on an assignment. The key thing is to step through your fear and get to know this person well enough to know what they are really like.

After you have completed your assignment, share what happened with another person. Were you able to reach out to the scary person? What did you discover about the scary person? What did you discover about yourself by doing this activity? If you found the exercise silly and refused to do it, you may have let F.E.A.R. get the better of you by rationalizing that the assignment has little value.

In Class or Online (optional as indicated by your instructor): The instructor can give this assignment to be done prior to a specific class session. During class it is a good exercise for students to discuss their scary person experiences among themselves in small groups. The instructor can ask students to report to their groups about the scary person, revealing as many details as they are comfortable with, explaining how they summoned the courage to reach out, and the result. After the groups have finished their exchange, the instructor can ask a couple of student volunteers to report their experiences to the entire class. Then students can be asked questions such as: Looking back on this experience, what is courage? How was it expressed (or not) in this exercise? How will fear and courage be part of your organizational leadership?

Leadership Skills Application: Cases for Analysis

Quaid International

The sudden heart attack of his predecessor, Bill Andrews, propelled Russell Hart into a temporary top management assignment for Quaid International in the company's new Middle East Division in Riyadh, Saudi Arabia. Quaid management had targeted Saudi as a must-have division and was enthusiastic about the expansion.

After six months of a one-year assignment in Riyadh with travel throughout the Middle East, Russell was making a brief trip to Dallas to report at the semi-annual board meeting before returning to Saudi. He understood that in addition to his assessment of the company's situation in the region, a portion of the board meeting would focus on the improved health of Andrews and, based on that, a determination would be made as to whether he or Bill Andrews would have the permanent assignment at the end of the year. The two were close friends and had

corresponded regularly over the past months, and Russell looked forward to Bill's full recovery and return to work. However, single, and adventurous by nature, Russell enjoyed the company's top assignment and hoped to impress management at the meeting so that he would be named director of the Middle East Division.

"Here's where my personal ambitions and my personal ethics collide," Russell admitted to his assistant Christopher Dunn as the Quaid corporate jet left Riyadh. "I mean, look at all of this. It's a dream job. It's *my* dream job and I can do this. If anyone had told me back in high school in Nebraska that I would be on a corporate jet flying from Saudi Arabia, I'd have laughed them out of Sidney."

"Excuse me, Russell, would you and Christopher care for anything to drink?" the cabin attendant asked.

"Yes, a *Jameson*," Russell said.

"Same here," Christopher added.

As the attendant walked away, Russell leaned over, speaking quietly. "Corporate is *so* enthusiastic about this region. They are expecting nothing short of a glowing report that basically says, 'Wow, we really hit the jackpot with this move.' And that's what we've put together here over the past few weeks. It looks fantastic! But my little man in here," he said, pointing to his stomach, "keeps nagging me—do I give them, 'Wow, we hit the jackpot' and become the darling of the company, or do I give them the truth, that we have some potential serious problems with this division . . ."

". . . And hand the job to Bill," Christopher said as the drinks arrived.

"Exactly. By the end of the year, their numbers may look great and they may meet our performance standards, but I have serious problems with the management here. I realize that we're working with a different culture and I can make allowances. I have no problem pacing my day around their prayer obligations. I know to avoid any business during Ramadan or around the two Eids. I've become comfortable meeting a sheikh or *sayyid** and I've even lost my sense of self-consciousness when a businessman holds my hand to lead me into a room. I can deal with all of these things. But there is a level here within the organization that bothers me and that I think would bother most managers at headquarters and *that's* what I struggle with in this report. Should I be honest?"

"Well, you know—honesty is the best . . ."

"Don t say it. This is my career we're talking about."

"OK, what do you want to add—or *not* add?"

"The major problem here is Youssef Said," Russell said.

"I know. But I think I would stay away from mentioning that. The company loves the guy. Bill Andrews has been his champion because of excellent results, at least in the short run."

"I don't agree. And I think they won't when they see him in action. I don't understand why Bill supports him."

"They've *seen* him in action," Christopher said.

"Oh, they've seen what he *wants* them to see. You and I have seen his interaction with staff and employees on a daily basis. His mistreatment of people is appalling. I see a total disregard for the opinions of others, and he seems to take considerable pleasure in humiliating people. He screams at them! A few have quit. I've questioned him about it a couple of times and all he says is, 'I know. Please understand . . .'"

"It is the way it is done here," Christopher said, completing the phrase the two heard on a regular basis.

"I *don't* believe it is the way it's done here. It's not our culture, at least not in the U.S. and Europe. I think this has always been *his* way. I wonder about the effects on morale, and I think the people who work here will believe the company is in agreement with him and that this is our policy," Russell said. "Youssef has that little inner circle of family and friends that he trusts and really nothing beyond that. To me, it seems he's always working a deal, bending a rule. I know that Arabs love to trade and love to negotiate, but there are too many favors, too many unwritten agreements and payments, and I wonder if we should intervene. I wonder if international laws or the company's own ethics are being set aside. I have serious doubts that this guy is going to work with the Quaid culture and our company ethics. But do I need to include my concerns in this initial report . . ."

"Or will you just be busting the board's bubble, and raise doubts about Bill, or perhaps they will doubt you and risk your shot at the job you want?"

"On the other hand, if I am seeing what I consider severe long-term problems and say nothing now, in this report, and the problems show up later, will *I* be guilty of breaking a code of ethics?" Russell paused. "So, Christopher, what do I say tomorrow at the board meeting?"

Questions

1. What do you think Russell Hart should include in his report about Youssef Said? Why? What would you do in his position?

2. What amount or kind of courage will be required for Hart to disclose everything honestly? How would you advise Hart to acquire that courage?

3. At which stage of Kohlberg's moral development scale would you place Youssef Said, Russell Hart, and Bill Andrews? Why?

Notes: *Descendant of the Prophet Muhammad

A Tale of Two Islands

There was an island, and on this island there lived a girl. A short distance away there was another island, and on this island there lived a boy. The boy and the girl were very much in love with each other.

The boy had to leave his island and go on a long journey, and he would be gone for a very long time. The girl felt that she must see the boy one more time before he went away. There was only one way to get from the island where the girl lived to the boy's island, and that was on a ferryboat that was run by a ferryboat captain. And so the girl went down to the dock and asked the ferryboat captain to take her to the island where the boy lived. The ferryboat captain agreed and asked her for the fare. The girl told the ferryboat captain that she did not have any money. The ferryboat captain told her that money was not necessary: "I will take you to the other island if you will stay with me tonight."

The girl did not know what to do, so she went up into the hills on her island until she came to a hut where a hermit lived. We will call him the first hermit. She related the whole story to the hermit and asked for his advice. The hermit listened carefully to her story, and then told her, "I cannot tell you what to do. You must weigh the alternatives and the sacrifices that are involved and come to a decision within your own heart."

And so the girl went back down to the dock and accepted the ferryboat captain's offer. The next day, when the girl arrived on the other island, the boy was waiting at the dock to greet her. They embraced, and then the boy asked her how she got over to his island, for he knew she did not have any money. The girl explained the ferryboat captain's offer and what she did. The boy pushed her away from him and said, "We're through. That's the end. Go away from me. I never want to see you again," and he left her.

The girl was desolate and confused. She went up into the hills of the boy's island to a hut where a second hermit lived. She told the whole story to the second hermit and asked him what she should do. The hermit told her that there was nothing she could do, that she was welcome to stay in his hut, to partake of his food, and to rest on his bed while he went down into the town and begged for enough money to pay the girl's fare back to her own island.

When the second hermit returned with the money for her, the girl asked him how she could repay him. The hermit answered, "You owe me nothing. We owe this to each other. I am only too happy to be of help." And so the girl went back down to the dock and returned to her own island.

Questions

1. List in order the characters in this story that you like, from most to least. What values governed your choices?

2. Rate the characters on their level of moral development. Explain.

3. Evaluate each character's level of courage. Discuss.

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Creating Vision and Purpose

Chapter Outline

Your Leadership Challenge

After reading this chapter, you should be able to:

7-1 Explain the relationship among vision, mission, strategy, and mechanisms for execution.

7-2 Define vision and its impact on an organization.

7-3 Describe the types and importance of personal visions held by employees.

7-4 Describe four basic approaches for framing a noble purpose that followers can believe in.

7-5 Explain the role of strategic management for executing the vision.

7-6 Apply the elements of effective strategy.

Gerry Anderson once thought all the talk about purpose was a bunch of simplistic nonsense. Anderson focused mostly on creating economic value when he first became president of DTE Energy. When the 2008 recession hit, Anderson knew he needed more enthusiasm and commitment from employees. Employee engagement scores were among the lowest in the industry. Board member Joe Robles (who was at that time CEO of USAA) reminded Anderson that a leader's most important job is "to connect people to their purpose."

Anderson began reexamining his assumptions about leadership and decided to create a video showing DTE's truck drivers, plant operators, managers, and others on the job and describing the impact of their work on the well-being of the teachers, factory workers, and health professionals who needed the energy DTE provided. When employees watched the video, some gave it a standing ovation. A few were moved to tears. It was the first time most of them had seen their work appreciated as a meaningful contribution to the greater good. The video served to launch DTE's new statement of purpose: "We serve with our energy, the lifeblood of communities and the engine of progress." Employee energy soared and engagement scores climbed. DTE earned a Gallup Great Workplace Award for five years in a row.[1]

Gerry Anderson led a transformation at DTE by first changing his own assumptions about management and leadership. Rather than looking at employees as "simply factors of production," he began working to build trust with employees and tap into more of their involvement and energy. One of the leader's most important jobs is to articulate and communicate a powerful vision and purpose that will motivate and energize people toward the future and then help them implement the plans that will achieve that future.

In this chapter, we first provide an overview of the leader's role in creating the organization's future by stimulating both vision and action. Then, we examine what vision is and how it serves to link the present to the future, energize people and focus attention, and help people find meaning in their work. The chapter next explores how leaders help people find individual purpose and link it to the broader organizational purpose.The distinction between vision and the organization's mission is also explained. Finally, we discuss how leaders formulate and execute a strategy to achieve the vision.

7-1 The Leader's Job: Looking Forward

Today, most mobile phones and many cars come equipped with GPS navigation systems that will guide you to the restaurant, business, or residence you're trying to get to. If you take a wrong turn, the unit will reset and report something like "recalculating route." That's similar to what leaders do. They look forward to the desired future and recalculate the route when it is necessary to keep the organization thriving.[2] Superior organizational performance is not a matter of luck. It is determined largely by the choices leaders make. Top leaders are responsible for knowing the organization's environment, considering what it might be like in 5 or 10 years, and setting a direction for the future that everyone can believe in. Lorraine Monroe, former principal of the renowned Frederick Douglass Academy in Harlem and founder of the Lorraine Monroe Leadership Institute, refers to a leader as "the drum major, the person who keeps a vision in front of people and reminds them of what they're about."[3]

7-1a Stimulating Vision and Action

On the classic television comedy series "The Andy Griffith Show," one episode is set on the opening day of fishing season. A group of experienced anglers from the town of Mayberry excitedly head to the lake hoping to catch Old Sam, the largest fish in the lake, who has been evading them for years. Novice fisherman Howard Sprague tags along with a bunch of fancy equipment. To everyone's surprise, bumbling Howard catches Old Sam! The townspeople set up a tank on Main Street with the fish in it, and the Raleigh Aquarium wants to put the legendary carp on display. But the excitement quickly turns to despondency. Everyone is moping around town, no longer interested in going fishing now that Old Sam has been caught. At the end of the episode, Howard returns Old Sam to the lake, and people once again feel the excitement of going fishing and realizing their dream of catching the cunning carp.

With Old Sam gone, the anglers of Mayberry had lost an important purpose that motivated them to engage in the sport of fishing. The same thing can happen in organizations when people don't feel that they have something important or meaningful to work toward. Hopes and dreams for the future are what keep people moving forward. Read the story in the *Think on This* box for some insight into the importance of vision as a window to the world that followers may not see.

Effective leaders communicate a vision that taps into dreams for the future and link those dreams with *strategic actions*. Vision provides the *why*, whereas strategic action provides the *how*. Leaders first define a desirable future reality, then they translate that vision into specific goals, objectives, and plans so that

> **Put It Into Practice 7.1**
>
> Think of some current situation related to your family, school, or work for which you want the future to be different than it is today. Write a brief statement of what that future looks like.

Think on This: Opening a Window to a Brighter World

A blind man was brought to the hospital. He was both depressed and seriously ill. He shared a room with another man, and one day asked, "What is going on outside?" The man in the other bed explained in some detail about the sunshine, the gusty winds, and the people walking along the sidewalk. The next day, the blind man again asked, "Please tell me what is going on outside today." The roommate responded with a story about the activities in a park across the way, the ducks on the pond, and the people feeding them. The third day and each day thereafter for two weeks, the blind man asked about the world outside and the other man answered, describing a different scene. The blind man enjoyed these talks, and he grew happier learning about the world seen through the window.

Then the blind man's roommate was discharged from the hospital. A new roommate was wheeled in—a tough-minded businessman who felt terrible, but wanted to get work done. The next morning, the blind man said, "Will you please tell me what is going on outside?" The businessman didn't feel well, and he didn't want to be bothered to tell stories to a blind man. So he responded assertively, "What do you mean? I can't see outside. There is no window here. It's only a wall."

The blind man again became depressed, and a few days later he took a turn for the worse and was moved to intensive care.

What do you think?

Source: Based on a story the author heard at a spiritual service in Santa Fe, New Mexico.

employees know how to move toward the desired future. An old English church-yard saying applies to organizations as it does to life:

> *Life without vision is drudgery.*
>
> *Vision without action is but an empty dream.*
>
> *Action guided by vision is joy and the hope of the earth.*[4]

Exhibit 7.1 illustrates four possibilities of leadership in providing direction. Four types of leaders are described based on their attention to vision and attention to action. The person who is low both on providing vision and stimulating action is *uninvolved*, not really a leader at all. The leader who is all action and little vision is a *doer*. This leader may be a hard worker and dedicated to the job and the organization, but the doer is working blind. Without a sense of purpose and direction, activities have no real meaning and do not truly serve the organization, the employees, or the community. The *dreamer*, on the other hand, is good at providing a big idea with meaning for self and others. Leaders in this category effectively inspire others with a vision, yet they are weak on executing strategic action. The vision in this case is only a dream, a fantasy, because it has little chance of ever becoming reality.

To be an *effective leader*, one both dreams big *and* transforms those dreams into significant strategic action, either through one's own activities or by hiring other leaders who can effectively execute the vision and strategy. For example, Elon Musk had a big dream of somehow growing a rose on Mars, showing it to the world, and inspiring school children. He took action on his inspiring vision of making humanity a multi-planet species by founding Space Exploration Technologies Corporation (called SpaceX), and has shaken up the space industry with a fleet of private rockets. From NASA's Kennedy Space Center in Florida in late April 2021, SpaceX launched its third crew flight in less than a year, carrying four astronauts from Japan, France, and the United States to the International Space Station in a first-of-its-kind flight using a recycled rocket and capsule. Musk continues to implement strategic actions to attain his goal of building a colony of thousands on Mars by as early as 2040.[5]

> **Put It Into Practice 7.2**
>
> Practice thinking strategically by defining two different strategic actions that could be undertaken for the vision you created for Put It Into Practice 7.1.
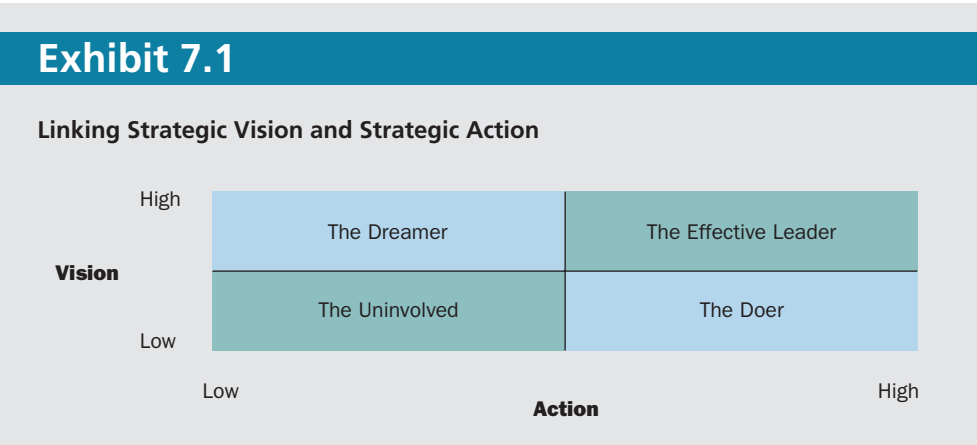
Exhibit 7.1

Linking Strategic Vision and Strategic Action

Vision	Low ← Action → High	
High	The Dreamer	The Effective Leader
Low	The Uninvolved	The Doer

Source: Based on William D. Hitt, *The Leader-Manager: Guidelines for Action* (Columbus, OH: Battelle Press, 1988), p. 7.

7-1b Decide Strategic Action

Strategic leadership means the ability to anticipate and envision the future, maintain flexibility, think strategically, and work with others to initiate changes that will create a competitive advantage for the organization in the future.[6] In a fast-changing world, leaders are faced with a bewildering array of complex and ambiguous information, and no two leaders will see things the same way or make the same choices.

The complexity of the environment and the uncertainty of the future can overwhelm a leader. In addition, many leaders are inundated with information and overwhelmed by minutiae. They may have difficulty finding the quiet time needed for "big-picture thinking." Routine day-to-day activities take up most of their time. One study found that, on average, senior executives spend less than 3 percent of their energy on building a corporate perspective for the future.[7] Yet no organization can thrive for the long term without a clear viewpoint and framework for the future.

Exhibit 7.2 illustrates the levels that make up the domain of strategic leadership. Strategic leadership is responsible for the relationship of the external environment to choices about vision, mission, strategy, and their execution.[8] At the top of Exhibit 7.2 is a clear, compelling vision of where the organization wants to be in 5 to 10 years. A vision is an aspiration for the future and answers the question "Where are we headed?"[9] The vision works in concert with the company's mission—its core values, purpose, and reason for existence. Mission answers the question, "Who are we as an organization?" The next level in Exhibit 7.2, strategy, responds to the question, "How do we achieve the vision?" Strategy provides direction for translating the vision into action and is the basis for the development of specific mechanisms to help the organization achieve goals. Execution specifies "What do we do right now?" Strategies are intentions, whereas execution is through the basic organizational architecture (structure, incentives) that makes things happen. Each level of the hierarchy in Exhibit 7.2 supports the level above it. Each part of this framework will be discussed in the remainder of this chapter.

Strategic leadership the ability to anticipate and envision the future, maintain flexibility, think strategically, and initiate changes that will create a competitive advantage for the organization in the future

Exhibit 7.2

The Domain of Strategic Leadership

Where are we headed? — Vision

Who are we? — Mission

How do we get there? — Strategy

What do we do right now? — Mechanisms for execution
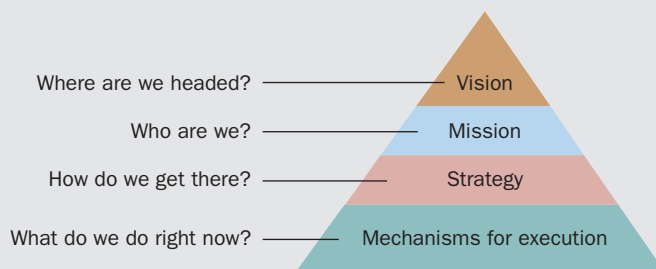
Remember This:

- Leaders establish organizational direction through vision and strategy. They are responsible for studying the organization's environment, thinking about how the organization could look in the future, and setting a vision everyone can believe in.
- Effective leaders communicate a vision that taps into dreams for the future and link those dreams with *strategic actions*. Vision provides the *why*, whereas strategic action provides the *how*.
- Elon Musk's vision for SpaceX is to make humanity a multi-planet species. He has taken significant action steps toward his desired future.
- **Strategic leadership** is the ability to anticipate and envision the future, maintain flexibility, think strategically, and initiate changes that will create a competitive advantage for the organization in the future.
- Leaders make a real difference for their organizations when they link vision to strategic action, so that vision is more than just a dream. Superior organizational performance is not a matter of luck. It is determined by the decisions leaders make.

7-2 Leadership Vision

Vision

a vivid mental image of what the organization will accomplish in the future

A **vision** is a vivid mental image of what the organization will accomplish in the future. The vision provides an ambitious view of the future that everyone involved can believe in, one that can realistically be achieved, yet one that offers a future that is better in important ways than what now exists.[10] Strong, inspiring visions have been associated with higher organizational performance and greater employee motivation and satisfaction.[11] Some organizations have brief, compelling, and slogan-like visions. Examples include Coca-Cola's "A Coke within arm's reach of everyone on the planet," IKEA's "Create a better everyday life for many people," and Komatsu's "Encircle Caterpillar." General Motors' new vision is to sell only zero-emission vehicles by 2035 and create a safer, greener, and better world.[12] These visions can be easily communicated and understood by everyone in the organization and serve to motivate all employees.

Exhibit 7.3 lists a few more brief vision statements that let people know where the organization wants to go in the future. Not all successful organizations have such short, easily communicated slogans, but their visions are powerful because leaders paint a compelling picture of where the organization wants to go. The vision expressed by civil rights leader Martin Luther King, Jr., in his "I Have a Dream" speech is a good example of how leaders paint a vision in words. King articulated a vision of racial harmony, where discrimination was nonexistent, and he conveyed the confidence and conviction that his vision would someday be achieved. Courage and conviction are characteristics of successful visionary leaders. Vision isn't magic; it relies on skills and qualities that leaders can develop.

Exhibit 7.3

Examples of Brief Vision Statements

- **McDonald's:** Be the best quick service restaurant experience.
- **Nike:** Bring inspiration and innovation to every athlete* in the world. (*If you have a body, you are an athlete.)
- **Oxfam:** A world without poverty.
- **Zoom:** Video communications empowering people to accomplish more.
- **Four Seasons:** Be recognized as the company that manages the finest hotels, resorts, and residence clubs wherever we locate.
- **BAE Systems (defense company):** To protect those who protect us.
- **Patagonia:** Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.

Sources: These examples are from Stephanie Ray, "A Guide to Writing the Perfect Vision Statement (with Examples)," *ProjectManager* (May 16, 2018), www.projectmanager.com/blog/guide-writing-perfect-vision-statement-examples (accessed April 15, 2021); "About Us," Zoom Web site, https://zoom.us/about (accessed April 26, 2021); "Four Seasons Service Culture," Four Seasons Web site, www.fourseasons.com/about_four_seasons/service_culture/ (accessed April 26, 2021); and "We Protect Those Who Protect Us," *York Daily Record* (May 12, 2010), www .ydr.com/ci_15067292 (accessed May 16, 2013).

Leaders in nonprofit organizations also create visions so people know where the organization wants to go. For example, leaders at the Greater Chicago Food Depository have a vision of transforming the nonprofit agency from an organization that just feeds the hungry to one that helps end hunger. The agency sponsors an intense 12-week program aimed at teaching low-income, low-skilled workers the basics of cooking, along with life skills such as punctuality, teamwork, commitment, and personal responsibility, with the goal of landing each person a good job. The vision of helping people change their lives has energized employees in a way that simply providing food to low-income clients never did.[13] Vision is just as important for nonprofit agencies like the Greater Chicago Food Depository, the United Way, and the Salvation Army as it is for businesses such as Coca-Cola, Google, or General Motors. Indeed, nonprofits sometimes need vision even more than do businesses, since they operate without the regular feedback provided by profit and loss.[14]

In Exhibit 7.4, vision is shown as a guiding star, drawing everyone along the same path toward the future. Vision is based in the current reality but is concerned with a future that is substantially different from the status quo.[15] Taking the team or organization along this path requires leadership. Compare this to rational management (as described in Chapter 1), which often leads to the status quo.

7-2a Vision Links the Present to the Future

Vision connects what is going on right now with what the organization aspires to. A vision is always about the future, but it begins with the here and now.[16] For example, Walmart has a vision of a future where the company's brick-and-mortar superstores, which Walmart started building in the 1980s, are the

Put It Into Practice 7.3

Write a draft of a concise vision statement like the ones in Exhibit 7.3 for an organization with which you are familiar.

Exhibit 7.4

The Nature of the Vision
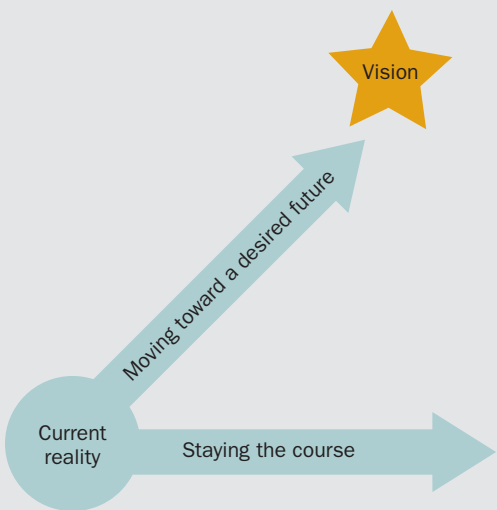
Source: Based on William D. Hitt, *The Leader-Manager: Guidelines for Action* (Columbus, OH: Battelle Press, 1988).

Leadership Practice: Know Yourself 7.1

My Personal Vision

How much do you think about the positive outcomes you want in your future? Do you have a personal vision for your life? Indicate whether each of the following items is Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. I can describe a compelling image of my future.	_____	_____
2. Life to me seems more exciting than routine.	_____	_____
3. I have created very clear life goals and aims.	_____	_____
4. I feel that my personal existence is very meaningful.	_____	_____
5. In my life, I see a reason for being here.	_____	_____
6. I have discovered a satisfying "calling" in life.	_____	_____
7. I feel that I have a unique life purpose to fulfill.	_____	_____
8. I will know when I have achieved my purpose.	_____	_____
9. I talk to people about my personal vision.	_____	_____
10. I know how to harness my creativity and use my talents.	_____	_____

Scoring and Interpretation

Add the number of Mostly True answers for your score: _____. A score of 7 or above indicates that you are in great shape with respect to a personal vision. A score of 3 or below would suggest that you have not given much thought to a vision for your life. A score of 4–6 would be about average.

Creating a personal vision is difficult work for most people. It doesn't happen easily or naturally. A personal vision is just like an organizational vision in that it requires focused thought and effort.

Sources: The ideas for this questionnaire were drawn primarily from Chris Rogers, "Are You Deciding on Purpose?" *Fast Company* (February–March 1998), pp. 114–117; and J. Crumbaugh, "Cross-Validation of a Purpose-in-Life Test Based on Frankl's Concepts," *Journal of Individual Psychology* 24 (1968), pp. 74–81.

heart of a web of businesses that serve people in multiple ways, including an e-commerce marketplace, pickup and delivery, financial services, advertising, and health care. Walmart has already become the second-largest online retailer, has built a robust grocery pickup business, is rapidly expanding health care clinics in its stores and selling health insurance plans, and has hired two Goldman Sachs bankers to help it become a one-stop-shop for consumers' financial needs.[17]

In organizations, the pressures to meet deadlines, make the big sale, solve immediate problems, and complete specific projects are very real. Some have suggested that leaders need "bifocal vision," the ability to take care of the needs of today and meet current obligations while also aiming toward dreams for the future.[18]

7-2b Vision Energizes People and Focuses Attention

When people have a clear picture of where the organization wants to be in the future, they can help take it there.[19] Many people commit their time and energy voluntarily to projects they believe in—a political campaign, community events, or environmental causes, for example. These same people often leave their energy and enthusiasm at home when they go to work because they don't have anything to inspire them. A powerful vision can provide people with a challenge that requires them to give their best. A story that illustrates this aspect of vision is about three stonecutters who were asked what they were doing: One said, "I'm making a living for myself and my family." The second one said, "I am cutting stone." The third stonecutter said, "I'm building a cathedral."

A clear vision lets people know what they should be doing and, just as importantly, what they *should not* be doing. Sometimes, what is left out or "not done" is just as valuable as what is done for building the desired future.[20] For example, General Motors' vision of selling only vehicles that have zero tailpipe emissions by 2035 means phasing out the development and production of all petroleum-powered cars and trucks at facilities around the world. GM chairman and CEO Mary Barra says the company is committed to working with other organizations around the globe "to establish a safer, greener, and better world."[21]

7-2c Vision Gives Meaning to Work

Vision transcends the bottom line to provide employees with a sense of meaning and purpose. People are generally not willing to make emotional commitments just for the sake of increasing profits, but they are often eager to commit to something truly worthwhile, something that makes life better for others or improves their communities.[22] Consider Henry Ford's original vision for Ford Motor Company:

> *I will build a motor car for the great multitude.... It will be so low in price that no man making a good salary will be unable to own one and enjoy with his family the blessings of hours of pleasure in God's open spaces.... When I'm through, everybody will be able to afford one, and everyone will have one. The horse will have disappeared from our highways, the automobile will be taken for granted [and we will give many people] employment at good wages.[23]*

Employees were motivated by Ford's vision because they saw an opportunity to make life better for themselves and others.

> ❝ If you want to build a ship, don't drum up the people to gather wood, divide the work, and give orders. Instead, teach them to yearn for the vast and endless sea."
>
> Attributed to Antoine de Saint-Exupéry (1900–1944)

People want to find significance and dignity in their work. Even employees performing routine tasks can find pride in their work when they have a larger purpose for what they do—an insurance clerk who thinks of the job as helping victims of fire or burglary put their lives back in order will feel very differently than one who thinks of the job as "processing insurance claims."[24] When John F. Kennedy announced a vision for NASA to send a man to the moon by the end of the 1960s, NASA had only a small amount of the knowledge it would need to accomplish the feat. NASA leaders communicated the inspiring vision in such a way that people building electrical circuits, mopping floors, or performing other small tasks saw their work differently: "I'm not mopping the floors, I'm putting a man on the moon! I'm advancing science."[25]

Leadership Practice: Know Yourself 7.2

Visionary Leadership

Instructions: Think about a situation in which you either assumed or were given a leadership role in a group. Imagine your own behavior as a leader. To what extent do the following statements characterize your leadership? Indicate whether each of the following items is Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. I have a clear understanding of where we are going.	_____	_____
2. I work to get others committed to our desired future.	_____	_____
3. I initiate discussion with others about the kind of future I would like us to create together.	_____	_____
4. I show others how their interests can be realized by working toward a common vision.	_____	_____
5. I look ahead and forecast what I expect in the future.	_____	_____
6. I make certain that the activities I manage are broken down into manageable chunks.	_____	_____
7. I seek future challenges for the group.	_____	_____
8. I spend time and effort making certain that people adhere to the values and outcomes that have been agreed on.	_____	_____
9. I inspire others with my ideas for the future.	_____	_____
10. I give special recognition when others' work is consistent with the vision.	_____	_____

Scoring and Interpretation

The odd-numbered questions pertain to creating a vision for the group. The even-numbered questions pertain to implementing the vision. Calculate your score for each set of questions. Which score is higher? Compare your scores with those of other students.

This questionnaire pertains to two dimensions of visionary leadership. Creating the vision has to do with whether you think about the future, whether you are excited about the future, and whether you engage others in the future. Implementing the vision is about the extent to which you communicate, allocate the work, and provide rewards for activities that achieve the vision. Which of the two dimensions is easier for you? Are your scores consistent with your understanding of your own strengths and weaknesses? What might you do to improve your scores?

Remember This:

- The **vision** is a vivid mental image of what the organization will accomplish in the future. It provides an ambitious view of the future that can realistically be achieved yet offers a future that is better in important ways than what now exists.
- Examples of short vision statements are McDonald's "Be the best quick service restaurant experience" and Nike's "Bring inspiration and innovation to every athlete in the world."
- Effective visions link the present to the future, energize people and focus attention, and give meaning to work.
- Walmart leaders formulated a vision of a future where the company's brick-and-mortar superstores, which Walmart started building in the 1980s, are the heart of a web of businesses that serve people in multiple ways, including an e-commerce marketplace, pickup and delivery, financial services, advertising, and health care.

7-3 Leaders Ignite Individual Purpose in Others

Researchers at the elite global management consulting firm, McKinsey & Company, discovered how important it is for organizations to get people to think about their individual "purpose in life."[26] Indeed, the intersection of organization purpose and individual purpose enable the fueling of each other through the employee experience. Bringing individual purpose into the equation enables people to work for an organization whose mission and values resonate with them intellectually and emotionally.[27]

Yet research indicates that many companies are doing a poor job of giving people a sense of connectedness. In one survey, more than half of respondents were not even "somewhat" motivated, passionate, or excited about their jobs, and just 28 percent said they felt fully connected to their company's purpose.[28] A lack of purpose and direction drains employee energy and motivation and impedes performance.

In contrast, when leaders help people find their own individual purpose and link it to the broader organization's purpose, employees are more engaged and committed. They get more meaning from their jobs, making them more motivated and productive, which translates into higher organizational performance. Research from McKinsey shows a positive correlation between employee purposefulness and their companies' EBITDA margin.[29]

7-3a Types of Individual Purpose

People who have a strong individual purpose have a greater sense of well-being, are more resilient and recover better from negative or stressful events, and typically live longer and healthier lives. Research conducted during the COVID-19 pandemic found that when comparing people who say they are "living their purpose" at work with those who say they are not, the former reported levels of well-being that are *five times* higher than the latter, and they were four times more likely to report higher engagement levels.[30]

> **Put It Into Practice 7.4**
>
> **Think of a higher purpose for a routine task for which you are responsible. Write down that higher purpose.**

Individual purpose is a predominant sense of what matters in our lives and what is personally meaningful and valued.[31] Most of us, if asked, would say we have purpose, but few of us can clearly identify or express it. Leaders can help people find their individual purpose and then make sure individual and organizational purpose are connected and mutually reinforcing. McKinsey & Company developed a model of nine types of individual purpose based on a survey asking about the life values of hundreds of individuals representing different genders, ages, ethnicities, and educational levels. Their results suggest that any individual's purpose maps onto one or a combination of nine categories of values that research has found to be universal, shown in Exhibit 7.5.

In Exhibit 7.5, the vertical axis reflects whether people direct their activities toward themselves (agency) or toward other people (integration), while the horizontal axis reflects the underlying motives for people's activities—whether to expand their sense of self or to cooperate and unite with others. The individual squares show the nine universal values.

While your individual purpose might fall quite closely within one of the categories, such as achievement, conservation, enjoyment, caring, or equality and justice, it most likely arises from a combination of them. Everyone has access to all nine of the values, but the exact mix is unique to each individual. The following paragraphs describe three common patterns of individual purpose that reflect various combinations of the values shown in Exhibit 7.5.[32]

Exhibit 7.5

Nine Types of Individual Purpose
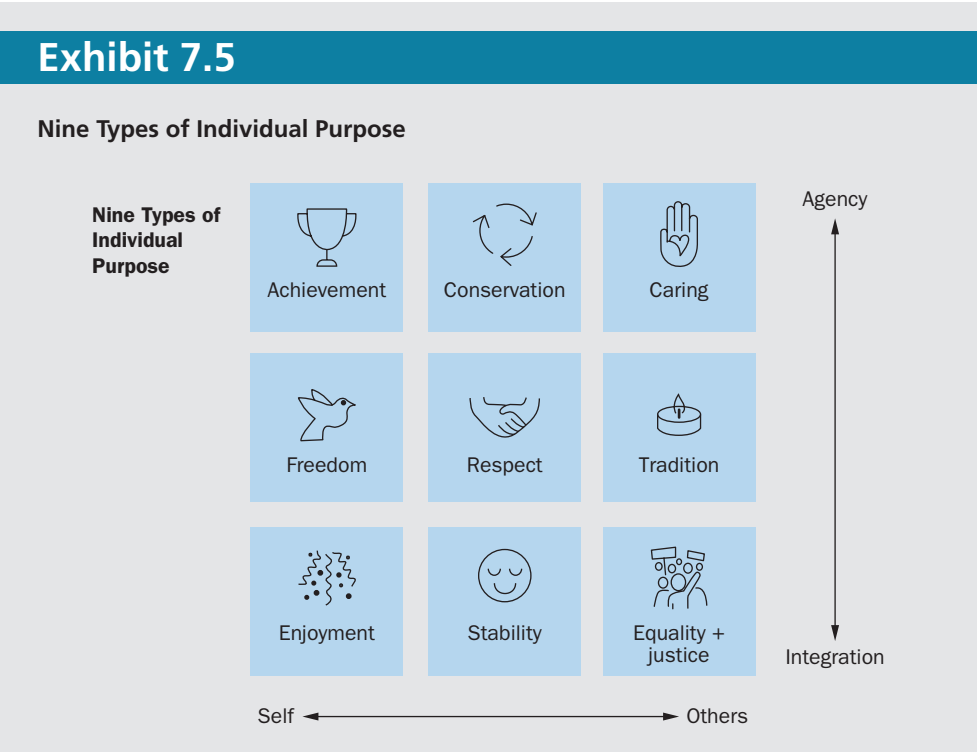
Source: "Nine Types of Individual Purpose," in Naina Dhingra, Jonathan Emmett, Andrew Samo, and Bill Schaninger, "Igniting Individual Purpose in Times of Crisis," *McKinsey Quarterly* (August 18, 2020), www.mckinsey.com /business-functions/organization/our-insights/igniting-individual-purpose-in-times-of-crisis (accessed April 19, 2021).

- **The Achiever** For achievers, purpose is found in accumulating social and material resources. The primary values of achievers are achievement and tradition, with secondary values of respect and enjoyment. Achievers look for opportunities to increase their earnings and gain stature in the eyes of others, opportunities for fun and excitement, and opportunities to impress others by being the authority on a subject. They dislike being in situations where they lack influence in a group or feel invisible. They may also avoid facing high-risk situations because of the fear of failure and potential humiliation.
- **The Free Spirit** Free spirits typically find meaning in situations where they can control what they do and when they do it. The primary value of free spirits is freedom, with secondary values of respect and tradition. They like working independently while having opportunities to test ideas with others, and they like choosing how they accomplish goals. Free spirits hate being micromanaged, being stuck with inflexible processes, or being pressured to take actions merely for the sale of increasing productivity.
- **The Caregiver** The caregiver finds meaning in choosing how and when to care for others; they are relatively unconcerned about material gain or about what others think of them. The primary value of the caregiver is caring, with a secondary value of stability. Caregivers like being able to help others and mentor colleagues, and they appreciate a work-life balance that enables them to respond to the needs of family and friends. They like a sense of security and order and dislike uncertainty. Caregivers are unhappy when they don't have a chance to interact with colleagues.

> **Put It Into Practice 7.5**
> Study the nine individual purposes in Exhibit 7.5. Interpret the meaning of each purpose the best you can. Select the three that are most like you and rank order them as 1, 2, and 3. Number one is your primary purpose; two and three are secondary.

7-3b The Leader's Role: Aligning Purposes

Leaders can use an understanding of individual purpose to expand their own and their employees' fulfillment at work and improve individual and organizational performance. Consider the following research finding. Researchers interviewed members of the janitorial staff at a large hospital to find out why some employees were so much more enthusiastic than others. They found that those who perceived their jobs as helping to heal the sick or helping family members through a difficult time were more satisfied and motivated. One woman, for example, would swap around the pictures on the walls of comatose patients' rooms because she believed changes in the environment might speed recovery. She took the initiative to talk to other patients or their families to cheer them up or distract them from the uncertainty they were facing.[33]

The employee just described was engaging her own individual purpose in her work. What would happen if every employee could serve their individual purpose while also serving the needs of the organization? Employees and the organization both benefit when leaders can engage people in individual purpose within the organization. People feel positive, energized, and motivated when they get psychological fulfillment and feel pride and dignity in their work.

Leaders can provide opportunities for open and honest discussions about purpose—their own, those of their employees, and that of the organization. By openly talking on a regular basis about purpose, meaning, and what people want and need from their jobs, leaders help people define their purpose and find ways to enable them to live it more fully at work.[34] For an employee who values the freedom to learn and grow, a leader might want to empower the person to try new

ideas for serving customers without requiring multiple layers of oversight. A team member who values tradition might be given opportunities to plan important team or organizational events. Those whose purpose is aligned with values of equality and opportunity for others can be more actively involved in activities and projects where the organization is helping the community.

At Microsoft, leaders encourage all employees to define and live their own individual purpose, and they continually look for ways to align individual and organizational purpose. Soon after becoming CEO, Satya Nadella worked with leaders to formulate a new Microsoft mission: "Empower everyone and every organization on the planet to achieve more." As Joe Whittinghill, the company's vice president of talent, learning, and insights, says, "An authentic purpose inspires a collective 'we' mindset within employees and organizations. . . . When given a clear purpose that resonates and is easily recalled, employees feel a strong sense of contributing to something worthwhile." However, leaders also took the next step to help employees define and live their personal purpose. Microsoft puts Purpose at the pinnacle of its pyramid, "5 Ps of Employee Fulfillment": Purpose, Pride, People, Perks, Pay.[35]

Remember This:

- **Individual purpose** is a predominant sense of what matters in our lives and what is personally meaningful and valued. Leaders can help people find their purpose and make sure individual and organizational purpose are connected and mutually reinforcing.
- People who have a strong individual purpose have a greater sense of well-being, are more resilient and recover better from negative or stressful events, and typically live longer and healthier lives.
- In one research study, people who said they are "living their purpose" at work were four times more likely to report higher engagement levels than those who said they are not.
- McKinsey & Company created a model of nine types of individual purpose based on values that have been found to be universal.
- Three common patterns of individual purpose are the achiever, the free spirit, and the caregiver.
- Microsoft leaders encourage all employees to define and live their own individual purpose, and they continually look for ways to align individual and organizational purpose.

7-4 Mission

Mission
the organization's core broad purpose and reason for existence

Mission is not the same thing as a company's vision, although the two work together. Recall from Exhibit 7.1 that the mission underlies the vision in the domain of strategic leadership. The **mission** is the organization's core broad reason for existence. It defines the company's core values and reason for being, and it provides a basis for creating the vision. Whereas vision is an ambitious desire for the future, mission is what the organization "stands for" right now going forward.

7-4a What Mission Does

Whereas visions grow and change, the mission persists in the face of changing technologies, economic conditions, or other environmental shifts. It serves as the glue that holds the organization together in times of change and guides strategic choices and decisions about the future. The mission defines the enduring

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Leader's Bookshelf

Start with Why: How Great Leaders Inspire Everyone to Take Action | **by Simon Sinek**

"Every single person, every single organization on the planet knows 'what' they do. Some know 'how' they do it. But very few people or organizations know 'why' they do what they do."

—Simon Sinek

Only a few leaders or organizations have real impact on the world. Simon Sinek says great leaders have great impact because they start with the "why," the foundational vision and mission that inspires employees and teams for profound long-term success.

Build Success from the Bull's Eye

Great leaders start with the "why" to build their organization's message from the inside out.

- **The Golden Circle**. Sinek devised the Golden Circle—three concentric rings in the shape of a target. The "why" is the small bull's-eye in the center; the "how" is the middle ring, and the "what" is that exterior ring.
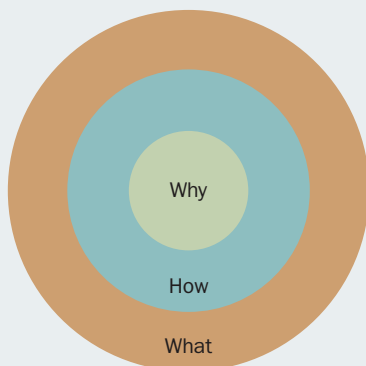
The WHY is the vision and purpose of your team, department, or company as well as your work, service, or product. The why is the mission your organization stands for. The HOW includes the practical operational steps, procedures, and knowledge used to achieve your why and bring the vision to life. The WHAT is the outcome, the work a person does, or the product or service that goes to others. The what is the tangible part of a company and the easiest to understand and identify, but it is superficial.

Unfortunately, most companies and leaders do not start with why. That is because defining "why" is difficult. It involves a lot of introspection, inspiration, visioning, communication, and clarity.

Most companies start with what, the most superficial layer, because it is the easiest to identify and communicate. P&G makes consumer products, Mercedes makes automobiles, and Apple makes smartphones and computers.

- **Manipulation versus Inspiration.** Sinek argues there are two types of leaders: those who manipulate to get to the end result, and those who start with the end result and let everything else naturally fall into place. Without a why, most leaders turn to manipulation to motivate employees. Manipulation involves carrots and sticks, using rewards and fears to reinforce behaviors toward top performance. Manipulations work in

the short term, but they do not create passionate and committed followers. Only inspiration can do that. Inspiration happens when a leader or company shares its why. At that point, the leader is not selling rewards. The leader is selling an idea, a vision and purpose of a significant future. Inspiration causes a person to act from internal will that is fired by an organization's why.

One famous example is Samuel Pierpoint Langley versus Wilbur and Orville Wright. Langley was a successful academic with abundant resources, and he sought fame and glory by developing a flying machine. He wanted the what more than the why. The Wright brothers had almost no resources, but they had a vision to find the secret of flight as an invention to benefit the entire world. Langley walked away from aeronautics after he lost the race. His only interest was in his what rather than in contributing to a higher purpose for others.

We All Need a WHY

Simon Sinek's book reminds us that every worthwhile pursuit is built around a purpose. It is essential to focus on the why, even though people spend most of their time trying to figure out the how and the what. Sinek's TED talk on this book is the third most popular with 34 million views. It all starts with WHY.

Source: *Start with Why: How Great Leaders Inspire Everyone to Take Action,* by Simon Sinek, is published by Portfolio/Penguin.

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character—the spiritual DNA—of the organization.[36] The mission that John D. Rockefeller established for the Rockefeller Foundation—to promote the well-being of humanity throughout the world—still stands more than a century after the organization was founded.[37] For Etsy, the online marketplace for artisans to sell unique products to people around the world, the mission is to reimagine commerce in ways that build a more fulfilling and lasting world.[38]

People are drawn to companies that have a compelling purpose. Companies with strong missions that give people purpose, such as Medtronic's "To restore people to full life and health" or Liberty Mutual Company's "Helping people live safer, more secure lives" typically attract better employees, have better relationships with external parties, and perform better in the marketplace over the long term.[39] This chapter's Leader's Bookshelf describes how leaders can have greater impact by helping followers connect with a strong mission and vision.

When people connect their jobs to a higher cause, the work itself becomes a great motivator. A Gallup organization study found that when employees believe the company's mission makes their job important, they are typically more engaged with their work, feel a greater sense of pride and loyalty, and are more productive. Exhibit 7.6 compares the Gallup results for those who agree that the mission makes their job important to those who do not feel that the mission of the company makes their job important. The differences are quite striking. For example, 60 percent of respondents who agreed that the mission makes their job important reported feeling engaged with their work, whereas none of the respondents who disagreed felt engaged with their work. Sixty-six percent would recommend their company's products or services, compared to only 20 percent of those who did not believe the mission made their job important.[40]

Exhibit 7.6

The Power of a Strong Mission

Percentage of employees who:

Are engaged with work	60% / 0%
Say they are paid appropriately	47% / 10%
Plan to be with the company one year from now	82% / 27%
Would recommend their company as a place to work	63% / 6%
Would recommend the company's products and services	66% / 20%

■ Agree that the company mission makes their job important
■ Disagree that the company mission makes their job important

Source: Susan Ellingwood, "On a Mission," *Gallup Management Journal* (Winter 2001), pp. 6–7.

Typically, the mission is made up of two critical parts: the core values and the core purpose. The *core values* guide the organization "no matter what." The mission also includes the company's *core purpose.* Leaders take care when defining a core purpose so that the organization can grow and change. Consider Zenith and Motorola. Both were once successful makers of televisions, but while Zenith stayed there, Motorola continued to move forward to microprocessors, integrated circuits, and other products and became one of the most highly regarded companies in the world. The difference is that Zenith defined its purpose as "making television sets" whereas Motorola defined its purpose as "applying technology to benefit the public."[41]

The core values and core purpose are frequently expressed in a *mission statement.* Exhibit 7.7 shows the mission and values for Aflac, an insurance company that serves more than 50 million people around the world. Aflac uses the slogan "We've got you under our wing" to encapsulate the company's commitment to be there for policyholders in their time of need.

7-4b A Framework for Noble Purpose

An effective mission statement doesn't just describe products or services; it captures people's idealistic motivations for why the organization exists. Most successful

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Exhibit 7.7

Aflac's Mission and Values

Mission and Values

We pledge to be there for our policyholders in their time of need.

Aflac's philosophy is to combine innovative strategic marketing with quality products and services at competitive prices to provide the best insurance value for consumers.

* Building better value for our shareholders.
* Supplying quality service for our agents.
* Providing an enriching and rewarding workplace for our employees.

Source: http://www.aflac.com/aboutaflac/corporateoverview/ourphilosophy.aspx

companies have missions that proclaim a noble purpose of some type, such as Mary Kay's "to enrich the lives of women," or Walmart's mission "to save people money so they can live better."[42]

Leaders are responsible for framing a noble purpose that inspires and leads followers to high performance and helps the organization maintain a competitive advantage. As management expert Gary Hamel puts it: "A noble purpose inspires sacrifice, stimulates innovation, and encourages perseverance. In so doing, it transforms great talent into exceptional accomplishment."[43] Moreover, a noble purpose uplifts people and gives them a sense that what they are doing matters and makes a positive difference in the world.

Exhibit 7.8 describes four basic approaches leaders take in framing an organizational purpose that can tap into people's desire to contribute and feel that their work is worthwhile.[44] Each of these approaches is described in more detail in the following paragraphs.

Discovery Many people are inspired by the opportunity to find or create something new. Discovery for its own sake can serve as a noble purpose, as it does for employees at Google, where people are energized by the psychic rewards they get from working on intellectually stimulating and challenging technical problems.[45] As another example, leaders at Samsung Electronics reenergized the company by focusing employees on discovery rather than imitation. Today, it is hard to believe that this world-class innovator was once a manufacturer known for cheap, low-quality knockoffs. Samsung invests heavily in research and development and the innovative features in its Galaxy phones threaten Apple's dominance in smartphones. The shift in purpose has led to amazing results at Samsung.[46] This type of purpose inspires people to see the adventure in their work and experience the joy of a pioneering or entrepreneurial spirit.

Excellence With this approach, rather than emphasizing discovery, leaders focus people on being the best, both on an individual and an organizational level.

Exhibit 7.8

A Leader's Framework for Noble Purpose

Purpose	Description	Basis for Action	Examples
Discovery	Finding the new	Pioneer, entrepreneur	Google, 3M, Pfizer, Samsung
Excellence	Being the best	Fulfillment	Berkshire Hathaway, Apple
Altruism	Providing service	Happiness	Warby Parker, Dannon Milk Products, Etsy
Heroism	Being effective	Achievement	Amazon, Southwest Airlines, ExxonMobil

Source: Based on Nikos Mourkogiannis, *Purpose: The Starting Point of Great Companies* (New York: Palgrave Macmillan, 2006); and Nikos Mourkogiannis, "The Realist's Guide to Moral Purpose," *Strategy + Business* 41 (Winter 2005), pp. 42–53.

For these companies, excellence is defined by the work itself rather than by customers. Indeed, organizations that pursue excellence would rather turn customers away than compromise their quality. Consider Apple. The company's iPhones are extremely popular in some countries, but smartphones running Apple's iOS operating system held a 13 percent share of the global market in 2019 compared to 87 percent for those running the Android operating system. The company also continues to build high-quality, cleverly designed computers, yet it holds less than 10 percent of the personal computer market. Leaders would like to increase their share of the market, but they aren't willing to sacrifice their commitment to high quality and what they consider superior technology.[47] In companies with excellence as a guiding purpose, managers and employees are treated as valuable resources and provided with support to perform at their peak. People are motivated by the opportunity to experience intrinsic rewards and personal fulfillment.

Altruism Many nonprofit organizations are based on a noble purpose of altruism because they emphasize serving others, but businesses can use this approach as well. The founders of Warby Parker, the company that gives a pair of eyeglasses to someone in need for every pair sold, say they spent as much time talking about how to build a social mission into a for-profit business as they did about business model, structure, funding, and other start-up issues. Similarly, Blake Mycoskie started Toms with a mission "to improve lives through business," and the company has given away more than 100 million pairs of shoes through its program that gives a pair to someone in need for every pair sold.[48] The U.S. division of the giant global food company Danone, Dannon Milk Products, has a mission of "bringing health to the greatest number of people across America through our products' benefits."[49]

Companies that put a high premium on customer service can be considered to fall in this category as well. Marriott, for instance, encapsulates its purpose in the slogan, "The Spirit to Serve."[50] The basis of action for this type of purpose is to increase personal happiness. Dave Gilboa, one of the founders of Warby Parker, says the company's values-driven mission has helped attract and keep talented employees as well as customers who like the feeling of "contributing to building a better world." Most people feel good when they are doing something to help others or make their communities or the world a better place.

Heroism The final category, heroism, means the company's purpose is based on being strong, aggressive, and effective. Companies with this basis of noble purpose often reflect almost an obsession with winning. Jeff Bezos started Amazon as an online bookseller, but from the beginning he wanted it to be "an everything store." Bezos managed his company from the start with a purpose of dominating e-commerce. He expected employees to work 60-hour weeks and be as aggressive and obsessed with winning as he was. Today, Amazon has expanded into many areas, but the core business remains selling stuff on Amazon.com. With the launch of Prime, which Bezos promised in a letter posted on the Web site "takes the effort out of ordering," Amazon truly became the everything store. The company has more than 150 million Prime subscribers, and according to some estimates, people spend three to four times as much with Amazon after they sign up for Prime.[51]

As another example, Southwest Airlines was founded with a heroic goal of winning against much larger competitors such as American and Delta. With this approach, the basis of action is people's desire to achieve and to experience

self-efficacy, which is the capacity to produce results or outcomes, to feel that they are effective.[52] People want to feel capable of being effective and producing results.

Companies that remain successful over the long term have leaders who lead with a noble purpose. A well-chosen noble purpose taps into the emotions and instincts of employees and customers and can contribute to better morale, greater innovativeness, and higher employee and organizational performance.

Remember This:

- The **mission** includes the company's core values and its core and lasting purpose or reason for existence. Visions for the future change, whereas the mission should persist, as a reflection of the enduring character of the organization.

- The mission that John D. Rockefeller established for the Rockefeller Foundation—to promote the well-being of humanity throughout the world— still stands more than a century after the organization was founded.

- Effective leaders frame a noble purpose that inspires followers and helps the organization maintain a competitive advantage. To frame an organizational purpose that helps people find their work meaningful, leaders can choose among four basic concepts as the basis of purpose: discovery, excellence, altruism, and heroism.

- Warby Parker, the company that gives a pair of eyeglasses to someone in need for every pair sold, has a purpose based on altruism. The founders say they spent as much time talking about how to build a social mission into a for-profit business as they did about business model, structure, funding, and other start-up issues.

7-5 The Leader as Strategist

Strong missions that reflect a noble purpose and guiding visions are both important, but they are not enough alone to make strong, powerful organizations. For organizations to succeed, leaders must translate vision, values, and purpose into action, which is the role of leader as strategist. **Strategic management** refers to the set of decisions and actions used to formulate and implement specific strategies that will achieve a competitively superior fit between the organization and its environment so as to achieve organizational goals.[53]

When leaders link vision and strategic action, they can make a real difference for their organization's future. Research has shown that strategic thinking and planning for the future can positively affect a company's performance and financial success.[54]

7-5a Use Strategy to Achieve the Vision

To formulate a strategy, leaders ask questions such as "Where is the organization now? Where does the organization want to be? What changes and trends are

Strategic management
the set of decisions and actions used to formulate and implement specific strategies that will achieve a competitively superior fit between the organization and its environment so as to achieve organizational goals

occurring in the competitive environment? What courses of action can help us achieve our vision?" **Strategy** can be defined as the general plan of action that describes resource allocation and other activities for dealing with the environment and helping the organization attain its goals and achieve the vision. Leaders have to be clear on the organization's purpose and vision before they can adopt an effective strategy. Strategy involves making decisions every day based on what the organization wants to do and be.[55]

Developing Effective Strategy To develop strategy, leaders actively listen to people both inside and outside the organization, and they examine trends and discontinuities in the environment that can be used to gain an edge. Rather than reacting to environmental changes, strategic leaders study the events that have already taken place and act based on their anticipation of what the future might be like.[56] When leaders rely solely on formal strategic planning, competitor analysis, or market research, they miss new opportunities. Consider that when Ted Turner first talked about launching a 24-hour news and information channel in the 1970s, many dismissed him as delusional. Every source of conventional wisdom, from market research to broadcast professionals, said the idea was crazy and bound to fail. Yet Turner looked at emerging social and demographic trends, listened to his intuition, and launched a global network that generates 35 percent gross margins. Other media leaders had the same information, but they didn't interpret it the same way or formulate the same strategy to tap into emerging trends.[57] Good leaders anticipate, look ahead, and prepare for the future based on trends they see in the environment today, which often requires radical thinking.

Of course, leaders should also use hard analysis to help set a course for the future. They strive to develop industry foresight based on trends in technology, demographics, government regulation, values, and lifestyles that will help them identify new competitive advantages. Situation analysis, for example, includes a search for SWOT—strengths, weaknesses, opportunities, and threats—that affect organizational performance.

Sometimes leaders have to shift their strategy several times before they get it right.[58] In addition, strategy necessarily changes over time to fit shifting environmental conditions.

Elements of Strategy To improve the chances for success, leaders develop strategies that focus on three qualities: core competence, developing synergy, and creating value for customers.

An organization's **core competence** is something the organization does extremely well in comparison to competitors. Leaders identify the organization's unique strengths—what makes their organization different from others in the industry. L.L. Bean succeeds with a core competence of excellent customer service and a quality guarantee. Leaders at Family Dollar focus on a core competence of operational efficiency that enables them to keep costs low.

Synergy occurs when organizational parts interact to produce a joint effect that is greater than the sum of the parts acting alone. As a result the organization may attain a special advantage with respect to cost, market power, technology, or employee skills. As an example, Apple attains synergy by integrating hardware, software, and services centered around the millions of iPhones checked frequently by users. In early 2019, Apple announced a string of additional services,

Strategy
the general plan of action that describes resource allocation and other activities for dealing with the environment and helping the organization attain its goals

Put It Into Practice 7.7
Name two environmental trends that have the potential to influence the prospects for your desired career. Write down your evidence for those trends.

Core competence
something the organization does extremely well in comparison to competitors

Synergy
the interaction of organizational parts to produce a joint effect that is greater than the sum of the parts

including a game-subscription service with more than 100 exclusive digital games; a video-subscription service to carry original programming; and a new mostly-digital credit card to easily charge it all through the iPhone or other Apple devices.[59]

Companies may also obtain synergy through acquisitions, mergers, and partnerships. Apple's credit card, for instance was launched in partnership with Goldman Sachs and Mastercard.

Focusing on core competencies and attaining synergy help companies create value for their customers. **Value** can be defined as the combination of benefits received and costs paid by the customer.[60] For example, Panera Bread doesn't have the lowest costs for sandwiches and other food and drink products, but it works hard to create an environment where people want to spend time. "If you give people food they want, in an environment that they want, they will spend a dollar or two more, they will go out of their way for it," said founder and former CEO Ron Shaich.[61] Delivering value to the customer is at the heart of strategy.

Strategy formulation integrates knowledge of the environment, vision, and mission with the company's core competence in such a way as to attain synergy and create value for customers. When these elements are brought together, the company has an excellent chance to succeed in a competitive environment. But to do so, leaders have to ensure that strategies are executed—that actual behavior within the organization reflects the desired direction.

7-5b How to Execute

Strategy execution means that leaders use specific mechanisms, techniques, or tools for directing organizational resources to accomplish strategic goals. This is the basic architecture for how things get done in the organization. Strategy execution, sometimes called *implementation,* is the most important as well as the most difficult part of strategic management. Retired General Stanley McChrystal, former commander of U.S. and international forces in Afghanistan and a partner and founder at the McChrystal Group, coaches a number of CEOs on leadership issues and says the biggest problem he sees is that "an organization can get the strategy right but then can't execute it."[62] This observation is supported by a survey finding that only 57 percent of responding firms reported that managers successfully implemented the new strategies they had devised over the past three years.[63] Other research has estimated that as much as 70 percent of all business strategies never get implemented, reflecting the complexity of strategy execution.[64]

Leader Tools for Strategy Execution Leaders create the environment that determines whether people understand and feel committed to achieving strategic objectives. At BNSF Railway, the largest freight railway network in North America, leaders started with a guiding vision: "To realize the tremendous potential of BNSF Railway by providing transportation services that consistently meet the customer's expectations." Next, they developed a set of practices to make sure everyone was aligned with the vision and strategy. A guiding list called *Evidences of Success* measures progress in serving four key groups—customers, employees, owners, and communities. A set of *Shared Values* articulate the types of behaviors expected of everyone in the company. BNSF leaders systematically communicated the Vision, Evidences of Success, and Shared Values in varied ways, provided training at all levels so people could incorporate the expected behaviors and values into their

Value
the combination of benefits received and costs paid by the customer

Strategy formulation
integrating knowledge of the environment, vision, and mission with the core competence in such a way as to attain synergy and create customer value

Strategy execution
putting strategy into action by adjusting various parts of the organization and directing resources to accomplish strategic goals

Put It Into Practice 7.8

What is the one thing you can do right now to implement a change you have been contemplating? To practice strategy execution, implement that change.

Leadership Practice: Know Yourself 7.3

Your Strategy Style

Instructions: Think about *how you handle challenges and issues* in your current or a recent job. Then circle A or B for each of the following items, depending on which is generally more descriptive of your behavior. There are no right or wrong answers. Respond to each item as it best describes how you respond to work situations.

1. When keeping records, I tend to
   A. be very careful about documentation.
   B. be more haphazard about documentation.
2. If I run a group or a project, I
   A. have the general idea and let others figure out how to do the tasks.
   B. try to figure out specific goals, timelines, and expected outcomes.
3. My thinking style could be more accurately described as
   A. linear thinker, going from A to B to C.
   B. thinking like a grasshopper, hopping from one idea to another.
4. In my office or home, things are
   A. here and there in various piles.
   B. laid out neatly or at least in reasonable order.
5. I take pride in developing
   A. ways to overcome a barrier to a solution.
   B. new hypotheses about the underlying cause of a problem.
6. I can best help strategy by making sure there is
   A. openness to a wide range of assumptions and ideas.
   B. thoroughness when implementing new ideas.
7. One of my strengths is
   A. commitment to making things work.
   B. commitment to a dream for the future.
8. For me to work at my best, it is more important to have
   A. autonomy.
   B. certainty.
9. I work best when
   A. I plan my work ahead of time.
   B. I am free to respond to unplanned situations.
10. I am most effective when I emphasize
    A. inventing original solutions.
    B. making practical improvements.

Scoring and Interpretation

For Strategic Innovator style, score one point for each A answer circled for questions 2, 4, 6, 8, and 10 and for each B answer circled for questions 1, 3, 5, 7, and 9. For Strategic Adaptor style, score one point for each B answer circled for questions 2, 4, 6, 8, and 10, and for each A answer circled for questions 1, 3, 5, 7, and 9. Which of your two scores is higher and by how much? The higher score indicates your strategy style.

Strategic Innovator and Strategic Adaptor are two important ways leaders bring creativity to strategic management. Leaders with an adaptor style tend to work within the situation as it is given and improve it by making it more efficient and reliable. They succeed by building on what they know is true and proven. Leaders with the innovator style push toward a new paradigm and want to find a new way to do something. Innovators like to explore uncharted territory, seek dramatic breakthroughs, and may have difficulty accepting an ongoing strategy. Both innovator and adaptor styles are essential to strategic management, but with different approaches. The Strategic Adaptor asks, "How can I make this better?" The Strategic Innovator asks, "How can I make this different?" Strategic Innovators often use their skills in the formulation of whole new strategies. Strategic Adaptors are often associated with incremental strategic improvements along with strategy execution.

If the difference between the two scores is 2 or less, you have a mid-adaptor/innovator style, and work well in both areas. If the difference is 4–6, you have a moderately strong style and probably work best in the area of your strength. And if the difference is 8–10, you have a strong style and almost certainly would want to work in the area of your strength rather than in the opposite domain.

Sources: Adapted from Dorothy Marcic and Joe Seltzer, *Organizational Behavior: Experiences and Cases* (Cincinnati: South-Western, 1998), pp. 284–287; and William Miller, *Innovation Styles* (Dallas, TX: Global Creativity Corporation, 1997). The adaptor/innovator concepts are from Michael J. Kirton, "Adaptors and Innovators: A Description and Measure," *Journal of Applied Psychology* 61, no. 5 (1976), p. 623.

decisions and activities, and created a Pyramid of Success that tied the company's short- and long-term strategic goals to team and individual goals.[65]

By making sure everyone understands the Vision, Values, and Strategic Pyramid and applies them in day-to-day operations, BNSF leaders provide followers with *line of sight* to the organization's strategic objectives, which means followers see and understand the goals and how their actions will contribute to achieving them.[66] The following techniques can help leaders effectively implement strategy:[67]

1. *Create ongoing communication.* Leaders must communicate about the strategy continuously so that people throughout the organization can understand and internalize it. One strategy thinker says effective strategy execution requires that you "communicate 21 times." When you are "mind-numbingly bored with talking about your strategy," people will take it seriously and feel confident acting on it.[68]

2. *Teach the "why."* Leaders explain why they decided to do what they are doing. Followers are busy doing the everyday work of the organization and often don't think about the big picture. Leaders have to persuade people of the business reasons for the new vision and strategy.

3. *Explain what this new thing means to each person.* People are often fearful of change, and that includes fear of a new strategic direction. Leaders can anticipate people's fears and questions—what will be expected of me? will I lose my job? will my job duties and responsibilities change?—and address them head on. In addition, good leaders ask people what they are thinking and feeling.

4. *Tell what is not changing.* It is often a good idea to remind employees about company strengths, what is currently working, and what will not change. People have a hard time taking in new information when they feel that everything around them is shifting. Leaders give people a "place to stand" by telling them what is not changing.

By following these guidelines, leaders can ensure smoother strategy execution. In addition, a new strategy is implemented through organizational elements such as structural design, pay or reward systems, budget allocations, and organizational rules, policies, or procedures. Leaders make decisions about changes in structure, systems, policies, and so forth, to support the company's strategic direction. For example, to support a new strategy at Barnes & Noble, CEO James Daunt is carrying out an ambitious restructuring. Rather than continuing its strategy of store uniformity, the strategy calls for making each store as inviting and personalized as a local independent bookseller. Barnes & Noble cut about 125 people from the corporate staff and fired nearly half of the company's book buyers. Managers of the local stores, who once had to stock whatever the New York–based buyers selected, now have the authority to decide which books to stock and how to arrange and display them. John Radford, who manages a Barnes & Noble store in Idaho Falls, Idaho, says his sales and profits have increased since he started stocking books that he and his staff selected based on their knowledge of local interests. "This feels so much better," Radford said of the new approach.[69]

Although good leadership calls for actively involving everyone, leaders are still ultimately responsible for establishing direction through vision, purpose, and strategy. When leadership fails to provide direction, organizations flounder. To keep organizations competitive, leaders consciously adopt a focused vision and strategy, align individual and organizational purpose, and make sure everyone's activities move the organization in the right direction.

Remember This:

- For organizations to succeed, leaders must translate vision, values, and purpose into action. **Strategic management** is the set of decisions and actions used to formulate and implement specific strategies that will achieve a competitively superior fit between the organization and its environment so as to achieve organizational goals.

- **Strategy** is the general plan of action that describes resource allocation and other activities for dealing with the environment and helping the organization attain its goals.

- Like vision, strategy changes, but successful companies develop strategies that focus on core competence, develop synergy, and create value for customers.

- **Core competence** is something the organization does extremely well in comparison to competitors.

- **Synergy** refers to the interaction of organizational parts to produce a joint effect that is greater than the sum of the parts. An example is Apple, which attains synergy by integrating hardware, software, and services centered around the millions of iPhones checked frequently by users.

- **Value** is the combination of benefits received and costs paid by the customer.

- **Strategy formulation** means integrating knowledge of the environment, vision, and mission with the core competence in such a way as to attain synergy and create customer value.

- **Strategy execution** involves putting strategy into action by adjusting various parts of the organization and directing resources to accomplish strategic goals.

- To execute a strategy of making stores more inviting, Barnes & Noble leaders gave more power and authority to managers of the local stores.

Discussion Questions

1. A management consultant said strategic leaders are concerned with vision and mission, while strategic managers are concerned with strategy. Do you agree? Discuss.

2. A vision can apply to an individual, a family, a college course, a career, or decorating an apartment. Think of something you care about for which you want the future to be different from the present and write a brief vision statement for it.

3. If you worked for a company like Amazon or Google that has a strong vision for the future, how would that affect you compared to working for a company that did not have a vision?

4. With what type of organization or business might the individual purpose of Achievement in Exhibit 7.5 be most compatible? The individual purpose of Caring? Explain.

5. You've probably heard the saying that the journey is more important than the destination. If an organization's mission is the journey, and the vision is the destination, is the mission more important than the vision? Discuss.

6. Many visions are written and hung on a wall, perhaps with the help of a consultant. Do you think this type of vision has value? What would be required to imprint the vision within each person?

7. Do you think most employees know what the mission of their company is? Suggest some ways leaders can effectively communicate the mission to people both inside and outside the organization.

8. Do you think every organization needs a noble purpose in order to be successful over the long term? Discuss. Name one company that seems to reflect each category of noble purpose as defined in the chapter.

9. Strategic vision and strategic action are both needed for a leader to be effective. Which do you think you are better at doing? Why?

10. If vision is so important, why do analysts and commentators sometimes criticize a new CEO's emphasis on formulating a vision for a company that is struggling to survive? Discuss.

Leadership Skill-Building Exercises

Craft Your Personal Vision Statement

"If you have a clear vision of where you want to go, you are not as easily distracted by the many possibilities and agendas that otherwise divert you."

—Timothy Gallwey, *The Inner Game of Work*

Your personal vision statement is a short statement, usually a sentence or two, that points to the direction you intend your life to move. A personal vision statement can also be thought of as your ultimate career or life goal.

Elements to Consider: Things you may want to consider and reflect on to clarify your personal vision are your *core values* (things you stand by and value the most); *interests* (things you most enjoy doing); *strengths* (what you are naturally good at); *daydreams*; *skills* you have developed; fulfilling aspects of work, school or hobbies; and types of individual purpose as illustrated in Exhibit 7.5.

Remind yourself that this process doesn't yield a "perfect" or permanent vision. Also, keep it short: one or two sentences.

Consider a Personal Vision Template: A simple template to follow when crafting your personal vision is by incorporating the following elements:
"I will /action/ for /audience/ by /skills/ to /desired outcome/."

For example:

I will make innovative, artistic baked goods *for* everyday customers *so* everyone can experience the joy of beautiful cooking.

To use my gifts *for* women around the world *to* improve their self-worth and wealth.

Other Examples of Personal Vision Statements: Here are a few more examples of brief personal vision statements.

"To serve as a leader by encouraging innovative ideas and forward-thinking so that our team can create technology solutions that will improve the lives of others."

"To create innovative health care solutions that improve the lives of others."

"To bring beauty into the world through graphic design."

"I want to work with young people in the community as a social worker. My talent as an approachable person and my strong commitment to justice have inspired me to assist others who are less fortunate."

"My personal vision is to become the CEO of a technology company. I am driven by technology's ability to affect global communication and dedicated to providing technological solutions to empower underrepresented populations."

Make notes below and then start writing your personal vision statement.

_____

_____

Sources: Scott Jeffrey, "Craft an Inspiring Personal Vision for Your Life RIGHT NOW," https://scottjeffrey.com /personal-vision-statement/ (accessed April 28, 2021); Indeed Editorial Team, "How to Write a Personal Mission Statement," *Indeed Career Guide* (February 22, 2021), www.indeed.com/career-advice/career-development /personal-mission-statement-examples (accessed April 28, 2021); and "A Step-by-Step Guide to Creating a Personal Vision Statement," *Indeed Career Guide* (December 1, 2020), www.indeed.com/career-advice/career-development /personal-vision-statement (accessed April 28, 2021).

Future-Focused Thinking

Think of some problem you have in your life right now. It could be any unresolved problem or issue you are having at school, home, or work that you would like to solve. Write a few words that summarize the problem:

_____

_____

Now write brief answers to the following questions for that specific problem. (Do not look ahead to the next set of four questions. This exercise is more effective if the questions are seen in sequence.)

1. Why do I have this problem?

   _____

   _____

2. Who/what caused this problem?

   _____

   _____

3. What stands in the way of a solution?

   _____

   _____

4. How likely is it that I'll solve this problem?

   _____

   _____

After you have answered these four questions, write down what are you feeling about the problem.

_____
_____

Now, for the same problem, write brief answers to the following four questions.

1. What do I really want instead of this problem? (Your answer equals your desired future outcome.)

   _____
   _____

2. How will I know I've achieved this future outcome? (What will I see, hear, and feel?)

   _____
   _____

3. What resources do I need to pursue this future outcome?

   _____
   _____

4. What is the first step I can take to achieve this outcome?

   _____
   _____

After you have answered these four questions, what are you feeling about the problem?

_____
_____

The human mind is effective at focusing on problems to diagnose what is wrong and who is to blame. The first four questions reflect that approach, which is called *problem-focused thinking.*

The second set of four questions reflects a different approach, called *outcome-directed thinking* or *future-focused thinking.* It focuses the mind on future outcomes and possibilities rather than on the causes of the problem. Most people feel more positive emotion, more creative ideas, and more optimism about solving the problem after answering the second four questions compared to the first four questions.

Shifting the mind to the future harnesses the same power that a vision has to awaken creativity and inspire people to move forward. Future-focused thinking is using the idea of future vision on a small, day-to-day scale.

In Class or Online (optional as indicated by your instructor): This exercise is very effective when each student selects a problem, and then students interview each other about their problems. Students should work in pairs—one acting the role of leader and the other acting as a subordinate. The subordinate describes the problem (one minute), and then the leader simply asks the first four questions *(changing each "I" to "you")* and listens to the answers (four minutes). Then the two students can switch leader/subordinate roles and repeat the process for the same four questions. The instructor can then gather students' observations about what they felt when answering the four questions.

Then, students can be instructed to find a new partner, and the pairs can again adopt the role of leader and subordinate. The subordinate will relate the

same problem as before to the leader, but this time the leader will ask the second four questions (future-focused thinking, *again changing each "I" to "you"*). After the subordinate answers the four questions, the pair switches leader/subordinate roles and repeats the process. Then the instructor can ask for student observations about how they felt answering these four questions compared to the first four questions. Generally the reaction is quite positive. The key questions for students to consider are: How did the questions about future outcomes affect your creative thoughts for solving the problem compared to the first four questions that were problem-oriented? As a leader, can you use future-focused questions in your daily life to shape your thinking and the thinking of others toward more creative problem solving? Future-focused thinking is a powerful leadership tool.

Sources: This approach to problem solving was developed by Robert P. Bostrom and Victoria K. Clawson of Bostrom and Associates, Columbia, Missouri, and this exercise is based on a write-up appearing in *Inside USAA,* the company newsletter of USAA (September 11, 1996), pp. 8–10; and Victoria K. Clawson and Robert P. Bostrom, "Research-Driven Facilitation Training for Computer-Supported Environments," *Group Decision and Negotiation* 5 (1996), pp. 7–29.

Leadership Skills Application: Cases for Analysis

The New Arts Center

The recently completed building to house the exhibits and staff of the new City Arts Center was located adjacent to the campus of a private university. The new building was financed by the generosity of local donors. The university provided the land and would cover annual operating expenses with the understanding that the Arts Center would provide a resource for student education. The new governing board would be made up of key donors as well as selected university administrators and faculty members.

The planning committee of the governing board hired two business students to interview various stakeholders about the future direction of the Arts Center in its new relationship with the university. These interviews were conducted in person, and the interviewees seemed uniformly interested and eager to help. The major questions pertained to the future mission and goals for the Arts Center. Some excerpts from the interviews are listed below.

A major donor: *I think the Arts Center should be a major community resource. My wife and I gave money for the new building with the expectation that the Arts Center would promote visits from the public schools in the area, and particularly serve the inner-city children who don't have access to art exhibits. We don't want the Arts Center to be snobbish or elitist. The focus should definitely be local.*

A university administrator: *The important thing is to have lively contemporary exhibits that will attract both university students and community adults and provide new insight and dialogue about current events. We can bring attention to the Arts Center by having an occasional controversial exhibit, such as on Islamic art, and exhibits that appeal to Hispanic and Black community members. This approach would entail bringing in traveling exhibitions from major museums, which would save the administrative costs and overhead of producing our own exhibits.*

Head of the art history department: *The key thing is that the Arts Center will not have the artistic resources or the financial resources to serve the community at large. We have a wonderful opportunity to integrate the Arts Center with the academic faculty and make it a teaching institution. It can be a major resource for both undergraduate and graduate students in art education and art history. We can also work with engineering students, architecture students, and liberal arts students. This is a unique opportunity that will distinguish our art history department's teaching mission from others in the country.*

A faculty member in the art history department: *The best use of the Arts Center's relationship with the university is to concentrate on training Ph.D.-level students in art history and to support scholarly research. I strongly urge the Arts Center to focus on graduate education, which would increase the stature of the university nationally. Graduate students would be involved in the design of exhibits that would fit their research. Trying to make the Arts Center popular on campus or in the community will waste our limited resources. Our Ph.D. graduates will be sought after by art history departments throughout the country.*

The reason you have been given this information from the interviews is that you have been invited to interview for the position of Arts Center director. The previous director retired with the understanding that a new director would be hired upon the completion of fundraising and construction of the new building. You are thinking about what you would do if you took the job.

Questions

1. What mission for the new City Arts Center do you personally prefer? As director, would you try to implement your preferred mission? Explain.

2. How would you try to resolve the underlying conflicts among key stakeholders about the Arts Center's purpose and direction?

3. What actions would you take to implement the mission you decide to adopt? Be specific.

Aerostructure Technologies

When Frank Chandra first began his job as president of Aerostructure Technologies, most managers and employees felt a surge of hope and excitement. Aerostructure Technologies is a 50-year-old, family-owned manufacturing company that produces parts for the aircraft industry. The founder and owner had served as president until his health began to decline, and he felt the need to bring in someone from outside the company to get a fresh perspective. It was certainly needed. Over the past several years, Aerostructure had just been stumbling along.

Chandra came to the company from a smaller business, but one with excellent credentials as a leader in advanced aircraft technology. He had a vision for transforming Aerostructure into a world-class manufacturing facility. In addition to implementing cutting-edge technology, the vision included transforming the sleepy, paternalistic culture to a more dynamic, adaptive one and empowering employees to take a more active, responsible role in the organization. After years

of just doing the same old thing day after day, vice president David Deacon was delighted with the new president and thrilled when Chandra asked him to head up the transformation project.

Deacon and his colleagues spent hours talking with Chandra, listening to him weave his ideas about the kind of company Aerostructure could become. He assured the team that the transformation was his highest priority, and he inspired them with stories about the significant impact they were going to have on the company as well as the entire aircraft industry. Together, the group crafted a vision statement that was distributed to all employees and posted all over the building. At lunchtime, the company cafeteria was abuzz with talk about the new vision. And when the young, nattily dressed president himself appeared in the cafeteria, as he did once every few weeks, it was almost as if a rock star had walked in.

At the team's first meeting with Chandra, Deacon presented several different ideas and concepts they had come up with, explaining the advantages of each for ripping Aerostructure out of the past and slamming it jubilantly into the twenty-first century. Nothing, however, seemed to live up to Chandra's ambitions for the project—he thought all the suggestions were either too conventional or too confusing. After three hours the team left Chandra's office and went back to the drawing board. Everyone was even more fired up after Chandra's closing remarks about the potential to remake the industry and maybe even change the world.

Early the next day, Chandra called Deacon to his office and laid out his own broad ideas for how the project should proceed. "Not bad," thought Deacon, as he took the notes and drawings back to the team. "We can take this broad concept and really put some plans for action into place." The team's work over the next few months was for the most part lively and encouraging. Whenever Chandra would attend the meetings, he would suggest changes in many of their specific plans and goals, but miraculously, the transformation plan began to take shape. The team sent out a final draft to colleagues and outside consultants, and the feedback was almost entirely positive.

The plan was delivered to Chandra on a Wednesday morning. When Deacon had still not heard anything by Friday afternoon, he began to worry. He knew Chandra had been busy with a major customer, but the president had indicated his intention to review the plan immediately. Finally, at 6 P.M., Chandra called Deacon to his office. "I'm afraid we just can't run with this," he said, tossing the team's months of hard work on the desk. "It's just... well, just not right for this company."

Deacon was stunned. And so was the rest of the team when he reported Chandra's reaction. In addition, word was beginning to get out around the company that all was not smooth with the transformation project. The cafeteria conversations were now more likely to be gripes that nothing was being done to help the company improve. Chandra assured the team, however, that his commitment was still strong; they just needed to take a different approach. Deacon asked that Chandra attend as many meetings as he could to help keep the team on the right track. Nearly a year later, the team waited in anticipation for Chandra's response to the revised proposal.

Chandra called Deacon at home on Friday night. "Let's meet on this project first thing Monday morning," he began. "I think we need to make a few adjustments. Looks like we're more or less headed in the right direction, though."

Deacon felt like crying as he hung up the phone. All that time and work. He knew what he could expect on Monday morning. Chandra would lay out his vision and ask the team to start over.

Questions

1. How effective would you rate Chandra as a visionary leader? Discuss.

2. Where would you place Chandra on the chart of types of leaders in Exhibit 7.1? Where would you place Deacon?

3. If you were Deacon, what would you do?

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Part 4

The Leader as a Relationship Builder

Chapter 8

Motivation and Engagement

Chapter Outline

Your Leadership Challenge

After reading this chapter, you should be able to:

8-1 Differentiate between intrinsic and extrinsic rewards.

8-2 Identify examples of motives that induce people to take action to accomplish important goals.

8-3 Explain how to motivate others by meeting their lower- or higher-level needs.

8-4 Outline how the concepts of reinforcement and equity apply to motivation.

8-5 Describe the psychological and job design elements of empowerment and how empowerment contributes to motivation.

8-6 Identify factors that play a role in employee engagement.

8-7 Summarize the elements necessary to create and nurture a motivated workforce.

When Rich Sheridan was brought in to counsel a group of automotive industry executives a couple of years ago, his advice didn't have anything to do with vehicle specifications or manufacturing efficiency. Sheridan was there to offer guidance on how to solve one of auto manufacturing's biggest problems: employee unhappiness. Sheridan, the co-founder and CEO of software design and development company Menlo Innovations, says joyful workplaces are the path to productive businesses. He and two colleagues founded Menlo Innovations with the goal of creating an organization "with joyful people achieving joyful outcomes." At Menlo, there are no bosses and employees have a great deal of autonomy in how they do their work. People are encouraged to experiment, and mistakes are accepted as a way to learn and improve. Thousands of businesspeople tour Menlo each year to learn what makes the company's "joyful" work environment so effective.[1]

Rich Sheridan knows that bringing joy into the workplace is not just about having fun. Unhappy and disengaged employees affect the bottom line. One study suggests that a disengaged employee costs an organization approximately $3,400 for every $10,000 in annual salary.[2] Leaders in many organizations are discovering that an environment where people feel valued, feel that their work is meaningful, have good relationships with their colleagues and supervisors, and feel that they have opportunities for growth and development can be a key to high employee motivation.

This chapter explores motivation in organizations and examines how leaders can bring out the best in followers. We look at the difference between intrinsic and extrinsic rewards, examine the needs that people bring to the workplace, and discuss how leaders tap into positive or negative motives that spur people to action. Individuals have both lower and higher needs, and there are different methods of motivation to meet those needs. The chapter presents several theories of motivation, with particular attention to the differences between leadership and conventional management methods for creating a motivated workforce. The final sections of the chapter explore empowerment, employee engagement, and some recent approaches to expanding employee enthusiasm and happiness.

8-1 Leadership and Motivation

Most of us get up in the morning, go to school or work, and behave in ways that are predictably our own. We usually respond to our environment and the people in it with little thought as to why we work hard, invest extra time and energy in certain classes, or spend our leisure time pursuing specific recreational or volunteer activities. Yet all these behaviors are motivated by something. **Motivation** refers to the forces either internal or external to a person that arouse enthusiasm and persistence to pursue a certain course of action. Employee motivation affects productivity, so part of a leader's job is to channel followers' motivation toward the accomplishment of the organization's vision and goals.[3] The study of motivation helps leaders understand what prompts people to initiate action, what influences their choice of action, and why they persist in that action over time.

Creating an organization with satisfied, motivated employees is a complex challenge that cannot be handled simply by giving employees more money. In fact, many leaders have found that creating an environment where people feel valued and respected is more important to high motivation than is boosting

Motivation
the forces either internal or external to a person that arouse enthusiasm and persistence to pursue a certain course of action

Exhibit 8.1

A Simple Model of Motivation

NEED		BEHAVIOR		REWARDS
• Creates desire to fulfill needs (money, friendship, recognition, achievement)	→	• Results in actions to fulfill needs	→	• Satisfy needs; intrinsic or extrinsic rewards

FEEDBACK Reward informs person whether behavior was appropriate and should be used again
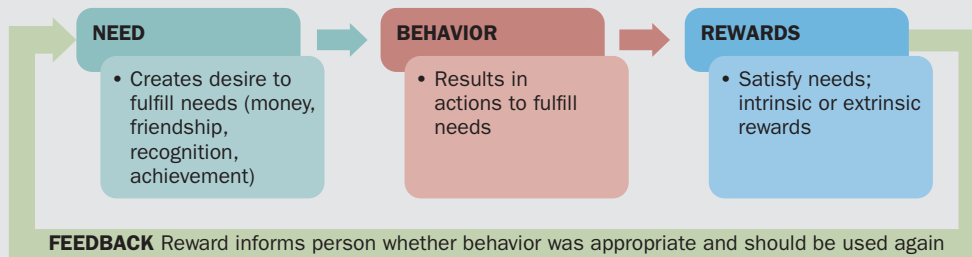
wages. Leaders have a lot to do with whether people feel energized and motivated or stressed out and unappreciated at work. The top factor influencing employees' job satisfaction is the relationship with supervisors. In a recent survey, 75 percent of respondents said the most stressful aspect of their job was their immediate boss, and those who described their relationships as "very bad" or "quite bad" reported significantly lower job satisfaction than those with "very good" or "quite good" relationships.[4] In another survey, 79 percent of people who quit their jobs cited a lack of appreciation as a major reason for leaving.[5]

Exhibit 8.1 illustrates a simple model of human motivation. When people come to work, they bring a set of *needs* with them, such as for appreciation, achievement, or monetary gain, and those needs influence their behavior in significant ways.[6] Needs translate into an internal tension that motivates specific behaviors with which to fulfill the need. To the extent that the behavior is successful, the person is rewarded when the need is satisfied. The reward also informs the person that the behavior was appropriate and can be used again in the future.

The importance of motivation, as illustrated in Exhibit 8.1, is that it can lead to behaviors that reflect high performance within organizations. Studies have found that high employee motivation and high organizational performance and profits go hand in hand.[7] Leaders can use motivation theory to help satisfy followers' needs and simultaneously encourage high work performance. When workers are not motivated to achieve organizational goals, the fault is often with the leader.

8-1a Intrinsic and Extrinsic Rewards

Intrinsic rewards
internal satisfaction and positive feelings a person receives in the process of performing a particular action

Rewards can be either intrinsic or extrinsic and meet both lower- and higher-level needs.[8] **Intrinsic rewards** come from the internal satisfaction and positive feelings a person receives in the process of performing a particular action. Solving a problem to benefit others may fulfill a personal mission, or the completion of a complex task may bestow a pleasant feeling of accomplishment. An intrinsic reward is internal and under the control of the individual, such as to engage in task behavior to satisfy a need for competency and self-determination. An example of intrinsic rewards comes from cloud-based software company Salesforce, where employees say they are motivated by the positive feelings of working on the "cutting edge" of

reinventing how companies handle ordinary but critical tasks like sales, customer relations, and internal communications.[9]

Extrinsic rewards come from an external source, typically another person, such as a supervisor, and include promotions, praise, and pay increases. Because they originate externally as a result of pleasing others, extrinsic rewards compel individuals to engage in a task behavior for an outside source that provides what they need, such as money to survive in modern society. For example, at the Alta Gracia factory in the Dominican Republic, owned by Knights Apparel, employees are motivated by the extrinsic reward of high pay because they need money to support their families and can't make nearly as much anywhere else.[10]

Although extrinsic rewards are important, leaders work especially hard to help followers achieve intrinsic rewards. Intrinsic rewards appeal to the "higher" needs of individuals, such as for accomplishment, competence, fulfillment, and self-determination. Extrinsic rewards appeal to the "lower" needs of individuals, such as for material comfort and basic safety and security. Read the story in this chapter's *Think on This* to gain some perspective on the use of intrinsic versus extrinsic rewards as motivators.

Exhibit 8.2 outlines the distinction between conventional management and leadership approaches to motivation based on people's needs. Conventional management approaches often appeal to an individual's lower, basic needs and rely on extrinsic rewards and punishments to motivate people to behave in desired ways. These approaches are effective, but they are based on controlling the behavior of employees by manipulating their decisions about how to act. The higher needs of people may be unmet in favor of utilizing their labor in exchange for external rewards.

Extrinsic rewards rewards from an external source and given by another person, typically a supervisor, such as pay increases and promotions

Think on This: Can Extrinsic Rewards Kill Intrinsic Satisfaction?

A shopkeeper got tired of the noise of a group of children who played outside his store every afternoon. One day, he asked them to leave and promised he'd give each of them $1 to come back and play there the next day. Of course, they showed up. Then the shopkeeper said he would give each one 50 cents to come back the following day. The next day he offered 25 cents for them to return. At that point, the children said they wouldn't be back the following day because it wasn't worth it for a quarter. The shopkeeper got what he wanted by shifting the children's motivation for playing there toward earning an extrinsic reward rather than for the intrinsic pleasure they originally received.

The moral of the story is that the motivation to seek an extrinsic reward, whether it is a bonus or professional approval, leads people to focus on the reward rather than on the intrinsic satisfaction they get from their activities. Extrinsic rewards are temporary. They typically address lower-level needs and focus people on immediate goals and deadlines rather than long-term success and happiness.

What do you think?

Sources: Several variations of this familiar story have been told in different sources, including Samuel S. Franklin, *The Psychology of Happiness: A Good Human Life* (New York: Cambridge University Press, 2010), pp. 61–62; and Alfie Kohn, *Punished by Rewards: The Trouble with Gold Stars, Incentive Plans, A's, Praise, and Other Bribes* (Boston: Houghton Mifflin, 1999).

Under conventional management, people perform adequately to receive rewards or avoid punishments because they will not necessarily derive intrinsic satisfaction from their work.

The leadership approach strives to motivate people by providing them with the opportunity to satisfy higher needs and become intrinsically rewarded. Employees in companies that are infused with a social mission, and that find ways to enrich the lives of others, are typically more highly motivated because of the intrinsic rewards they get from helping other people.[11] However, leaders at many companies can help people find meaning in their work. Wegmans Food Markets Inc. regularly shows up on *Fortune* magazine's list of "Best Places to Work." Wegmans provides extrinsic rewards such as health insurance even for part-timers, subsidized gym memberships, and college tuition reimbursement. But the real key to motivation may be the intrinsic rewards that people get from working there. Produce workers, for example, like the chance they have to be farm-to-table ambassadors on the organic farms supplying their stores, and many Wegmans employees say they get positive feelings from providing quality service to customers.[12]

Remember, however, that the source of an intrinsic reward is internal to the follower. Thus, what is intrinsically rewarding to one person may not be so to another. One way in which leaders try to enable all followers to achieve intrinsic rewards is

Exhibit 8.2

Needs of People and Motivation Methods
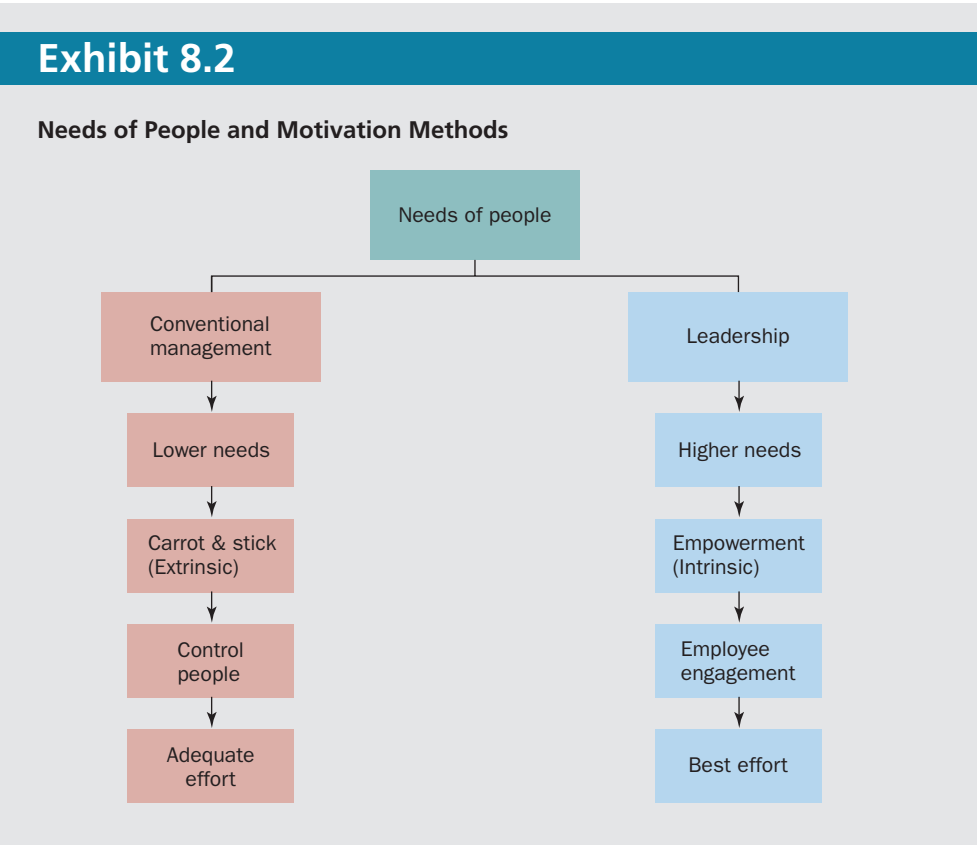
Source: Adapted from William D. Hitt, *The Leader-Manager: Guidelines for Action* (Columbus, OH: Battelle Press, 1988), p. 153.

by giving them more control over their own work and the power to affect outcomes. When leaders empower others, allowing them the freedom to determine their own actions, direct reports reward themselves intrinsically for good performance. They may become creative, innovative, and develop a greater commitment to their objectives. Thus motivated, they often achieve their best possible performance.

Ideally, work behaviors should satisfy both lower and higher needs while also serving the mission of the organization. Unfortunately, this is often not the case. The leader's motivational role, then, is to create a situation that integrates the needs of people—especially higher needs—and the fundamental objectives of the organization.

8-1b Positive and Negative Motives

People have both positive and negative motives that cause them to engage in specific behaviors or activities. For example, some people and corporations pay taxes to avoid the negative consequence of penalties or jail time. Others might pay taxes based on a positive motive of helping their communities and the larger society. Exhibit 8.3 illustrates four categories of motives based on two criteria.[13] The horizontal dimension contrasts motives that are driven by fear or pain with those driven by growth or pleasure. The vertical dimension contrasts motives that come from within a person (intrinsic) versus those triggered from without (extrinsic), such as by a leader's actions. The four quadrants represent four differing approaches leaders can use for motivating people.

Quadrants I and II are both positive approaches to motivating. Quadrant I motivational methods attempt to influence behavior by using extrinsic rewards that create pleasure, such as giving an employee a pay raise, a bonus, or a gift. Meadow Office Interiors, with headquarters in New York City, used to have wine gatherings on Wednesdays and pizza on Fridays but had to find a new approach for

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Exhibit 8.3

Four Categories of Motives

	Pleasure/Growth	Pain/Fear
Extrinsic	**I. Extrinsic Positive Approach** Rewards such as pay raises, bonuses, praise	**III. Extrinsic Negative Approach** Threats and punishments
Intrinsic	**II. Intrinsic Positive Approach** Help people enjoy their work and get a sense of accomplishment	**IV. Intrinsic Negative Approach** Tap into self-doubts, anxieties

Source: Based on Bruce H. Jackson, "Influence Behavior: Become a Master Motivator," *Leadership Excellence* (April 2010), p. 14.

people working at home because of the shutdown during the COVID-19 pandemic. Leaders decided to let remote workers choose $45 worth of personalized snacks from SnackMagic that were sent to their homes.[14] Many leaders have also learned that praise and expressions of appreciation are powerful extrinsic motivators. Lee Cockerell, retired executive vice president of operations for the Walt Disney World Resort, says high motivation and top performance come from "recognition, encouragement, and appreciation." Disney has been holding "Employee Appreciation Day" for cast members (Disney's term for employees) on the first Friday of each March for more than 25 years.[15]

Extrinsic rewards are important, but good leaders don't rely on them as their primary motivational tool. Instead, they also strive to help people find meaning and joy in their work, using a Quadrant II motivational approach. Quadrant II techniques tap into deep-seated employee energy and commitment by helping people get deep personal satisfaction from their work. At tomato processing company Morning Star, employees (called colleagues) willingly give their best because of the satisfaction and sense of accomplishment they get from their work. Morning Star has no titles, no hierarchy, and no managers. Instead, the company relies on contract-style agreements called Colleague Letters of Understanding (CLOUs). If someone needs an expensive piece of equipment to fulfill their CLOU, they can buy it without seeking permission. Similarly, if a team needs an additional worker, they can go ahead and hire one. People negotiate responsibilities and compensation with their peers and are expected to consult widely with colleagues before making major decisions. Everyone goes through training to learn how to work effectively as part of a team; how to manage the responsibilities that are typically carried out by supervisors; how to balance freedom and accountability; and how to understand and effectively communicate with others.[16]

Good leaders rely on positive motives as much as they can. However, negative approaches also have value. In the real world, almost every leader sometimes has to impose some form of punishment or tap into negative motives to get desired actions and results. Quadrant III uses negative, extrinsic methods, such as threats or punishments, to get people to perform as desired. For example, some companies have found that penalizing employees for smoking or being overweight by charging extra for health insurance is an effective way to change behaviors and lower company healthcare costs. The practice is growing, with leaders citing behavioral science research showing that people typically respond more strongly to a potential loss (a penalty for not losing weight), referred to as *loss aversion*, than to an expected gain (a reward for losing weight). Participation in Mohawk Industries health-risk assessment program increased 97 percent after leaders began penalizing employees $100 if they didn't participate. Previously, the company offered rewards for participation, but enrollment rates remained low, which sparked the shift to penalties.[17]

The final category in Exhibit 8.3, Quadrant IV, reflects methods that attempt to motivate people by tapping into their self-doubts or anxieties, such as motivating people to work hard by emphasizing the weak economy and high unemployment rate. Fear can be a powerful motivator, but using fear to motivate people almost always has negative consequences for employee development and long-term performance. Effective leaders avoid the use of fear tactics.

Remember This:

- **Motivation** refers to the forces either internal or external to a person that arouse enthusiasm and persistence to pursue a certain course of action. People are motivated to act by various motives and to satisfy a range of needs.
- **Intrinsic rewards** are the internal satisfaction and positive feelings that a person receives in the process of performing a particular action.
- Employees at Salesforce are motivated by the positive feelings of working on the "cutting edge" of reinventing how companies handle ordinary but critical tasks like sales, customer relations, and internal communications.
- **Extrinsic rewards** are given by another person, typically a supervisor, and include pay increases, promotions, and praise.
- When people were working at home during the COVID-19 pandemic, Meadow Office Interiors leaders gave them a chance to choose $45 worth of snacks that were sent to their homes.
- The leadership approach to motivation tends to focus on positive motives and meeting the higher needs of employees. The role of the leader is to create a situation in which followers' higher needs and the needs of the organization can be met simultaneously.

8-2 Needs-Based Theories of Motivation

Needs-based theories emphasize the needs that motivate people. As illustrated earlier in Exhibit 8.1, needs are the source of an internal drive that motivates behavior to fulfill the needs. People's needs are like a hidden catalog of the things they want and will work to get. To the extent that leaders understand follower needs, they can design the reward system to direct energies and priorities toward attainment of shared goals.

8-2a Hierarchy of Needs Theory

Probably the most famous needs-based theory is the one developed by Abraham Maslow.[18] Maslow's **hierarchy of needs theory** proposes that people are motivated by multiple needs and those needs exist in a hierarchical order, as illustrated in Exhibit 8.4, wherein the higher needs cannot be satisfied until the lower needs are met. Maslow identified five general levels of motivating needs.

- *Physiological:* The most basic human physiological needs include food, water, and oxygen. In the organizational setting, these are reflected in the needs for adequate heat, air, and base salary to ensure survival.
- *Safety:* Next is the need for a safe and secure physical and emotional environment and freedom from threats—that is, for freedom from violence and for an orderly society. In an organizational setting, safety needs reflect the needs for safe jobs, fringe benefits, and job security. Safety needs assumed priority for many people during the COVID-19 pandemic. For example, in hard-hit Arizona, with administrators in limbo about how to keep teachers and students safe from COVID-19, art teacher Marcy Warner made the tough

Hierarchy of needs theory
Maslow's theory proposes that people are motivated by multiple needs and those needs exist in a hierarchical order

Exhibit 8.4

Maslow's Hierarchy of Needs

Need Hierarchy   **Fulfillment on the Job**

Higher Needs

Self-actualization Needs ———→ Opportunities for advancement, autonomy, growth, creativity

Esteem Needs ———→ Recognition, approval, high status, increased responsibilities

Belongingness Needs ———→ Work groups, clients, coworkers, supervisors

Safety Needs ———→ Safe work, fringe benefits, job security

Physiological Needs ———→ Heat, air, base salary

Lower Needs

decision to retire, saying, "I love those kids and where I taught and what I did, but I'm not quite willing to die for them."[19]

- *Belongingness:* People have a desire to be accepted by their peers, have friendships, be part of a group, and be loved. In the organization, these needs influence the desire for good relationships with coworkers, participation in a work team, and a positive relationship with supervisors. To help meet belongingness needs at Sadler's Wells Theatre in London, artistic director and CEO Alistair Spalding implemented an "associate artists" program, giving regularly performing artists free office space and access to rehearsal studios and the cafeteria. The increased interaction and mingling between artists and theater staff led to significant positive changes. Staff members, who previously had a somewhat antagonistic attitude toward the artists, became more motivated and engaged when they saw how important their contributions were to the nightly dance performances. Thanks to the higher level of belongingness, Sadler's Wells became a dynamic community in which everyone focused on achieving the goal of becoming a center of innovation in dance.[20]

- *Esteem:* The need for esteem relates to the desires for a positive self-image and for attention, recognition, and appreciation from others. Within organizations, esteem needs reflect a motivation for recognition, an increase in responsibility, high status, and credit for contributions to the organization. One example comes from Intuit, where Jennifer Lepird spent weeks working long, grueling hours on a big acquisition deal. After the deal closed, Lepird was delighted to get a thank-you note from her manager, along with a small gift certificate, because it met her need to feel appreciated. "The fact that somebody took the time to recognize the effort made the long hours just melt away," she says.[21]

- *Self-actualization:* The highest need category, self-actualization, represents the need for self-fulfillment: developing one's full potential, increasing one's competence, and becoming a better person. Self-actualization needs can be met in the organization by providing people with opportunities to grow, be empowered and creative, and acquire training for challenging assignments and advancement.

According to Maslow's theory, physiology, safety, and belonging are deficiency needs. These lower-order needs take priority—they must be satisfied before higher-order, or growth, needs are activated. The needs are satisfied in sequence: Physiological needs are satisfied before safety needs, safety needs are satisfied before social needs, and so on. A person desiring physical safety will devote their efforts to securing a safer environment and will not be concerned with esteem or self-actualization. Once a need is satisfied, it declines in importance and the next higher need is activated. When a union wins good pay and working conditions for its members, for example, basic needs will be met and union members may then want to have social and esteem needs met in the workplace.

8-2b Two-Factor Theory

Frederick Herzberg developed another popular needs-based theory of motivation called the *two-factor theory.*[22] Herzberg interviewed hundreds of workers about times when they were highly motivated to work and other times when they were dissatisfied and unmotivated to work. His findings suggested that the work characteristics associated with dissatisfaction were quite different from those pertaining to satisfaction, which prompted the notion that two factors influence work motivation.

Exhibit 8.5 illustrates the two-factor theory. The center of the scale is neutral, meaning that workers are neither satisfied nor dissatisfied. Herzberg believed that two entirely separate dimensions contribute to an employee's behavior at work. The first dimension, called **hygiene factors**, involves the presence or absence of job dissatisfiers, such as working conditions, pay, company policies, and interpersonal relationships. When hygiene factors are poor, work is dissatisfying. This is similar to the concept of deficiency needs described by Maslow. Good hygiene factors remove the dissatisfaction, but they do not in themselves cause people to become highly satisfied and motivated in their work. Pulitzer Prize–winning journalist Charles Duhigg wrote an article about attending a business school reunion that illustrates this point. Duhigg was surprised to find former classmates who were making more than $1 million per year but said they hated going to the office. One said, "My work feels totally meaningless. If you spend 12 hours a day doing work you hate, at some point it doesn't matter what your paycheck says."[23] You can evaluate your current or a previous job according to Maslow's needs theory and Herzberg's two-factor theory by answering the questions in Leadership Practice: Know Yourself 8.1.

The second set of factors does influence job satisfaction. **Motivators** fulfill high-level needs such as needs for achievement, recognition, responsibility, and opportunity for growth. Herzberg believed that when motivators are present, workers are highly motivated and satisfied. Thus, hygiene factors and motivators represent two distinct factors that influence motivation. Hygiene factors work in the area of lower-level needs, and their absence causes dissatisfaction. Inadequate pay, unsafe working conditions, or a noisy work environment will

Put It Into Practice 8.2

Identify one way in which a current or previous job met a lower-level need for you and one way in which it met (or could have met) a higher-level need, according to Maslow's hierarchy of needs. Write down those two needs.

Hygiene factors
the first dimension of Herzberg's two-factor theory; involves working conditions, pay, company policies, and interpersonal relationships

Motivators
the second dimension of Herzberg's two-factor theory; involves job satisfaction and meeting higher-level needs such as achievement, recognition, and opportunity for growth

Exhibit 8.5

Herzberg's Two-Factor Theory

Highly
Satisfied

Area of Satisfaction

Motivators

Achievement
Recognition
Responsibility
Work itself
Personal growth

Motivators
influence level
of satisfaction.

Neither
Satisfied nor
Dissatisfied

Area of Dissatisfaction

**Hygiene
Factors**

Working conditions
Pay and security
Company policies
Supervisors
Interpersonal
relationships

Hygiene factors
influence level of
dissatisfaction.

Highly
Dissatisfied

cause people to be dissatisfied; correcting these will remove dissatisfaction but will not cause a high level of work enthusiasm and satisfaction. Higher-level motivators such as challenge, responsibility, and recognition must be in place before employees will be highly motivated. In one survey, 60 percent of people said they were more motivated by recognition than by money. At the same time, 82 percent reported feeling that their supervisor didn't recognize them for what they did.[24]

Leaders at Mars Incorporated, maker of candy such as M&Ms and pet food such as Pedigree, successfully apply the two-factor theory to provide both hygiene factors and motivators, thus meeting employees' higher as well as lower needs. Compensation is very good compared to similar companies, and many employees get bonuses from 10 percent to 100 percent of their salaries if their team performs well. Vending machines dispense free candy all day long, and employees in the pet food division can take their dogs to work. These elements provide positive hygiene factors, but leaders also provide motivators, such as giving people the autonomy to experiment and propose new ideas, recognizing employees for showing initiative, and encouraging growth and development.

People can take paid time off to volunteer for community activities such as cleaning parks, planting gardens, or assisting at medical clinics. A highly competitive program selects 80 or so people each year to spend up to six weeks working with Mars-related partners (such as growers of cocoa beans) in remote areas of other countries.[25]

The implication of the two-factor theory for leaders is clear. People have multiple needs, and the leader's role is to go beyond the removal of dissatisfiers to the use of motivators to meet higher-level needs and propel employees toward greater enthusiasm and satisfaction.

8-2c Acquired Needs Theory

Another needs-based theory was developed by David McClelland. The **acquired needs theory** proposes that certain types of needs are acquired during a person's lifetime. In other words, people are not born with these needs but may learn them through their life experiences.[26] For example, the parents of William Strickland, founder and executive chairman of Manchester Bidwell, a highly successful nonprofit organization that provides after-school and summer programs for at-risk young people, always encouraged him to follow his dreams. When he wanted to go south to work with the Freedom Riders in the 1960s, they supported him. His plans for tearing up the family basement and making a photography studio were met with equal enthusiasm. Strickland thus developed a *need for achievement* that enabled him to accomplish amazing results later in life.[27] Overly strong or misdirected acquired needs can also lead to negative behaviors. Elizabeth Holmes, the founder of now-defunct medical testing company Theranos, has been charged with criminal fraud. In court filings, prosecutors suggest that Holmes was so driven by a need for achievement and success that she intentionally misled investors and patients about the company's technology.[28]

Three acquired needs most frequently studied are the need for achievement, need for affiliation, and need for power.

- *Need for achievement:* the desire to accomplish something difficult, attain a high standard of success, master complex tasks, and surpass others
- *Need for affiliation:* the desire to form close personal relationships, avoid conflict, and establish warm friendships
- *Need for power:* the desire to influence or control others, be responsible for others, and have authority over others

For more than 20 years, McClelland studied human needs and their implications for management. People with a high need for achievement tend to enjoy work that is entrepreneurial and innovative. People who have a high need for affiliation are successful "integrators," whose job is to coordinate the work of people and departments. Integrators include brand managers and project managers, positions that require excellent people skills. A high need for power is often associated with successful attainment of top levels in the organizational hierarchy. For example, McClelland studied managers at AT&T for 16 years and found that those with a high need for power were more likely to pursue a path of continued promotion over time.[29]

Put It Into Practice 8.3

Take the initiative on a team you are involved with at school or work to verbally provide a motivator (e.g., show appreciation or recognition) to the team or an individual on the team.

Acquired needs theory
McClelland's theory that proposes that certain types of needs (achievement, affiliation, power) are acquired during a person's lifetime

Put It Into Practice 8.4

Identify the acquired need (achievement, affiliation, or power) that you feel is strongest for you. Write down the life experiences associated with its presence in your life.

Leadership Practice: Know Yourself 8.1

Are Your Needs Met?

Instructions: Think of a specific job (current or previous) you have held. If you are a full-time student, think of your classes and study activities as your job. Please answer the following questions about those work activities. Indicate whether each item is Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. I feel physically safe at work.	_____	_____
2. I have good health benefits.	_____	_____
3. I am satisfied with what I'm getting paid for my work.	_____	_____
4. I feel that my job is secure as long as I want it.	_____	_____
5. I have good friends at work.	_____	_____
6. I have enough time away from my work to enjoy other things in life.	_____	_____
7. I feel appreciated at work.	_____	_____
8. People at my workplace respect me as a professional and expert in my field.	_____	_____
9. I feel that my job allows me to realize my full potential.	_____	_____
10. I feel that I am realizing my potential as an expert in my line of work.	_____	_____
11. I feel I'm always learning new things that help me to do my work better.	_____	_____
12. There is a lot of creativity involved in my work.	_____	_____

Scoring and Interpretation

Compute the number of Mostly True responses for the questions that represent each level of Maslow's hierarchy, as indicated in the next column, and write your score where indicated:

Questions 1–2: Physiological and health needs.
Score = _____.
Questions 3–4: Economic and safety needs.
Score = _____.
Questions 5–6: Belonging and social needs.
Score = _____.
Questions 7–8: Esteem needs.
Score = _____.
Questions 9–12: Self-actualization needs.
Score = _____.

These five scores represent how you see your needs being met in the work situation. An average score for overall need satisfaction (all 12 questions) is typically 6, and the average for lower-level needs tends to be higher than for higher-level needs. Is that true for you? What do your five scores say about the need satisfaction in your job? Which needs are less filled for you? How would that affect your choice of a new job? In developed countries, lower needs are often taken for granted, and work motivation is based on the opportunity to meet higher needs. Compare your scores to those of another student. How does that person's array of five scores differ from yours? Ask questions about the student's job to help explain the difference in scores.

Reread the 12 questions. Which questions would you say are about the *motivators* in Herzberg's two-factor theory? Which questions are about *hygiene factors*? Calculate the average points for the motivator questions and the average points for the hygiene factor questions. What do you interpret from your scores on these two factors compared to the five levels of needs in Maslow's hierarchy?

Source: These questions are taken from *Social Indicators Research* 55 (2001), pp. 241–302, "A New Measure of Quality of Work Life (QWL) based on Need Satisfaction and Spillover Theories," M. Joseph Sirgy, David Efraty, Phillip Siegel and Dong-Jin Lee. Copyright © and reprinted with kind permission of Kluwer Academic Publishers.

In summary, needs-based theories focus on underlying needs that motivate how people behave. The hierarchy of needs theory, the two-factor theory, and the acquired needs theory all identify the specific needs that motivate people. Leaders can work to meet followers' needs and hence elicit appropriate and successful work behaviors.

Remember This:

- Needs-based theories focus on the underlying needs that motivate how people behave. The **hierarchy of needs theory**, developed by Abraham Maslow, proposes that people are motivated by multiple needs and those needs exist in a hierarchical order.
- According to Maslow's theory, physiology, safety, and belongingness needs must be satisfied before higher-order needs for esteem and self-actualization are activated.
- Herzberg's two-factor theory holds that dissatisfiers must be removed and motivators then added to cause high motivation.
- One dimension of Herzberg's two-factor theory, **hygiene factors**, focuses on lower-level needs and involves working conditions, pay, company policies, and interpersonal relationships. Herzberg's second factor, **motivators**, involves job satisfaction and meeting higher-level needs, such as for achievement, recognition, and opportunity for growth.
- In a survey, 60 percent of people said they were more motivated by recognition than by money, and 82 percent reported feeling that their supervisor didn't recognize them for what they did.
- Leaders at Mars Inc. include both hygiene factors, such as good pay and benefits, and motivators, such as giving people the autonomy to experiment and propose new ideas, recognizing employees for showing initiative, and encouraging individual growth and development.
- The **acquired needs theory** developed by McClelland proposes that certain types of needs, such as for achievement, affiliation, and power, are acquired during a person's lifetime. McClelland's theory suggests that people are motivated differently depending on which needs they have acquired.

8-3 Other Motivation Theories

Three additional motivation theories—the reinforcement perspective, expectancy theory, and equity theory—focus primarily on extrinsic rewards and punishments. Relying on extrinsic rewards and punishments is sometimes referred to as the *carrot-and-stick approach*.[30] Behavior that produces a desired outcome is rewarded with a "carrot," such as a pay raise or promotion. Conversely, undesirable or unproductive behavior brings the "stick," such as a demotion or withholding a pay raise. Carrot-and-stick approaches tend to focus on lower needs, although higher needs can sometimes also be met. This chapter's Leader's Bookshelf argues that "beating people with carrots and sticks" squelches rather than inspires their motivation.

8-3a Reinforcement Perspective on Motivation

The reinforcement approach to employee motivation sidesteps the deeper issue of employee needs described in the needs-based theories. **Reinforcement theory** simply looks at the relationship between behavior and its consequences by changing or modifying followers' on-the-job behavior through the appropriate use of immediate rewards or punishments.

Reinforcement theory a motivational theory that looks at the relationship between behavior and its consequences by changing or modifying followers' on-the-job behavior through the appropriate use of immediate rewards or punishments

Leader's Bookshelf

Why Motivating People Doesn't Work . . . and What Does: The New Science of Leading, Energizing, and Engaging

by Susan Fowler

"It is a mistake to think that people are not motivated," writes Susan Fowler in *Why Motivating People Doesn't Work . . . and What Does.* "They are simply longing for something they cannot name."

Fowler says leaders and organizations too often rely on a system of rewards and punishments as the primary means of motivating—an approach that can kill people's intrinsic motivation. Rather than being absorbed by the work, people perform their jobs in a detached way, with their goal to receive extrinsic rewards or avoid reprimands rather than to perform at their top ability. "The real story of motivation," Fowler asserts, "is that people have psychological needs for autonomy, relatedness, and competence."

Unleash Motivation by Meeting Three Psychological Needs
Based on two decades of research in more than 50 countries and real-world application, Fowler contends that, regardless of gender, race, culture, or generation, people's motivation depends on meeting three psychological needs that foster and enable them to thrive.

- *Autonomy*. This is the need to feel that we have choices and are performing activities of our own volition. Leaders can meet employees' need for autonomy by giving them more influence in the workplace and more control over the work they do. For example, the satisfaction and productivity of assembly line workers increases significantly when they have the choice to stop the production line when they feel it is needed.
- *Relatedness.* We all have a need to care about and be cared about by others and to feel that we are contributing to something greater than ourselves. Fowler reminds us that about 75 percent of people's waking hours is connected to their work lives. "One of the greatest opportunities you have as a leader is to help your people find meaning, contribute to a social purpose, *and* experience healthy interpersonal relationships at work."
- *Competence.* This is the need to feel effective at meeting everyday challenges and opportunities and to grow, learn, and improve over time. Fowler cites

compelling evidence that human beings have an innate motivation to grow, develop, and reach their individual potential. "People are already motivated to learn," Fowler says, "but then we set up systems to incentivize them to learn—carrots and sticks—that divert them from their natural love of learning." Instead, she says, leaders should create a learning environment that allows employees at all levels to increase their competence.

Can We All Thrive at Work?
"Our desire to thrive may be innate, but thriving doesn't happen automatically—especially at work." Fowler suggests that traditional motivational approaches "have undermined more often than they've encouraged our human potential." Everyone, she says, longs to improve, be productive, make a contribution, and build lasting relationships. "Not because of something outside of themselves, but because it is in their human nature to make these things happen."

Source: *Why Motivating People Doesn't Work . . . and What Does: The New Science of Leading, Energizing, and Engaging,* by Susan Fowler, is published by Berrett-Koehler.

Behavior modification
the set of techniques by which reinforcement theory is used to modify behavior

Law of effect
states that positively reinforced behavior tends to be repeated and behavior that is not reinforced tends not to be repeated

Behavior modification is the name given to the set of techniques by which reinforcement theory is used to modify behavior.[31] The basic assumption underlying behavior modification is the **law of effect**, which states that positively reinforced behavior tends to be repeated, and behavior that is not reinforced tends not to be repeated. **Reinforcement** is defined as anything that causes a certain behavior to be repeated or inhibited. Four ways in which leaders use reinforcement to modify or shape employee behavior are positive reinforcement, negative reinforcement, punishment, and extinction, as illustrated in Exhibit 8.6.

Positive reinforcement is the administration of a pleasant and rewarding consequence following a desired behavior. Whole Foods Market gives employees a 30 percent discount on store purchases if they meet certain criteria for healthy habits, such as maintaining low cholesterol and blood pressure or quitting smoking. With health insurance costs on the rise, many companies are searching for ways to

Exhibit 8.6

Shaping Behavior with Reinforcement
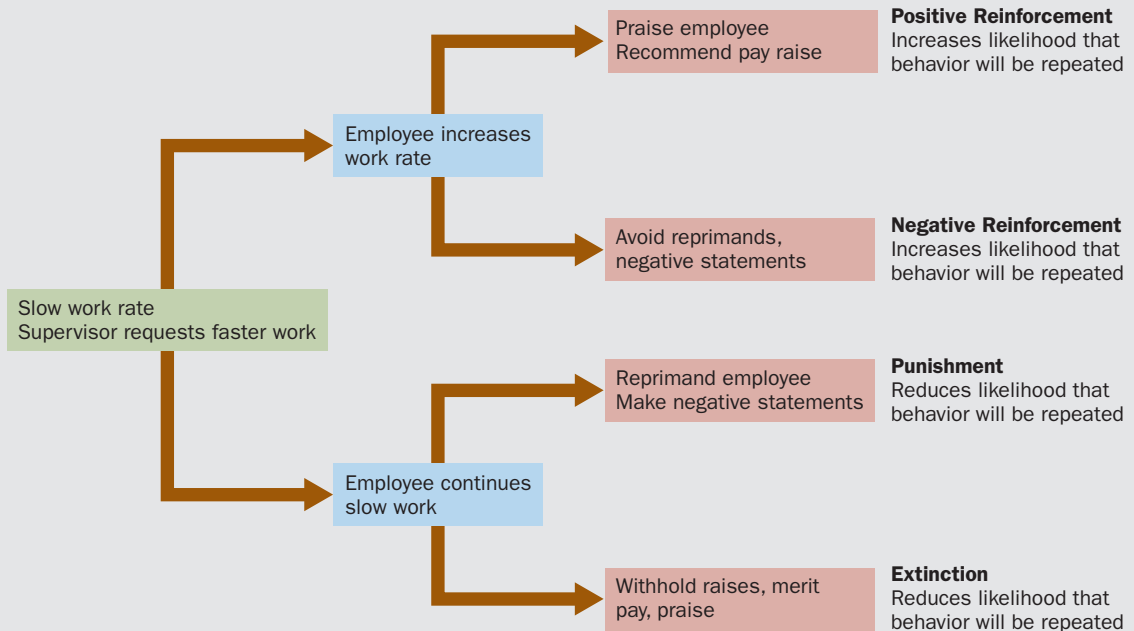
Source: Based on Richard L. Daft and Richard M. Steers, *Organizations: A Micro/Macro Approach* (Glenview, IL: Scott, Foresman, 1986) p. 109.

reinforce behaviors that create healthier employees.[32] After COVID-19 vaccines became widely available in the spring of 2021, companies including Trader Joe's, Amtrak, Kroger, Bolthouse Farms, Dollar General, and Lidl began offering bonuses, gift cards, and other inducements for their employees to get vaccinated. For example, Amtrak and Trader Joe's gave a bonus of two hours' pay and Bolthouse Farms gave a $500 bonus for employees who showed proof of vaccination.[33]

Studies have shown that positive reinforcement does help to improve job performance. In addition, nonfinancial reinforcements such as positive feedback, social recognition, and attention are just as effective as financial rewards.[34] A study of employees at a fine dining restaurant, for example, found that when leaders provided clear tasks and clear feedback on how well people were performing the tasks, motivation and performance improved. Cleaning and sanitizing of tables, chairs, floors, and restrooms increased by 63 percent and restocking of side stations increased by 48 percent.[35] Supervisor attention and feedback provide a psychological boost to motivation that has nothing to do with financial rewards. In fact, many people consider factors other than money to be more important. In a McKinsey global survey on the motivational value of money, respondents rated "praise and commendation from their immediate supervisor" as being a more effective motivator than cash.[36] Unexpected praise or expressions of appreciation can give a tremendous motivational boost.

Reinforcement
anything that causes a certain behavior to be repeated or inhibited

Positive reinforcement
the administration of a pleasant and rewarding consequence following a behavior

Negative reinforcement
the withdrawal of an unpleasant consequence once a behavior is improved

Punishment
the imposition of unpleasant outcomes on an employee following undesirable behavior

> ❝Appreciation can make a day—even change a life. Your willingness to put it into words is all that is necessary.❞
>
> Margaret Cousins (1878–1954), founder of All India Women's Conference (AIWC)

Extinction
the withholding of something positive, such as leader attention, praise, or pay raises; undesirable behavior is essentially ignored

Put It Into Practice 8.5

For the next three days, repeatedly apply positive reinforcement to a friend, family member, or roommate by thanking or complimenting that person every time they do a specific thing you like them to do (such as cleaning up a mess). Notice whether the reinforcement contributes to more instances of the desired behavior.

Negative reinforcement, sometimes referred to as *avoidance learning*, is the process of withdrawing an unpleasant consequence once a behavior is improved, thereby encouraging and strengthening the desired behavior. The idea is that people will change a specific behavior to avoid the undesired result that behavior provokes. As a simple example, a supervisor who constantly reminds or nags an employee who is goofing off on the factory floor and stops the nagging when the employee stops goofing off is using negative reinforcement.

Punishment is the imposition of unpleasant outcomes on an employee in order to discourage and weaken an undesirable behavior. An example of punishment is when the board of JPMorgan Chase cut CEO Jamie Dimon's 2012 bonus by 50 percent because of oversight failures that led to a multibillion-dollar trading loss related to the so-called London Whale fiasco. The punishment was intended to prevent the CEO from relying too heavily on reports from senior managers, and instead to seek evidence and corroboration of prudent trading behaviors.[37] The use of punishment in organizations is controversial and sometimes criticized for failing to indicate the correct behavior.

Extinction is the withholding of something positive, such as leader attention, praise, or pay raises. With extinction, undesirable behavior is essentially ignored. The idea is that behavior that is not reinforced with positive attention and rewards will gradually disappear. A *New York Times* reporter wrote a humorous article about how she learned to stop nagging and instead use reinforcement theory to shape her husband's behavior after studying how professionals train animals.[38] When her husband did something she liked, such as throw a dirty shirt in the hamper, she would use *positive reinforcement*, thanking him or giving him a hug and a kiss. Undesirable behaviors, such as throwing dirty clothes on the floor, in contrast, were simply ignored, applying the principle of *extinction*.

Leaders can apply reinforcement theory to influence the behavior of followers. They can reinforce behavior after each and every occurrence, which is referred to as *continuous reinforcement*, or they can choose to reinforce behavior intermittently, which is referred to as *partial reinforcement*. With partial reinforcement, the desired behavior is reinforced often enough to make the employee believe the behavior is worth repeating, even though it is not rewarded every time it is demonstrated. Continuous reinforcement can be very effective for establishing new behaviors, but research has found that partial reinforcement is more effective for maintaining behavior over extended time periods.[39]

8-3b Expectancy Theory

Expectancy theory suggests that motivation depends on individuals' mental expectations about their ability to perform tasks and receive desired rewards. Expectancy theory is associated with the work of Victor Vroom, although a number of scholars have made contributions in this area.[40] Expectancy theory is concerned not with understanding types of needs but with the thinking process that people use to achieve rewards.

Expectancy theory is based on the relationship among the person's effort, the possibility of high performance, and the desirability of outcomes following high performance. Exhibit 8.7 illustrates these elements and the relationships among them. The $E > P$ expectancy is the probability that putting effort into a task will lead to high performance. For this expectancy to be high, the individual must have the ability, previous experience, and necessary tools, information, and opportunity

Exhibit 8.7

Key Elements of Expectancy Theory

E > P expectancy
Effort ⟶ Performance

Will putting effort into the task lead to the desired performance?

P > O expectancy
Performance ⟶ Outcomes

Will high performance lead to the desired outcome?

Valence—value of outcomes
(pay, recognition, other rewards)

Are the available outcomes highly valued?

Motivation
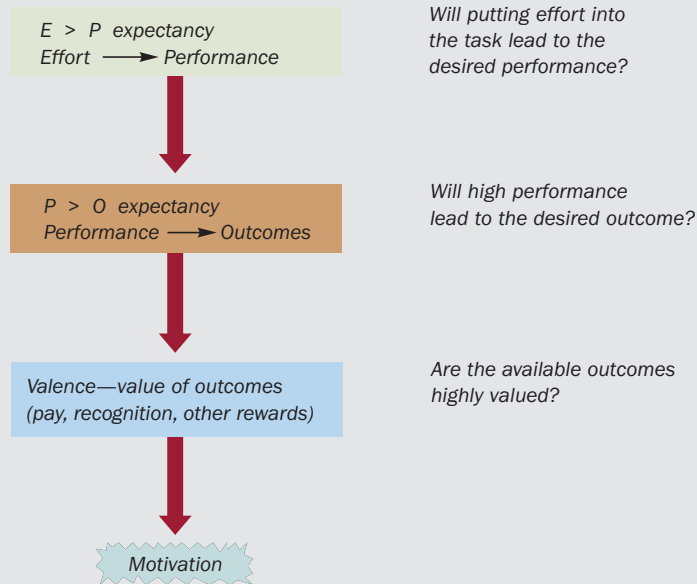
to perform. One interesting study of expectancy theory looked at patrol officer drug arrests in the midwestern United States. The research found that officers who made the most arrests were those who received specialized training to hone their skills and who perceived that they had sufficient time and resources to properly investigate suspected drug activity.[41]

The *P > O* expectancy involves whether successful performance will lead to the desired outcome. If this expectancy is high, the individual will be more highly motivated. *Valence* refers to the value of outcomes to the individual. If the outcomes that are available from high effort and good performance are not valued (low valence) by an employee, motivation will be low. Likewise, if outcomes have a high value, motivation will be higher. Many companies have begun tying executive pay (outcome) to important goals the organization wants to meet and showing people how they can make more money by focusing on the behavior (performance) to meet the goals. Starbucks, for example, has tied leaders' compensation to increasing the diversity of employees at all levels of the company, aiming for at least 30 percent of its corporate employees and 40 percent of its U.S. retail and manufacturing employees to be people of color by 2025. Airbnb is linking executives' bonuses to nonfinancial metrics including increasing gender and racial diversity, improving guest safety, and reducing the company's carbon footprint.[42]

A simple example to illustrate the relationships in Exhibit 8.7 is Isabella Torres, a salesperson at Diamond Gift Shop. If Isabella believes that increased selling effort will lead to higher personal sales, her *E > P* expectancy is considered high. Moreover, if she also believes that higher personal sales will lead to a pro-

Expectancy theory
a theory that suggests that motivation depends on individuals' mental expectations about their ability to perform tasks and receive desired rewards

motion or pay raise, the *P > O* expectancy is also high. Finally, if Isabella places a high value on the promotion or pay raise, valence is high and she will be highly motivated. For an employee to be highly motivated, all three factors in the expectancy model must be high.[43]

Like the path-goal theory of leadership described in Chapter 3, expectancy theory is personalized to individuals' needs and goals. Every person is different, so leaders may have to use a mix of incentives and rewards to motivate. A leader's responsibility is to understand each follower's "unique motivational profile" and then help followers meet their needs while attaining organizational goals.[44]

According to expectancy theory, leaders enhance motivation by increasing followers' expectancy—clarifying individual needs, providing the desired outcomes, and ensuring that people have the ability and support needed to perform well and attain their desired outcomes. The questionnaire in Leadership Practice: Know Yourself 8.2 gives you the opportunity to see how effectively you apply motivational ideas of reinforcement and expectancy in your own leadership.

8-3c Equity Theory

Equity theory
a theory that proposes that people are motivated to seek social equity in the rewards they receive for performance

Sometimes employees' motivation is affected not only by their expectancies and the rewards they receive but also by their perceptions of how fairly they are treated in relation to others. **Equity theory** proposes that people are motivated to seek social equity in the rewards they receive for performance.[45] According to the theory, if people perceive their rewards as equal to what others receive for similar contributions, they will believe they are treated fairly and will be more highly motivated. When they believe they are not being treated fairly and equitably, motivation will decline.

When the COVID-19 pandemic led to the closing of schools and childcare centers, leaders at many companies found ways to help employees with children, but this sometimes created problems related to perceived inequity. For example, when companies such as Salesforce, Google, and Facebook offered parents several weeks of paid time off, some childless employees felt underappreciated, believed they were being asked to shoulder a heavier workload, and thought it was unfair that they could not take advantage of the same leave policy. Facebook suspended its job performance scoring for the first half of 2020 and announced that every employee would receive bonus amounts usually reserved for "very good" performance scores. This rankled some childless employees, who felt that they should be paid more because they were working more than those who had taken parental leave.[46]

People evaluate equity by a ratio of inputs to outcomes. That is, employees make comparisons of what they put into a job and the rewards they receive relative to those of other people in the organization. Inputs include such things as education, experience, effort, and ability. Outcomes include pay, recognition, promotions, and other rewards. A state of equity exists whenever the ratio of one person's outcomes to inputs equals the ratio of others' in the work group. Inequity occurs when the input/outcome ratios are out of balance, such as when an employee with a high level of experience and ability receives the same salary as a new, less-educated employee. Consider what happened when Dan Price increased the minimum wage at Seattle-based Gravity Payments to $70,000 a year. Many employees at the credit card processing company were thrilled with the compensation change, but it brought some unexpected problems. The toughest challenge for Price was that he started losing some of his best people. A Web developer quit, even

Leadership Practice: Know Yourself 8.2

Your Approach to Motivating Others

Instructions: Think about situations in which you were in a formal or informal leadership role in a group or organization. Imagine using your personal approach as a leader, and answer the following questions. Indicate whether each item is Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. I ask the other person what rewards they value for high performance.	_____	_____
2. I find out if the person has the ability to do what needs to be done.	_____	_____
3. I explain exactly what needs to be done for the person I'm trying to motivate.	_____	_____
4. Before giving somebody a reward, I find out what would appeal to that person.	_____	_____
5. I negotiate what people will receive if they accomplish the goal.	_____	_____
6. I make sure people have the ability to achieve performance targets.	_____	_____
7. I give special recognition when others' work is very good.	_____	_____
8. I only reward people if their performance is up to standard.	_____	_____
9. I use a variety of rewards to reinforce exceptional performance.	_____	_____
10. I generously praise people who perform well.	_____	_____
11. I promptly commend others when they do a better-than-average job.	_____	_____
12. I publicly compliment others when they do outstanding work.	_____	_____

Scoring and Interpretation

These questions represent two related aspects of motivation theory. For the aspect of expectancy theory, sum the points for Mostly True to questions 1–6. For the aspect of reinforcement theory, sum the points for Mostly True for questions 7–12. The scores for my approach to motivation are:

My use of expectancy theory:_____
My use of reinforcement theory:_____

These two scores represent how you see yourself applying the motivational concepts of expectancy and reinforcement in your own leadership style. Four or more points on *expectancy theory* means you motivate people by managing expectations. You understand how a person's effort leads to performance and make sure that high performance leads to valued rewards. Four or more points for *reinforcement theory* means that you try to modify people's behavior in a positive direction with frequent and prompt positive reinforcement. New leaders often learn to use reinforcements first, and as they gain more experience they are able to apply expectancy theory.

Exchange information about your scores with other students to understand how your application of these two motivation theories compares to others'. Remember, leaders are expected to master the use of these two motivation theories. If you didn't receive an average score or higher, you can consciously do more with expectations and reinforcement when you are in a leadership position.

Sources: These questions are based on D. Whetten and K. Cameron, *Developing Management Skills,* 5th ed. (Upper Saddle River, NJ: Prentice Hall, 2002), pp. 302–303; and P. M. Podsakoff, S. B. Mackenzie, R. H. Moorman, and R. Fetter, "Transformational Leader Behaviors and Their Effects on Followers' Trust in Leader, Satisfaction, and Organizational Citizenship Behaviors," *Leadership Quarterly* 1, no. 2 (1990), pp. 107–142.

though he had gotten a $9,000 raise. Why? He says he felt like he put 110 percent into his job and didn't like the fact that "people who were just clocking in and out were making the same as me." The financial manager also resigned, believing that the biggest raises were going to "the people with the least skills," rather than rewarding those who were making the greatest contribution. Other long-term

experienced employees also lost their motivation when they saw that newly hired people were earning the same as they were.[47] Paying people well is important, and Price has been praised for the goal of giving people more. However, leaders must be alert to potential issues of perceived inequity.

This discussion provides only a brief overview of equity theory. The theory's practical use has been criticized because a number of key issues are unclear. However, the important point of equity theory is that, for many people, motivation is influenced significantly by relative as well as absolute rewards. The concept reminds leaders that they should be aware of the possible effects of perceived inequity on follower motivation and performance.

Remember This:

- Other motivation theories, including the reinforcement perspective, expectancy theory, and equity theory, focus primarily on extrinsic rewards and punishments, sometimes called *carrot-and-stick* methods of motivation.
- **Reinforcement theory** looks at the relationship between behavior and its consequences by changing or modifying followers' on-the-job behavior through the appropriate use of immediate rewards or punishments. The set of techniques by which reinforcement theory is used to modify behavior is called **behavior modification**.
- The **law of effect** states that positively reinforced behavior tends to be repeated and behavior that is not reinforced tends not to be repeated.
- **Reinforcement** is anything that causes a certain behavior to be repeated or inhibited.
- **Positive reinforcement** is the administration of a pleasant and rewarding consequence following a behavior. After COVID-19 vaccines became widely available, Bolthouse Farms began giving a $500 bonus to employees who showed proof of their vaccination.
- **Negative reinforcement** is the withdrawal of an unpleasant consequence once a behavior is improved.
- **Punishment** is the imposition of unpleasant outcomes on an employee following undesirable behavior, and **extinction** refers to the withholding of something positive, such as leader attention, praise, or pay raises.
- **Expectancy theory** suggests that motivation depends on individuals' mental expectations about their ability to perform tasks and receive desired rewards.
- **Equity theory** proposes that individuals' motivation is affected not only by the rewards they receive but also by their perceptions of how fairly they are treated in relation to others. People are motivated to seek equity in the rewards they receive for performance.
- When Dan Price increased the minimum wage at Seattle-based Gravity Payments to $70,000 a year, the motivation of some long-term experienced employees declined when they saw that newly hired people were earning the same as they were.

8-4 Empowering People to Meet Higher Needs

Empowerment refers to power sharing, the delegation of power or authority to lower levels in the organization.[48] Empowerment can enhance motivation by meeting the higher-level needs of employees and enabling them to find greater intrinsic satisfaction in their work. In addition, leaders greatly benefit from the expanded capabilities that employee participation brings to the organization.[49] Frontline employees often have a better understanding than do leaders of how to improve a work process, satisfy a customer, or solve a production problem.

At a global travel-management company, executives decided to try empowerment at 3 of its 27 branch offices. They started by asking employees questions such as "What should the branch do to improve relationships with customers?" and "What is the biggest opportunity for improvement in this branch?" Employees then developed a consensus around targets and how to track their progress toward meeting them. Meetings were held weekly to share financial and operational results and update plans. After a year, top executives were astounded by the outcome: The 3 experimental branches exceeded their annual profit targets by 10 percent, 17 percent, and 20 percent, whereas none of the other 24 branches achieved its profit target that year. One travel counselor said, "I feel that the company has entrusted us with this financial data, and that empowers us to create positive financial opportunities for the company."[50] Leaders in other companies have also found that sharing overall company financial data and allowing people to participate in strategic decision making is a great high-level motivator.

8-4a The Psychological Model of Empowerment

Empowerment provides strong motivation because individuals have a sense that they are in control of their work and success. Research indicates that most people have a need for *self-efficacy*, which is the capacity to produce results or outcomes, to feel that they are effective.[51] Most people come into an organization with the desire to do a good job, and empowerment enables leaders to release the motivation already there.

Five elements must be in place before employees can be truly empowered to perform their jobs effectively: information, knowledge, discretion, meaning, and rewards.[52]

1. *Employees receive information about company performance.* In companies where employees are fully empowered, everyone is taught to think like a business owner. Employees have access to company financials and attend a financial literacy course to understand how to interpret them.

2. *Employees receive knowledge and skills to contribute to company goals.* Companies use training programs and other development tools to give people the knowledge and skills they need to personally contribute to performance.

3. *Employees have the power to make substantive decisions.* Empowered employees have the authority to directly influence work procedures and organizational direction, such as through quality circles and self-directed work teams. As an originator of empowerment, Ken Iverson drove up productivity and profits at steel company Nucor by giving everyone the autonomy to do their jobs as they saw fit. Nucor had only 22 central office people to keep track of 23 steel-making divisions. As a result of so little supervision, Iverson reported in the 1990s:

Empowerment
power sharing; the delegation of power or authority to lower levels in the organization

Put It Into Practice 8.8
Reflect on a specific time when you felt empowered or disempowered. Specify and write down the feelings that arose within you and the behavior that resulted.

> "Our 7,000 employees are the best-paid workers in our industry, yet Nucor has the lowest labor cost per ton of steel produced."[53]

4. *Employees understand the meaning and impact of their jobs.* Empowered employees consider their jobs important and meaningful, see themselves as capable and influential, and recognize the impact their work has on customers, other stakeholders, and the organization's success.[54]

5. *Employees are rewarded based on company performance.* Reward systems play an important role in supporting empowerment. People are rewarded based on results shown in the company's bottom line. At Nucor, everyone had a stake in the business. Iverson's example became a beacon for leaders of other companies to try empowerment.

8-4b Empower and Delegate Responsibility through Job Design

Leaders can also adjust structural aspects of jobs to enable employees to have more autonomy and feel a sense of meaningfulness and empowerment in their jobs.[55] **Job design** refers to structuring jobs in a way to meet higher-level needs and increase motivation toward the accomplishment of goals. One model, called the **job characteristics model**, proposes that certain core job dimensions create positive psychological reactions within employees that lead to higher motivation and better performance.[56] The core job dimensions, related psychological reactions, and outcomes are illustrated in Exhibit 8.8.

Leaders can make alterations in five dimensions of jobs to increase the job's motivational and empowerment potential.

1. *Increase skill variety.* Jobs with a variety of activities require a diversity of skills and are thus more motivating.

Job design
structuring jobs in a way to meet higher-level needs and increase motivation toward the accomplishment of goals

Job characteristics model
a model of job design that considers the core job dimensions of skill variety, task identity, task significance, autonomy, and feedback to enrich jobs and increase their motivational potential

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Exhibit 8.8

The Job Characteristics Model

Core Job Dimensions	Critical Psychological States	Personal and Work Outcomes
Skill variety Task identity Task significance	Experienced meaningfulness of the work	High internal work motivation
Autonomy	Experienced responsibility for outcomes of the work	High-quality work performance
Feedback	Knowledge of the actual results of the work activities	High satisfaction with the work
		Low absenteeism and turnover

Source: Adapted from J. Richard Hackman and G. R. Oldham, "Motivation through the Design of Work: Test of a Theory," *Organizational Behavior and Human Performance* 16 (1976), p. 256.

2. *Structure jobs so that an employee can perform a complete task from beginning to end.* The job characteristics model refers to this as *task identity*, which means the job has a recognizable beginning and ending.

3. *Incorporate task significance into the job.* People feel an increased sense of power and self-efficacy when they are performing a job that is important and that influences customers and the company's success. In an experiment at a cafeteria, researchers set up a video feed from the grill station that enabled cooks in the kitchen to see the diners who were ordering the food they would prepare. Seeing the customer helped the cooks see the significance of their jobs. They immediately began working differently, such as freshly preparing eggs rather than grilling several in advance, and their job satisfaction dramatically increased.[57]

4. *Give people autonomy for choosing how and when to perform specific tasks.* People are typically more motivated when they have freedom, discretion, and self-determination in planning and carrying out tasks.

5. *To the extent possible, design jobs to provide feedback and let employees see the outcomes of their efforts.* In cases where the job itself does not provide timely feedback, leaders have to work harder at giving people specific feedback and helping them see how the job contributes to the organization's success. Dorothee Ritz, Microsoft's general manager for Austria, sent employees into the field to see for themselves how people were using the company's products and services. One spent several days on the street with police officers observing how they use remote data. Another spent time in a hospital to see the impact of paperless systems. Ritz says this helped people better see the outcomes and value of their work and they began offering more suggestions for how to better serve customers.[58]

The more these five characteristics can be designed into the job, the higher employees' motivation will be, and the higher will be their performance. Essentially, these changes are designed to transfer authority and responsibility from leaders to employees and create job enrichment. **Job enrichment** incorporates high-level motivators such as responsibility, recognition, and opportunities for growth and learning into the job. In an enriched job, the employee controls resources needed to perform well and makes decisions on how to do the work.

One way to enrich an oversimplified job is to enlarge it, that is, to extend the responsibility to cover several tasks instead of only one. At Ralcorp's cereal manufacturing plant in Sparks, Nevada, leaders combined several packing positions into a single job and cross-trained employees to operate all of the packing line's equipment. Employees were given both the ability and the responsibility to perform all the various functions in their department, not just a single task. In addition, line employees became responsible for all screening and interviewing of new hires as well as training and advising one another. Ralcorp invests heavily in training to be sure employees have the needed operational skills as well as the ability to make decisions, solve problems, manage quality, and contribute to continuous improvement.[59]

As illustrated in Exhibit 8.8, the five core job dimensions cause individuals to experience three positive psychological reactions. The first three dimensions—higher skill variety, task identity, and task significance—enable the employee to see the job as meaningful and significant *(experienced meaningfulness of work),*

Job enrichment a motivational approach that incorporates high-level motivators into the work, including job responsibility, recognition, and opportunities for growth, learning, and achievement

which makes the job intrinsically satisfying. Greater autonomy in a job leads to a feeling of increased responsibility for the success or failure of task outcomes *(experienced responsibility for outcomes of the work)*, thus increasing commitment. The final dimension, feedback, provides the employee with *knowledge of the actual results of work activities.* Thus, employees know how they are doing and can adjust work performance to increase desired outcomes.

These positive psychological reactions in turn lead to greater intrinsic satisfaction, higher motivation, better work performance, and lower absenteeism and turnover, as illustrated in the exhibit.

Leadership Practice: Know Yourself 8.3

Are You Engaged?

Instructions: Think about one of your favorite college courses that you enjoyed and in which you performed well. Answer the questions in Part A for that favorite course. Then respond to the items in Part B for a course you did *not* enjoy and for which you probably performed poorly. Respond to the items in both Part A and Part B by indicating whether each item is Mostly True or Mostly False for you.

	Mostly False	Mostly True
Part A (for a favorite course)		
1. I made sure to study on a regular basis.	_____	_____
2. I put forth a lot of effort.	_____	_____
3. I found ways to make the course material relevant to my life.	_____	_____
4. I found ways to make the course interesting to me.	_____	_____
5. I raised my hand in class.	_____	_____
6. I had fun in class.	_____	_____
7. I participated actively in small group discussions.	_____	_____
8. I helped fellow students.	_____	_____
Part B (for a least-favorite course)		
1. I made sure to study on a regular basis.	_____	_____
2. I put forth a lot of effort.	_____	_____
3. I found ways to make the course material relevant to my life.	_____	_____

4. I found ways to make the course interesting to me.   _____   _____
5. I raised my hand in class.   _____   _____
6. I had fun in class.   _____   _____
7. I participated actively in small group discussions.   _____   _____
8. I helped fellow students.   _____   _____

Scoring and Interpretation

For Part A give yourself 1 point for each Mostly True answer and zero points for each Mostly False. For Part B give yourself 1 point for each Mostly True and zero points for each Mostly False. Write your scores below:

Part A score:_____
Part B score:_____

The term "employee engagement" is very popular in the corporate world. Engagement means that people are highly involved in and express themselves through their work, going well beyond the minimum effort required to do their jobs. Engagement typically has a positive relationship with both personal satisfaction and performance. If this relationship was true for your classes, your score for your favorite course should be substantially higher than the score for your least favorite course. The challenge for you as a leader is to learn to engage direct reports in the same way your instructor in your favorite class was able to engage you. Teaching is similar to leading. What techniques did your instructors use to engage students? Which techniques can you use to engage people when you become a leader?

Source: These questions are based on Mitchell M. Handelsman, William L. Briggs, Nora Sullivan, and Annette Towler, "A Measure of College Student Course Engagement," *The Journal of Educational Research* 98 (January–February 2005), pp. 184–191.

Remember This:

- One highly effective way to meet higher-level needs is to empower employees. **Empowerment** is the delegation of power or authority to lower levels in the organization. Empowerment lets everyone know the direction of the organization and gives them the autonomy to act as they see fit to go in that direction.

- To empower employees, leaders provide five elements: information about company performance; the knowledge and skills to contribute to meeting organizational goals; the power to make consequential decisions; an understanding of the meaning and impact of their jobs; and rewards based on company performance.

- Thanks to empowerment, Nucor's employees were the best-paid workers in the steel industry, yet Nucor had the lowest labor costs per ton of steel produced.

- Jobs can be designed to increase empowerment. **Job design** refers to structuring jobs in a way to meet higher-level needs and increase motivation toward the accomplishment of goals.

- The **job characteristics model** is a model of job design that considers the core job dimensions of skill variety, task identity, task significance, autonomy, and feedback to enrich jobs and increase their motivational potential.

- The model proposes that jobs are more empowering and motivating when they have greater skill variety, task identity, task importance, autonomy, and feedback.

- **Job enrichment** is a motivational approach that incorporates high-level motivators into the work, including job responsibility, recognition, and opportunities for growth, learning, and achievement.

8-5 Giving Meaning to Work through Purpose and Engagement

The most recent thinking about motivation considers what factors contribute to people's willingness to be fully engaged at work and "go the extra mile" to contribute their creativity, energy, and passion on the job. Leaders can create an organizational environment that promotes employee engagement. **Engagement** is a positive, fulfilling work-related emotional and mental state characterized by energy, dedication, and absorption.[60] People putting high energy into their work is a key sign of engagement. Surveys by Gallup indicate that engagement reached a record high in 2019, yet 52 percent of employees surveyed were identified as *not engaged* and 13 percent were *actively disengaged*.[61] Active disengagement means that people are actively undermining their organization's success. When people are fully engaged, they care deeply about the organization and actively seek ways to serve the mission.

Leaders enhance engagement by providing employees with three key elements: a sense of meaningfulness, a sense of connection, and a sense of growth.[62]

Engagement
a positive, fulfilling work-related emotional and mental state characterized by energy, dedication, and absorption

When leaders organize the workplace in such a way as to create these feelings, employee engagement grows, leading to high motivation and high organizational performance.

8-5a Provide a Sense of Meaning

People need to feel that they are working toward something important. When employees have a chance to accomplish something that provides real value, they feel a sense of *meaningfulness*. As we discussed in Chapter 7, people are more energetic, motivated, and engaged when they have an inspiring vision and mission and understand the purpose of their work. Feeling that they are working toward something that provides positive benefits contributes to employees' sense of pride and dignity.

To enhance motivation and engagement, leaders also set clear, specific, challenging goals, and they help people track their progress toward goal achievement by providing timely feedback. Numerous studies have shown that specific, challenging goals significantly enhance people's motivation and performance levels.[63] Goals enable people to focus their energies in the right direction. People know what to work toward, so they can direct their efforts toward the most important activities to accomplish the goals. Goals also energize behavior because people feel compelled to develop plans and strategies that keep them focused on achieving the targets. Specific, difficult goals provide a challenge and encourage people to put forth high levels of effort. In addition, when goals are achieved, pride and satisfaction increase, contributing to higher motivation and morale.[64]

Andre Durand, cofounder and CEO of software company Ping Identity, believes in the motivational power of goals and says people are more motivated when they feel like they are winning. Durand advises that leaders be careful and thoughtful about how they set expectations. Giving people ambitious targets is important, but "you have to make sure . . . they aren't so far out that they're unachievable, which will leave people demoralized."[65]

8-5b Help People Feel Connected

When people feel connected to the company, to one another, and to their leaders, they are more motivated and engaged. In a survey asking people which factors contributed to their engagement, 79 percent of people said "good relationships with coworkers" drove engagement to a high or very high extent. Even more (91 percent) pointed to good relationships with their immediate supervisor as highly important.[66] The behavior of leaders makes the biggest difference in whether people feel engaged at work.[67] Leaders promote engagement when they listen to employees, genuinely care about their concerns, and help them develop positive relationships with colleagues.

Leaders at the Northern European branch of Tupperware, Tupperware Nordic, effectively apply social media to build a connected community. Former managing director Steve Ove Fenne began by building positive connections with Tupperware's distributors and consultants. He regularly visited all major centers of activity to establish personal relationships, then followed up with blogs, e-mails, podcasts, and other messages on social media. He also personally read every message sent to him by consultants and would respond with one-liners such as "WOW! We are so proud of you" (adding the person's first name).

When his time was limited, he posted messages on his social media page explaining the situation and reaffirming his support of and pride in each and every consultant. By using social media to build a community, Fenne helped people who were often working in isolation feel more attached to one another and to the company as a whole.[68]

8-5c Give People a Chance to Learn, Grow, and Advance

To be fully engaged, people need not only to feel that they are competent to handle what is asked of them, but also that they have the chance to learn and expand their potential. Good leaders help employees understand their own unique set of talents, skills, interests, attitudes, and needs; put people in jobs where they can make their best contribution and receive intrinsic rewards every day; and make sure people have what they need to perform well. In addition, they give people the chance to work on challenging projects, offer high-quality training and learning programs, and provide opportunities for advancement within the organization.

A good example comes from the Kitchen Aid division of Whirlpool Corporation. Jennifer Hanna started working at Kitchen Aid right out of high school in the early 1990s, saying she "wanted to find a company that would invest in me at the age of 18." The company helped pay Hanna's way through community college and Ohio's University of Findlay, later encouraged and supported her pursuit of an MBA, and eventually added her to the top leadership team. Today's employees are finding the same support. "It's not a dead-end job anymore," said one employee who started at Whirlpool as a teenager and now works as a manager. Whirlpool and Kitchen Aid leaders know that without people coming to work every day and performing at their best, the work comes to a halt.[69]

Studies have identified a correlation between high levels of employee engagement and company performance, including less turnover, greater profitability, and stronger employee and customer loyalty.[70] Some companies survey employees to measure employee engagement. Exhibit 8.9 shows a variety of factors that leaders can evaluate to see how they are doing in creating an environment that promotes employee engagement.

When employees were working from home during the COVID-19 pandemic, leaders faced a greater challenge in keeping people engaged. A survey of more than 8,000 people in the United States in mid-2020 found that engagement had fallen 16 percent since the start of the pandemic early that year. A subsequent study identified the attitudes and behaviors of leaders as the primary factors influencing whether people's engagement levels declined.[71] Leaders who connected with employees emotionally as well as professionally, encouraged them to take opportunities to build their skills, and kept them focused on the purpose of their work helped people stay engaged and productive. For example, Tim Langley-Hawthorne, CIO at Hitachi Vantara, intentionally used a "people-first" leadership style with his technology team and was always looking for ways to keep employees connected while they were working from home. He suggested that people use the time they would have spent commuting to the office to learn new professional skills. Technologists would post their efforts and certifications on Microsoft Teams and get encouragement and congratulations from teammates.[72]

> ### Put It Into Practice 8.9
> Pinpoint a time when you felt fully engaged at work or school. Write down the aspects of the situation that enabled you to feel more engaged than normal.

Exhibit 8.9

What Makes a Follower Highly Engaged?

	Percentage of Low or No Engagement Employees Experiencing This	Percentage of Engaged Employees Experiencing This
Someone has talked about their progress	13%	92%
Someone encourages their development	10%	97%
They have been praised recently	13%	88%
They have opportunities to learn and grow	13%	98%
They have a best friend at work	19%	74%
Their leader cares about them	20%	98%
They view their job as important to the company	22%	98%
They are able to do their best every day	19%	91%
They have equipment needed to do their job	70%	98%
They know what is expected of them at work	89%	99%
Their colleagues are committed to quality work	44%	93%
Their opinions count at work	19%	91%

Remember This:

- **Engagement** is a positive, fulfilling work-related emotional and mental state characterized by energy, dedication, and absorption.
- Leaders create an environment that promotes engagement by providing employees with a sense of meaning, a sense of connection, and a sense of competence and growth.
- A survey in the United States in mid-2020 found that engagement had fallen 16 percent since the start of the pandemic early that year and a subsequent study identified the attitudes and behaviors of leaders as the primary factors influencing whether people's engagement levels declined.

8-6 New Ideas for Motivation

One reason engagement and empowerment have such high motivational potential is that they address higher-level needs and provide intrinsic rewards by applying some recent ideas about what it takes to have a high-performance workplace in which people feel that they are a part of something special.

8-6a The Making Progress Principle

Recent research points to the importance of *making progress toward goals* as a key to high motivation. The **making progress principle** is the idea that the single most important factor that can boost motivation, positive emotions, and perceptions during a workday is making progress toward meaningful goals.[73] People are most motivated when they have the opportunity to experience achievement. Knowing that they are making everyday progress, even small steps, can make all the difference in how motivated people feel to continue pursuing a course of action.

Leaders can support making progress by setting clear goals, giving people autonomy, providing sufficient time and resources, and helping people see how they are contributing. In addition, leader encouragement and recognition can enable people to see their work as important and meaningful. Providing feedback on how well people are progressing and giving them a way to track their progress toward goals provides a renewable energy that fuels motivation. Leaders should not underestimate the importance of the continuous feedback aspect of the job characteristics model, described earlier.

Making progress principle
the idea that the single most important factor that can boost motivation, positive emotions, and perceptions during a workday is making progress toward meaningful goals

8-6b Tracking Happiness

Surveys of how engaged employees feel have become routine at many organizations. Realizing that many factors contribute to employee motivation and job performance, some companies have gone a step further by making employee happiness a priority. Research shows that happy employees tend to be more productive, and strong positive corporate cultures make organizations more attractive to job seekers.[74] At Amazon, many employees receive a survey each day asking whether they have had too many meetings lately or if their supervisor has thanked them within the past week. Ford Motor Company has placed HappyorNot terminals at the entrances of its corporate headquarters and in some of its manufacturing plants. Employees can press smiling or frowning icons in response to questions such as "How optimistic are you feeling about your day today?" There is also a chance to provide more detailed comments.[75]

Leaders play a crucial role in their employees' workplace happiness. Research from McKinsey & Company identified relationships with managers as the top factor in employees' job satisfaction, which in turn is the second most important determinant of employees' overall well-being (second only to mental health).[76] In addition, leaders create the overall environment that influences people's work lives. Ursula Adams, director of employee engagement at United Way for Southeastern Michigan, says using the app Niko Niko, which tracks employees' moods with a mobile "happiness meter," has helped the organization avoid sinking money into fixing the wrong problems. "When people think about engagement, they think hoverboard and foosball, ice cream and ponies," Adams says. "But when you dig into the data, you find that people are asking for things like greater role clarity and more information about strategic vision."[77]

Remember This:

• Two recent motivational ideas that relate to engagement are the making progress principle and tracking happiness.

• The **making progress principle** is the idea that the single most important factor that can boost motivation, positive emotions, and perceptions during a workday is making progress toward meaningful goals.

• Some companies, including Amazon, United Way for Southeastern Michigan, and Ford Motor Company, have begun tracking employee happiness. Research shows that happy employees tend to be more productive, and strong positive corporate cultures make organizations more attractive to job seekers.

• Ford placed HappyorNot terminals in some of its manufacturing plants, where employees can press smiling or frowning icons in response to questions such as "How optimistic are you feeling about your day today?"

Discussion Questions

1. Describe the kinds of needs that people bring to an organization. How might someone's personality characteristics—such as introversion/extroversion or openness to experience, as described in Chapter 4—influence the needs they bring to work?

2. During bad economic times, some companies may freeze pay raises or even cut pay for some employees so they can offer substantial raises to people considered star performers. As a motivational technique, does this practice seem like a good one to you? What might be some disadvantages of this technique?

3. How might empowerment help meet the needs in Maslow's hierarchy of needs theory as described in the chapter? Consider both psychological factors and the job characteristics model in your answer.

4. Google wants employees to mingle more but not to waste a lot of time. So as part of its "people strategy," Google analyzes reams of data to determine the optimal size and shape for the cafeteria tables and the best length for the lunch line. If hygiene factors, as defined in Herzberg's two-factor theory, will not provide increased satisfaction and motivation, why do you think Google would try to increase lunchtime mingling? Discuss.

5. Why do you think *making progress in meaningful work* ranks as the most important factor contributing to motivation according to a recent study? How might leaders provide a sense of progress for employees working on long-range projects that might not show results for months or even years?

6. One small business owner says she doesn't offer her sales representatives incentives because people try to sabotage one another to get more business and stop paying attention to smaller accounts. As a leader, how would you develop a program to motivate and reward high performers without promoting the wrong type of behavior?

7. Can you think of specific motivational techniques that would motivate you in each of the four categories in Exhibit 8.3 (positive extrinsic, positive intrinsic, negative extrinsic, negative intrinsic)? Describe them.

8. Do you agree that it is the behavior of leaders that largely determines employee engagement, as defined in the text? What might be some other factors that influence engagement?

9. Discuss whether you believe it is a leader's responsibility to help people find meaning in their work. How might leaders do this for employees at a credit card call center? How about for employees who empty waste containers and clean restrooms at sports or entertainment venues?

10. The company CoStar is offering employees a chance to win various generous rewards, such as a Barbados trip, for getting vaccinated for COVID-19 and returning to work at the office. What motivation theory described in the chapter does this example illustrate? Do you think this approach will motivate employees to get vaccinated and return to the office? What might be some potential problems with this approach?

Leadership Skill-Building Exercises

Role-Play: Discover Motivational Needs

For this role-play:

1. In class or online, divide into pairs of students.

2. One person will be a leader who hired a new employee a few weeks ago. The other person will be the new employee.

3. Spend 10–15 minutes in your role-play. Allow five additional minutes for discussing debrief questions.

4. Each person may read both roles described below.

Information for the Leader: You are about to have a meeting with a new employee you recently hired. Your objective in this role-play is to acquire enough information to create a picture of the direct report's motivational needs.

To motivate an employee effectively, you believe that you have to understand the needs that are meaningful to them. You are going to use this meeting to get to know this person better and inquire into underlying needs that will help you allocate work that will be satisfying. You may ask whatever questions you think appropriate. Here are some suggestions to get you started: What kinds of activities have you liked in the past? When have you felt motivated versus demotivated? What strengths and weaknesses do you feel you bring to this job? What types of assignments do you desire? If you could create your ideal job, what would it look like?

Keen observation is another source of leader insight into the motivational needs of a direct report. Leaders may look for subtle cues to uncover what is important to an individual. You may have to get to know people on a personal

level and outside of work. Since the individual you are interviewing may be a classmate, feel free to bring to bear any personal observations you have made regarding the person's motivational behavior.

At the end of the discussion, describe your understanding of the person's motivational needs and how they might be met at work.

Information for the New Employee: For this role-play, please be yourself. You are playing the role of a recently hired employee, and should answer questions and participate in the discussion as you truly think and feel. Your leader is trying to understand more about your motivational needs, so answer the questions and contribute helpful information about yourself as best you can.

Discussion: The following questions may be used in a debrief by the two role players or by the entire class as indicated by your instructor.

- How accurate was the motivational picture developed by the leader?
- What questions seemed to elicit the most useful information?
- Does a direct approach of interviewing employees seem like a good way to understand their motivational needs?
- Which motivational theories described in the chapter provide the best explanation for the motivational profile that emerged for this direct report?

Should, Need, Like, Love

Think of a school or work task that you feel an obligation or commitment to complete but that you don't really want to do. Write the task here:

_____
_____

Think of a school or work task you do because you need to, perhaps to get the benefit, such as money or credit. Write the task here:

_____
_____

Think of a school or work task you like to do because it is enjoyable or fun. Write the task here:

_____
_____

Think of a task you love to do—one in which you become completely absorbed and from which you feel a deep satisfaction when finished. Write the task here:

_____
_____

Now reflect on those four tasks and what they mean to you. How motivated (high, medium, low) are you to accomplish each of these four tasks? How much mental effort (high, medium, low) is required from you to complete each task?

Now estimate the percentage of your weekly tasks that you would rate as *should, need, like, love*. The combined estimates should total 100 percent.

Should:_____%

Need:_____%

Like:_____%

Love:_____%

If your *should* and *need* percentages are substantially higher than your *like* and *love* categories, what does that mean for you? Does it mean that you are forcing yourself to do tasks you find unpleasant? Why? Why not include more *like* and *love* tasks in your life? Might you grow weary of the *should* and *need* tasks at some point and select a new focus or job in your life? Tasks you *love* connect you with the creative spirit of life. People who do something they love have a certain charisma, and others want to follow their lead. Tasks you *like* typically are those that fit your gifts and talents and are tasks with which you can make a contribution. Tasks you do because of *need* are typically practical in the sense that they produce an outcome you want, and these tasks often do not provide as much intrinsic satisfaction as the *like* and *love* tasks. Tasks you do strictly because you *should,* and which contain no *love, like*, or *need,* may be difficult and distasteful and require great effort to complete. You are unlikely to become a leader for completing *should* tasks.

What does the amount of each type of task in your life mean to you? How do these tasks relate to your passion and life satisfaction? Why don't you have more *like* and *love* tasks? As a leader, how would you increase the *like* and *love* tasks for people who report to you? Be specific.

_____

_____

In Class or Online (optional, as indicated by your instructor): The instructor can have students talk in small groups about their percentages and what the percentages mean to them, and share answers to the questions in the above paragraph. In the large class setting, the instructor can write student percentages on the board so students can see where they stand compared to the class. Students can be asked to interpret the results in terms of the amount of satisfaction they receive from various tasks. Students also can be asked how the categories of *should, need, like,* and *love* relate to the theories of motivation in the chapter. Do leaders have an obligation to guide employees toward tasks they like and love, or is it sufficient at work for people to perform need and should tasks?

Leadership Skills Application: Cases for Analysis

Queen Claire

Doris Radcliff, the head of HR for King Conductors, was amused by the conversation drifting over the planter that separated the two booths in the employee cafeteria. She recognized the voices on the other side as those of Pete Morris, Carter Henry, and Rachael Parker. The three were involved in a heated discussion about the opening of the NFL season one week away and the continued holdout of the local team's star quarterback.

"Hey, if he can hold out for a $50 million dollar contract, I say more power to him. He's worth it," Pete announced "I say . . ."

"The guy already has millions," Rachael cut in. "He got it last year as a rookie, for heaven's sake. He's a selfish jerk. His selfishness is making everyone, the fans, the owner, probably the other players, angry."

"Yeah, and what about those other players who have been there, winning games for us for years?" Carter asked. "They get us in the playoffs year after year, and then here comes this guy who's been there one year, *one year*, Pete, and he's going to get millions or he won't play. Well, that really breaks my heart."

"Just be glad that Claire Forsythe knows nothing about American football or that you can make demands like that, or she'll hit up this company," Rachael remarked, breaking the tension at the table by making everyone laugh.

On the other side of the planter, Doris was not laughing.

Claire had worked for years in the international arena as the top salesperson for rival Merrill International in the United Kingdom. A native Londoner, she followed a life-long desire to emigrate to the United States. Doris was part of the team that had lured Claire from U.S. rival Martin Conductor to take a sales position with King Conductors (whose owners, Wylie King and James Conway, long ago hoisted the humorous nickname, *King-Con*). Capturing Claire was considered a real coup in the world of conductors. Long considered the big three in the industry, the companies produced in-demand conductors for electronics. King-Con's own formulation was designed for use to counter continuous flexing in data processing, rotating servo platforms, and other applications.

To capture such a high-profile salesperson, Doris was the first to admit the company had given in more than usual on wage and other job perks. Claire had skipped the regular salary in order to receive straight commissions on sales—an arrangement that had been made by her previous employer. The arrangement was unusual but, the team thought, a necessary step in luring Claire away from Martin. In addition, as a native of England with the habit of driving on the left-hand side of the road, Claire's unfamiliarity with American driving conditions, particularly in congested metropolitan areas, resulted in the unusual arrangement of allowing her office assistant to also serve as a driver on various occasions, particularly when she was out of town. While working in the company headquarters, however, she took the train to work and made use of trains or cabs. Still, there was a rumble of discontent among employees about *Queen Claire* and *royal* treatment.

"Her sales are a huge percentage and she's made a tremendous difference in the year since her arrival. She really is worth the trouble," Doris told company vice president Charles Owenby. "But she has come to me to suggest raising her commission—substantially—and I just don't know. But I think you and I and Wylie and Jim need to discuss this."

"I agree," Charles said. "I think they will bend within reason. . . ."

"But the problem here, I believe, will be the reaction of other employees," Doris said. "I hear a lot about Queen Claire and royal treatment, and comparisons to how those who have put in the years here are not getting the same respect as the *rookie*, to borrow a football analogy. So the question is, do we give in or stand firm?"

"Knowing she can always move over to Martin," Charles added. "There's a risk either way, so we have to explore our options before we bring all of the parties together to hash this thing out."

Questions

1. What theories of motivation help explain Claire's demands and the reactions of other employees to those demands?

2. What options can you think of for handling Claire's demand for even higher commissions? Which option would you choose? Why?

3. How might Doris Radcliff deal with employee morale in light of the extremely high pay demanded by a star salesperson?

SunDazz

SunDazz founder and CEO Dazz Hollandsworth turns his leather desk chair from the blinding sunlight streaming through the large office window and leans back, facing Mark Roberts, the company CFO.

"You know, Mark, on the surface this seems impossible. We look at the numbers, we look at energy trends, we look at tax breaks and the grants and loans poured into this effort, and . . ." his voice trails off as he raises his hands in a gesture of surrender.

"I dread the quarterly meeting and video feed," Mark says. "Everyone has been working really hard and they've come to expect the year-end bonus. Hell, they plan for it, their families budget for it."

"I realize this will come as a huge disappointment, but I really don't think it will come as a big shock to them. Do you want some of these?" Dazz asks, taking a handful of jelly beans and extending the jar to Mark who takes a few. "They're working their tails off, but I've detected a decline in overall morale. Everyone here keeps a close eye on the industry and on the mood and efforts at the federal level. They deal every day with the competition from China, and they see this big trend toward mergers and acquisitions. They may not want to admit it any more than we want to say it, but I think they know the bonus pool is empty and they wonder what the future holds."

The question hanging over the offices throughout the U.S. solar industry echoes that of California-based SunDazz, *"How could this happen?"*

To the outsider, things appear great for solar power. The numbers are staggering, with an overall increase in usage of more than 60 percent over the previous year. And American home and commercial construction shows the rising popularity of solar energy as a viable power alternative. Like the electric automobile, it is the wave of the future. Companies like Sunrun and Elon Musk's SolarCity install home solar panels and appear to be growing and successful. But the public sees only the sun; industry insiders are looking at the sunspots.

Private investments in the early years followed by federal tax credits and Energy Department loan guarantees enabled solar companies such as SunDazz to refine their products, increase inventory, and expand sales worldwide. Boom time brought U.S. Treasury grants to the industry of several hundred million dollars, and as sales increased so did employee bonuses. Many bonuses equaled up to a

third of an employee's salary—money for a child's college tuition, down payments on homes, trips, and other luxuries.

Now, amid shaky global economic conditions, SunDazz and others see a decline in U.S. and European solar energy incentives while Chinese competitors undercut costs, providing an inventory glut for many U.S. producers. In this climate, there is reluctance on the part of Congress to renew mini-grants or to extend tax credits. The stimulus packages upon which so many companies depended to jump-start market expansion are a thing of the past.

"I'm afraid that employees will believe we are bending to public pressure in withholding their bonuses or they will think we are holding onto financial assets in order to look stronger for a potential merger or acquisition," Dazz tells Mark.

"Mergers and acquisitions are the trend right now, and some big names have given in. If we are acquired, they can share in the gains."

"We're not there yet," Dazz says. "Our challenge is to shore up faith in our future among employees while dealing with the realities of the market. But if you say 'look at all of these challenges' and, 'oh, by the way, don't expect a year-end bonus,' what can we offer to shore up that faith and restore enthusiasm?"

Questions

1. What options can you think of for Dazz and Mark to mitigate the damage from unfulfilled expectations for the annual bonus?

2. What specific steps would you take if you were a senior executive in this situation? Explain why for each step.

3. Do you consider it motivational and equitable when a substantial part of an employee's pay is a bonus based on company results in a highly uncertain environment? Why?

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Leadership Communication

Your Leadership Challenge

After reading this chapter, you should be able to:

9-1 Describe the significance of acting as a communication champion and a "sensegiver" rather than just as an information processor.

9-2 Use key elements of leader strategic conversations, such as open communication, asking questions, listening, candor, and telling stories to communicate effectively.

9-3 Summarize how to communicate in a way that persuades and influences others.

9-4 Explain the considerations involved in selecting an appropriate communication channel for a given message.

9-5 Explain how nonverbal communication influences the ways in which messages are received.

In 2020, as COVID-19 was devastating families and disrupting economies, widespread protests over racial injustice raged across the United States. When Atlanta Mayor Keisha Lance Bottoms got word that a peaceful demonstration over the death of George Floyd had turned violent, with people smashing windows, spray-painting property, and burning cars, she quickly convened a press conference. She went on live television and spoke directly to the protestors in a four-minute, completely unscripted speech that blended personal narrative, open emotion, and pleas for people to get their priorities straight. As a Black mother of four sons, she understood the outrage driving the protests, and she began her comments by telling protestors "You're not going to outconcern me and outcare me about where we are in America. I wear this each and every day." She continued by reminding them of Atlanta's long tradition of Black leadership and the legacy of Martin Luther King Jr., and she urged people to think about what they were doing. "This is not a protest," the mayor said, "this is chaos. . . If you love this city, if you care about this city, then go home."[1] At a moment of immense turmoil in America's big cities, Keisha Lance Bottoms, who has announced that she won't seek a second term, emerged as a model of effective communication.

They might never face a situation such as the one Atlanta's mayor had to contend with, but knowing how to communicate effectively is a vital part of every leader's job. One study found that companies with highly effective communication had 47 percent higher total returns to shareholders over a five-year period compared to companies with less effective communication practices.[2] Poor communication among the top leadership team at Rio Tinto PLC damaged the mining company's reputation and cost the CEO and two other executives their jobs after Rio Tinto blew up caves in Australia's Pilbara region that were of major cultural and archaeological importance. CEO Jean-Sébastien Jacques admitted that conversations with the other executives had not clarified the potential problems with blasting and the need for meeting with indigenous original landowners before continuing the company's actions.[3]

Recall that leadership means influencing people to bring about change toward a vision, or desired future, for the organization. Leaders communicate to share the vision with others, inspire and motivate them to strive toward the vision, and build the values and trust that enable effective working relationships and goal accomplishment. Successful leader communication also includes deceptively simple components, such as asking questions, paying attention to nonverbal communication, and actively listening to others. As a leader, you will define your team or organization's communication climate, whether things are discussed openly or suppressed, whether people know and care about what is going on in the organization or do not, and whether listening is valued as a key part of the communication process.

Unfortunately, research shows that many executives are not investing the time and energy to be effective communicators. A survey by AMA Enterprise found that nearly 40 percent of employees feel out of the loop and don't know what is going on in their companies.[4] Moreover, many leaders resist employee feedback because they don't want to hear negative information. Without feedback, leaders can miss important signals that something is going wrong, and they may make decisions that are out of alignment with employee needs or perceptions, making smooth implementation less likely.[5] The story in this chapter's *Think on This* box suggests that asking for feedback may be one of the most important actions a leader can perform.

Think on This: The Most Important Words in Leadership

It was cold and rainy on the day in 1954 when J. W. "Bill" Marriott, founder of the Marriott Hotel chain, invited U.S. President Dwight D. Eisenhower to hunt quail on the Marriott farm in Virginia. As driving winds and freezing sleet pelted the house, the group—made up of Bill Marriott Sr., President Eisenhower, a cabinet member, and Bill Sr.'s 22-year-old son, J.W. "Bill" Marriott Jr.—huddled around the sitting room fireplace debating about whether to venture out into the harsh elements.

After some discussion, President Eisenhower turned to the 22-year-old Navy ensign and asked, "What do you think?" Bill Jr. didn't hesitate, saying he thought they should stay inside and enjoy the fire. The fact that the most powerful person in the world at the time asked for his opinion stuck with Bill Marriott Jr., now executive chairman of Marriott International. His daughter has said he considered Eisenhower's simple question to be the four most important words in leadership. So . . .

What do you think?

Source: This story has been told in many sources, including Rasmus Hougaard, "The Four Most Important Words in Leadership," *Forbes* (June 23, 2018), www.forbes.com/sites/rasmushougaard/2018/06/23/the-four-most-important-words-in-leadership/?sh=2140e1326ab3 (accessed May 21, 2021).

9-1 How Leaders Communicate

Have you ever had a supervisor or instructor whose communication skills were so poor that you didn't have any idea what was expected of you or how to accomplish the job you were asked to do? In contrast, have you experienced the communication flair of a teacher, boss, or coach who "painted a picture in words" that both inspired you and clarified how to achieve an objective?

Leadership means communicating with others in such a way that they are influenced and motivated to perform actions that further common goals and lead toward desired outcomes. **Communication** is a process by which information and understanding are transferred between a sender and a receiver, such as between a leader and an employee, an instructor and a student, or a coach and a football player. Exhibit 9.1 shows the key elements of the communication process. The sender (such as a leader) initiates a communication by *encoding* a thought or idea, that is, by selecting symbols (such as words) with which to compose and transmit a message. The message is the tangible formulation of the thought or idea sent to the receiver, and the *channel* is the medium by which the message is sent. The channel could be a formal report, a blog, a telephone call, an e-mail or text message, or a face-to-face conversation. When Ginni Rometty was CEO of IBM, she posted a video on the company's internal Web site to get the word out to hundreds of thousands of employees in 170 countries that IBM must move faster and do better at letting clients know the value that IBM could bring to them. Her "think fast, move faster" speech was part reprimand and part pep talk after a string of disappointing sales results.[6] Leaders are increasingly using digital social media, which will be discussed later in the chapter, to communicate with employees.

Communication
a process by which information and understanding are transferred between a sender and a receiver

Exhibit 9.1

A Circular Model of Interpersonal Communication
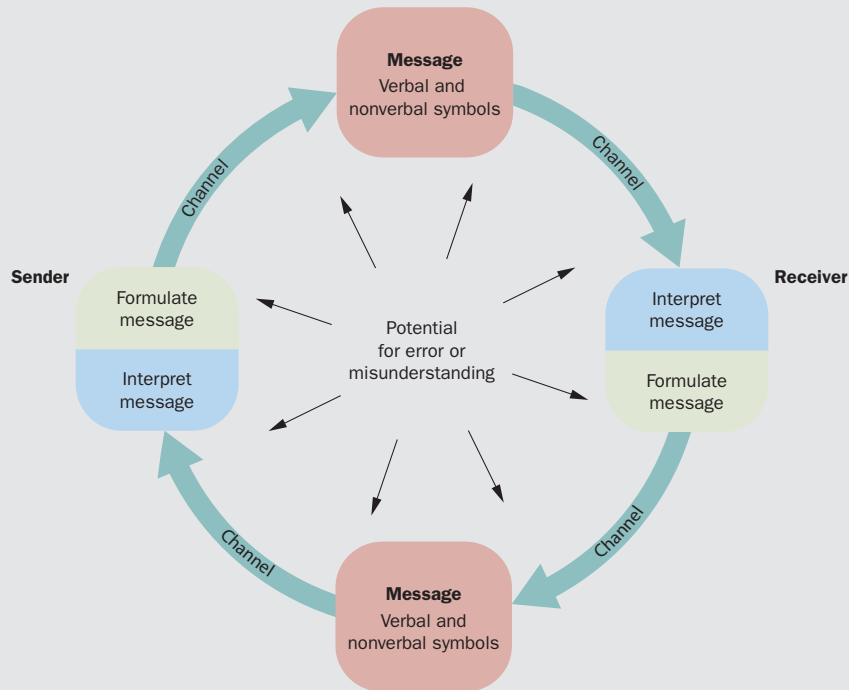
Sources: Based on Gabriela Moise, "Communication Models Used in the Online Learning Environment," *The 3rd International Conference on Virtual Learning* 2008, ICVL (www.icvl.edu/2008), pp 247–254; and Wilbur Schramm, *The Process and Effects of Mass Communication,* 6th ed. (Urbana, IL: University of Illinois Press, 1965).

The receiver *decodes* the symbols to interpret the meaning of the message. Encoding and decoding can sometimes cause communication errors because individual differences, knowledge, values, attitudes, and background act as filters and may create "noise" when translating from symbols to meaning. People can easily misinterpret messages. *Feedback* is the element of the communication process that enables someone to determine whether the receiver correctly interpreted the message. Feedback occurs when a receiver responds to a leader's communication with a return message. Without feedback, the communication cycle is incomplete. Effective communication involves both the transference and the mutual understanding of information.[7]

The potential for error and misunderstanding increased during the COVID-19 crisis. During the early months of the pandemic, when many offices were shut down and employees were working from home, leaders found that they needed to communicate more often, remove as much ambiguity as possible from their messages, and continually seek feedback because communicating via e-mail and video meetings provided greater chances for noise and misunderstandings.[8]

Hassan Osman, an expert IT leader who has always managed a team of project managers from his home office, said the reason remote teams fail "can be summed up in two words: ineffective communication," which he defines as "the false assumption that what is being communicated to your remote team is being 100 percent understood by them, when in fact it's mostly misunderstood or misconstrued."[9] He advises that leaders use the richest methods of communication possible when working with remote teams. The continuum of channel richness will be discussed later in this chapter.

As illustrated in Exhibit 9.1, the nature of effective communication is cyclical, in that a sender and receiver may exchange messages several times to achieve a mutual understanding. The ongoing process of sending, receiving, and feedback to test understanding underlies both management and leadership communication.

9-1a Management Communication

The traditional role of a manager is that of an "information processor." Managers spend some 80 percent of each working day in communication with others.[10] In other words, 48 minutes of every hour are spent in meetings, on the telephone, communicating online, or talking informally with others. Managers scan their environments for important written and personal information, gathering facts, data, and ideas, which in turn are sent to subordinates and others who can use them. A manager then receives subordinate messages and feedback to check understanding and determine whether to modify messages for accuracy.

Managers have a huge communication responsibility in directing and controlling an organization. They communicate facts, statistics, and decisions. Effective managers establish themselves at the center of information networks to facilitate the completion of tasks. Leadership communication, however, serves a different purpose.

9-1b The Leader as Communication Champion

Although leadership communication also includes the components of sending, receiving, and feedback, it is different from management communication. Leaders often communicate the big picture—the vision and purpose, as described in Chapter 7—rather than facts and pieces of information. A leader can be seen as a communication champion.[11]

A **communication champion** is grounded in the belief that communication is essential to building trust and gaining commitment to the vision, purpose, and strategy. Leaders use communication to unite people around a common sense of purpose and identity and to ensure that the vision and strategy are deeply understood and accepted by employees. This deep understanding and acceptance of organizational direction and purpose is referred to as **embeddedness**.[12] When the vision and strategy are embedded, everyone's daily decisions and actions help move the firm in the right direction, toward achieving important goals. In many of today's organizations, command-and-control management is counterproductive. People cannot simply be told what to do. They need to understand and accept the vision and strategy so they can align their actions to support the organization's competitive intentions.

Leadership communication also shapes how people think about their work and the organization. Leaders are *sensegivers*. **Sensegiving** refers to the process of

Communication champion
a person who is grounded in the belief that communication is essential to building trust and gaining commitment to a vision

Embeddedness
when people throughout the organization are united around a common purpose based on a deep understanding and acceptance of the vision and strategy

Sensegiving
the process of influencing how others make sense of the organization, where they fit within it, and the larger purpose of their work

Leadership Practice: Know Yourself 9.1

Am I Networked?

Instructions: Think about your current life as an employee or as a student. Indicate whether each of the following items is Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. I learn early on about changes going on in the organization that might affect me or my job.	_____	_____
2. I have a clear belief about the positive value of active networking.	_____	_____
3. I am good at staying in touch with others.	_____	_____
4. I network as much to help other people solve problems as to help myself.	_____	_____
5. I am fascinated by other people and what they do.	_____	_____
6. I frequently use lunches to meet and network with new people.	_____	_____
7. I regularly participate in charitable causes.	_____	_____
8. I maintain a list of friends and colleagues to whom I send holiday cards.	_____	_____
9. I build relationships with people of different gender, race, and nationality than myself.	_____	_____
10. I maintain contact with people from previous organizations and school groups.	_____	_____
11. I actively give information to direct reports, peers, and my boss.	_____	_____
12. I know and talk with peers in other organizations.	_____	_____

Scoring and Interpretation

Add the number of Mostly True answers for your score: _____. A score of 9 or above indicates that you are excellent at networking and can be a networking leader. A score of 3 or below would suggest that you need to focus more on building networks, perhaps work in a slow-moving occupation or organization, or not put yourself in a position of leadership. A score of 4–8 would be about average.

Networking is the active process of building and managing productive relationships. Networking builds social, work, and career relationships that facilitate mutual understanding and mutual benefit. Leaders accomplish much of their work through networks rather than formal hierarchies.

Source: The ideas for this questionnaire were drawn primarily from Wayne E. Baker, *Networking Smart: How to Build Relationships for Personal and Organizational Success* (New York: McGraw-Hill, 1994).

influencing how others construct meaning and make sense of the organization and their place in it.[13] Good leaders not only use communication to inspire people with a vision and instill the values that are necessary for achieving it, they also communicate to help people understand the larger purpose of their own work (find meaning) and see how they fit into the organization. Communication champions visibly and symbolically engage in communication-based activities. Whether they walk around asking questions or thoughtfully listen to a direct report's ideas or problems, the everyday actions of communication champions convey a deep commitment to communication and sensegiving. Brian Roberts, CFO at ride-sharing company Lyft, holds regular "CFO chats" that are open to anyone in the company. Roberts says these free-form large group meetings, which he refers to as "unplugged, uncensored discussions," give people a better understanding of company

Exhibit 9.2

The Leader as Communication Champion

Internal and External Sources → **Strategic Conversation** Open climate, Asking questions, Listening, Candor, Using stories → **Leader as Communication Champion** → **Purpose Directed** Direct attention to vision/values, desired outcomes; Use persuasion / **Methods** Use rich channels, Nonverbal communication, Social media

Put It Into Practice 9.1

Think of a current situation where you can act like a communication champion, even if you are not the formal leader. Prepare what and how you will communicate your message about what you want to have happen.

direction and help enhance communication throughout the organization. Roberts also holds frequent office hours, times when any of the 150 or so members of the finance team can come talk one-on-one with the chief about any topic.[14]

Communication isn't just about occasional meetings, formal speeches, or presentations. Leaders actively communicate through both words and actions every day. Regular communication is essential for building personal relationships and binding people together to accomplish the vision and purpose.

Exhibit 9.2 shows the leader-as-communication-champion model. By establishing an open communication climate, asking questions, actively listening to others, using candor, and telling stories, leaders facilitate and support *strategic conversations* that help move the organization forward. Leader communication is *purpose-directed* in that it directs everyone's attention toward the vision, values, and desired outcomes of the group or organization and persuades people to act in a way to help achieve the vision.

Leaders use many communication methods, including selecting rich channels of communication and using social media and nonverbal communication. Leaders often use symbolic language and behavior to get their messages across and to influence others. For example, U.S. President Ronald Reagan was known as a great communicator. In communicating his message about the federal budget, Reagan spoke of a trillion dollars in terms of stacking it next to the Empire State Building. Framed this way, the message redefined the meaning of a trillion dollars and took on a new reality for the public.

Remember This:

- Knowing how to communicate effectively is an essential part of every leader's job. **Communication** is a process by which information and understanding are transferred between a sender (such as a leader) and a receiver.
- The ongoing process of sending, receiving, and feedback to test understanding underlies leadership communication, but leaders often communicate the vision and purpose rather than just facts and pieces of information. Leaders act as sensegivers and communication champions.

- A **communication champion** is a person who is grounded in the belief that effective communication is essential to build trust and gain commitment to a vision.
- The CFO at Lyft holds large free-form meetings that are open to anyone in the company and has regular office hours when any member of the finance team can come talk one-on-one about any topic.
- **Embeddedness** means people throughout the organization are united around a common purpose based on a deep understanding and acceptance of the vision and strategy.
- **Sensegiving** is the process of influencing how others make sense of the organization, where they fit within it, and the larger purpose of their work.

9-2 Leading Strategic Conversations

A **strategic conversation** refers to people talking across boundaries and hierarchical levels about the group or organization's vision, critical strategic themes, and the values that can help achieve desired outcomes. Leaders facilitate strategic conversations by (1) asking questions and actively listening to others to understand their attitudes and values, needs, personal goals, and desires; (2) setting the agenda for conversation by underscoring the key strategic themes that are linked to organizational success; and (3) selecting the right communication channels.[15] One example of strategic conversation comes from the U.S. military, which received strong criticism both at home and abroad when the Department of Defense announced the establishment of the United States Africa Command (USAFRICOM) as a Geographic Combatant Command (GCC) that would assume responsibility over Department of Defense activities on the continent of Africa.

It was a seemingly simple reorganization, as these responsibilities had previously been divided among other GCCs. The first commander and other leaders of USAFRICOM were firmly committed to the reorganization as a positive step, but they needed everyone involved to see things that way as well. They implemented a comprehensive communications plan that facilitated a strategic conversation among everyone involved—a wide range of participants from across the United States, Africa, Europe, and the broader international community. Leaders deliberately developed a set of simple, consistent messages in response to a set of questions they asked themselves about the mission, purpose, and nature of USAFRICOM. They also asked questions of stakeholders, particularly their African partners, whom they considered the most important stakeholder group. Emphasis throughout the early communications strategy was on openness, transparency, candor, and inclusivity. Leaders created a unifying theme of *building the team* and developed messages that illustrated USAFRICOM as a "listening and learning organization."[16]

This example illustrates the five key components for facilitating strategic conversations: an open communication climate, asking questions, active listening, candor, and using stories for communication. These five elements are described in the following sections.

Strategic conversation communication that takes place across boundaries and hierarchical levels about the group or organization's vision, critical strategic themes, and values that can help achieve desired outcomes

9-2a Communicate Mission, Vision, and Values

One of a leader's most important communication challenges is to unite people around a common sense of purpose by communicating the organization's vision, mission, and values, and then to persuade and influence others to act in ways that accomplish the vision. A *vision*, as described in Chapter 7, is a vivid mental image of what the organization will accomplish in the future. Strong, inspiring visions have been associated with higher organizational performance and greater employee motivation and satisfaction.[17]

When leaders don't effectively communicate where the organization wants to go, people are left floundering because they don't understand what they're working to achieve. Jim Hackett retired as the CEO of Ford Motor Company after running the automaker for only three years. Hackett took the top job at a time when Ford was in urgent need of a turnaround, and he accomplished some significant changes. However, some managers, investors, and others became frustrated with Hackett's leadership because they say he didn't provide a clear message about Ford's direction.[18]

A powerful leadership vision paints a compelling picture of where the organization wants to go. Leaders can develop the skills and personal qualities to communicate the organization's vision, mission, and values in a way that motivates people to accomplish them.

9-2b Create an Open Communication Climate

Open communication means sharing all types of information throughout the organization, especially across functional and hierarchical boundaries. Open communication runs counter to the traditional flow of selective information downward from supervisors to subordinates. Good leaders want communication to flow in all directions. Communication across traditional boundaries enables leaders to hear what followers have to say, which means the organization gains the benefit of all employees' minds. The same perspectives batted back and forth between top executives don't lead to effective change, the creation of a powerful shared vision, or the network of personal relationships that keeps organizations thriving. New voices and continuous conversation involving a broad spectrum of people revitalize and enhance communication.[19]

Exhibit 9.3 compares an open communication network to a centralized communication network.[20] In a **centralized communication network**, team members must communicate through one individual to solve problems or make decisions. Centralized communication can be effective for large teams because it limits the number of people involved in decision making. The result is a faster decision that involves fewer people. In an **open communication network**, people can communicate freely with other team members. Members process information equally among themselves until all agree on a decision. Open or decentralized communication is best for complex, difficult work environments where teams need a free flow of communication in all directions.[21]

To build an open communication climate, leaders break down conventional hierarchical and departmental boundaries that may be barriers to communication, enabling them to convey a stronger awareness of and commitment to organizational vision, goals, and values. In an open climate, a leader's communication of the vision "cascades" through an organization, as explained in Exhibit 9.4. People throughout the organization thus have a clear direction and an understanding of

Open communication
leaders sharing all types of information throughout the company and across all levels

Centralized communication network
a communication structure in which team members communicate through a single individual to solve problems or make decisions

Open communication network
a communication structure in which team members freely communicate with one another and arrive at decisions together

Exhibit 9.3

Communication Networks

Centralized Communication Network   Open Communication Network
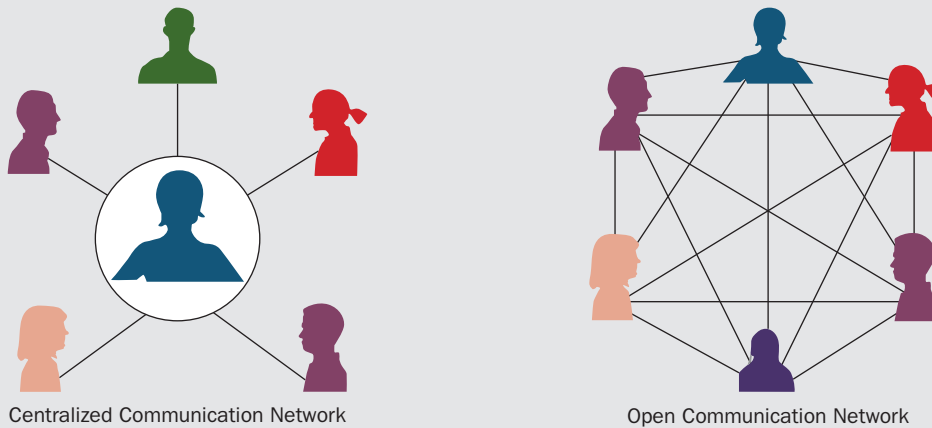
Source: Joel Spolsky, "A Little Less Conversation," *Inc.* (February 2010), pp. 28–29. From Mansueto Ventures LLC, 2010.

how they can contribute.[22] An open communication climate helps alleviate tension and conflict between departments, builds trust, reaffirms employee commitment to a shared vision, and makes a company more competitive.

Remember This:

- Effective leaders facilitate strategic conversations. A **strategic conversation** is communication that takes place across boundaries and hierarchical levels about the group or organization's vision, critical strategic themes, and values that can help achieve desired outcomes.
- Five elements that facilitate strategic conversations are an open communication climate, asking questions, active listening, candor, and using stories.
- One of a leader's most important communication challenges is to unite people around a common sense of purpose by communicating the organization's vision, mission, and values.
- **Open communication** means leaders sharing all types of information throughout the organization and across all levels.
- Open communication is essential for building trust, and it paves the way for more opportunities to communicate with followers, enabling the organization to gain the benefits of all employees' minds.
- A **centralized communication network** is a communication structure in which team members communicate through a single individual to solve problems or make decisions.
- An **open communication network** is a communication structure in which team members freely communicate with one another and arrive at decisions together.

> **Put It Into Practice 9.2**
>
> Wide open communication sometimes arouses fear in a leader about lack of control. Pause for a moment and imagine yourself as a team leader using open communication. Identify the fear that may arise in you concerning completely open communication among your team members.

9-2c Ask Questions

Many leaders—indeed, most people in general—are unaware of the amazing power of questions.[23] In our society, we're conditioned to come up with answers. Very young children are typically full of questions, but from an early age they're discouraged from asking them. Students are expected to hold up their hands in class to give the right answer, and they're often chastised for an incorrect response. Leaders often assume that if someone comes to them with a problem, their job is to solve it with the correct answer. They mistakenly fear that not having an answer means followers will lose respect for them.

With the traditional top-down approach to organizational communication, managers did 80 percent telling and 20 percent asking, but that model is giving way to a more dynamic form of communication that is characterized by *organizational conversations*, which involve a give-and-take exchange of information. Succeeding in today's environment often means learning to ask the right questions.[24]

The power of asking questions was confirmed by a study of salespeople. Analyzing more than 500,000 sales conversations, researchers found that the top-performing salespeople were those who scattered questions throughout the conversation and spent more time listening and less time speaking. The study discovered that 11–14 questions was the optimal number to ask during a sales conversation.[25] One reason may be that asking questions causes people to like the questioner better. Research by a team at Harvard suggests that asking more questions during a conversation, particularly follow-up questions, increases people's positive impressions.[26]

What Questions Do Leaders Ask? One purpose of questioning is *leader-centered*, in that it seeks to inform the leader about what is going on in the organization; investigate specific issues, problems, or opportunities; and gather information, ideas, or insights. This type of questioning is important because it helps leaders tap into the expertise and ideas of followers. With advances in technology and communications, no one person can master all the data and information needed to meet the challenges

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Exhibit 9.4

Why Open the Communication Climate?

An open climate is essential for cascading vision, and cascading is essential because:

Natural Law 1: You Get What You Talk About
A vision must have ample "air time" in an organization. A vision must be shared and practiced by leaders at every opportunity.

Natural Law 2: The Climate of an Organization Is a Reflection of the Leader
A leader who doesn't embody the vision and values doesn't have an organization that does.

Natural Law 3: You Can't Walk Faster Than One Step at a Time
A vision is neither understood nor accepted overnight. Communicating the vision must be built into continuous, daily interaction so that over time followers will internalize it.

Source: Based on Bob Wall, Robert S. Slocum, and Mark R. Sobol, *Visionary Leader* (Rocklin, CA: Prima Publishing, 1992), pp. 87–89.

most organizations face. Even in 1928, when Paul Galvin founded Motorola, he recognized the value of this type of questioning. His son Bob Galvin said his father learned about what was happening in the business in the company cafeteria. "He would always make a point of eating with employees at lunchtime," Galvin said. "He'd ask them lots of questions about operations, customers, and how to improve quality."[27]

Leaders also use questions for another purpose. This approach is *follower-centered*, in that it seeks to connect with followers, develop new insights, encourage critical thinking, expand people's awareness, and stimulate learning. One study found that 99 percent of top executives surveyed believe that critical thinking skills at all levels are crucial to the success of their organizations.[28]

Benefits of Asking Questions Asking the right kinds of questions benefits both leaders and followers in many ways.[29] Questions encourage people to think and empower them to find answers, helping to build positive attitudes and follower self-confidence. Asking questions rather than giving answers provokes critical thought and leads to deeper, more lasting learning. In addition, asking questions shows that leaders care about people on an individual basis, value the opinions and knowledge of others, are open to new ideas, and have faith that people want to contribute to the organization, which helps to build trusting, respectful relationships.[30] People want their leaders to recognize them as individuals and let them be part of something meaningful. James E. Rogers, former president and CEO of Duke Energy, held regular sessions with groups of 90–100 employees, where he would ask questions and respond to questions from employees. By engaging with employees in a format resembling ordinary person-to-person conversation, Rogers built a culture based on trust and authenticity.[31]

9-2d Listening

Just as important as asking questions is listening to the responses. A survey of 800 employees across a variety of industries found that about two-thirds of respondents felt that their opinion was either unwelcome or not valued at work.[32] An open communication climate is not possible if leaders aren't listening. When leaders fail to listen to employees, it sends the signal, "you don't matter," which decreases commitment and motivation. People are willing to share their ideas, suggestions, and problems when they think someone is listening and genuinely values what they have to say. Judith McKenna, president and CEO of Walmart International, says, "People like to be listened to. And you know what, they tell you what the problem is—and usually tell you what the answer is." When McKenna was first brought in as operations chief to help fix problems in Walmart's U.S. stores, she told her husband, "I absolutely have no idea where to start." So, she started by listening, eventually visiting Walmart stores in every state. McKenna would sit in front of a room full of store managers and hear them out.[33]

Hearing is easy, but really listening is hard.[34] **Listening** involves the skill of grasping both facts and feelings to interpret a message's genuine meaning. Remember that message reception is a vital link in the communication process. However, many leaders take listening for granted and focus their time and energy on learning how to verbalize and present their own ideas more effectively. When talking with someone, they concentrate on formulating what they're going to say next rather than on what is being said to them.

Fortunately, leaders can develop their listening just as they can any other skill.[35] The first step is to make listening a priority. One trick some leaders use is to remind themselves of the acronym WAIT, which stands for "Why am I talking?"

Put It Into Practice 9.3

Pick one of the following questions and try using it the next time you meet someone new or find yourself engaged in small talk: (1) What do you hope to accomplish (in this job, in this class, or in your life)? (2) What do you find to be the hardest (or the best) thing about (your job, your schoolwork, being a parent)? Note how asking a meaningful question worked for starting an engaging conversation.

Listening
the skill of grasping both facts and feelings to interpret a message's genuine meaning

Whether in a large meeting or a one-on-one conversation, keeping WAIT in mind can be a powerful reminder to listen to others and let others share their ideas, thoughts, and opinions.[36]

What constitutes good listening? Exhibit 9.5 gives six keys to effective listening and describes how to distinguish a bad listener from a good one. A key to effective listening is focus. A good listener's total attention is focused on the message; a leader who is a good listener isn't thinking about an unrelated problem in the purchasing department, how much work is piled up on their desk, or what to have for lunch. Good listeners also listen actively, keep an open mind, search for common ground, and hold their fire rather than spouting their opinions or solutions before understanding the speaker's point.

Effective listening is engaged listening. Good leaders get out of their offices and mingle with others, ask questions, set up listening forums where people can say whatever is on their minds, and provide feedback to let people know they have been heard.[37] Active listening is a daily, ongoing, and vital part of every leader's job. Kevin Sharer, former CEO of Amgen, admits that he was a terrible listener for much of his career. "My approach was: 'I'm the smartest guy in the room. Just let me prove that here, in the first five minutes,'" Sharer says. Then, several years into his tenure as CEO at Amgen, a crisis concerning a drug that accounted for a third of Amgen's profits hit and Sharer had to lay off 14 percent of the staff. He first angrily blamed others, but in a moment of quiet reflection he realized that he had mishandled the crisis in large part because he had failed to listen. Sharer began regularly visiting and genuinely listening to people throughout the company. He admits it wasn't easy. "You have to change," he says, "and you have to *want* to change. There has to be a certain humility to listen well."[38]

Exhibit 9.5

Ten Keys to Effective Listening

	Key	Poor Listener	Good Listener
1.	Listen actively	Minimally involved, unfocused	Shows interest; nods, asks questions, paraphrases what is said
2.	Keep an open mind	Pays attention only to ideas that conform to own opinions	Looks for opportunities and new learning
3.	Resist distractions	Is easily distracted	Fights distractions; tolerates bad habits; knows how to concentrate
4.	Seek understanding	Feigns agreement to bring the conversation to an end	Searches for common ground and new understanding
5.	Judge content, not delivery	Tunes out if delivery is poor	Judges content; skips over delivery errors
6.	Hold one's fire	Spouts solutions before understanding the problem or question	Does not judge or respond until comprehension is complete

Sources: Based on "A Field Guide to Identifying Bad Listeners," *McKinsey Quarterly,* Issue 2 (2012), p. 112; Bernard T. Ferrari, "The Executive's Guide to Better Listening," *McKinsey Quarterly,* Issue 2 (2012), pp. 50–60; Philip Morgan and Kent Baker, "Building a Professional Image: Improving Listening Behavior," *Supervisory Management* (November 1985), pp. 34–38; and Sherman K. Okun, "How to Be a Better Listener," *Nation's Business* (August 1975), p. 62.

Leadership Practice: Know Yourself 9.2

Listening and Asking Questions

Instructions: Think about how you communicate during a typical day at school or work. Respond to the following statements based on whether they are Mostly False or Mostly True for you. There are no right or wrong answers, so answer honestly.

	Mostly False	Mostly True
1. I am extremely attentive to what others say.	_____	_____
2. I deliberately show people that I am listening to them.	_____	_____
3. I really enjoy listening very carefully to people.	_____	_____
4. My mind does not wander when someone is talking.	_____	_____
5. I often restate what the person said and ask if I got it right.	_____	_____
6. I usually think about a response while a person is still talking.	_____	_____
7. I often ask people to clarify what they mean.	_____	_____
8. I ask questions in every conversation.	_____	_____
9. I am genuinely curious in conversations about what other people think.	_____	_____
10. During a conversation, I frequently probe for deeper information.	_____	_____
11. I inquire about others' points of view on topics.	_____	_____
12. I don't hesitate to ask what may appear to be dumb questions.	_____	_____

Scoring and Interpretation

Compute two scores from your answers and insert them below. For your listening score, count 1 point for each Mostly True answer for items 1–5 and for a Mostly False answer to item 6. For your asking questions score, count 1 point for each Mostly True answer to items 7–12. Insert your two scores below.

Listening score_____. Asking Questions score_____.

Your first score reflects your listening habits. Leaders face many distractions, which makes it hard to pay attention when someone is speaking. Listening attentively can prevent many communication mistakes. Your second score reflects your habit of inquiry, which means asking questions to learn more about something or to confirm your understanding. Asking questions is an important part of an effective leader's communication repertoire, as described in the text. Scores of 5–6 reflect excellent communication habits. Scores of 0–2 suggest that you may need to work on your communication practices. Scores of 3–4 imply that you are doing okay but have room for improvement.

Source: Partially based on William B. Snavely and John D. McNeill, "Communicator Style and Social Style: Testing a Theoretical Interface," *Journal of Leadership and Organizational Studies* 14, no. 1 (February 2008), pp. 219–232.

9-2e Communicate with Candor

Leaders must be frank and straightforward about what they want and need from others to achieve the goals and vision. **Candor** refers to honest, forthright expression of a leader's thinking.[39] Communicating with candor means being direct, honest, and clear about what followers need to do to meet objectives, while also expressing respect for others and not making people feel slighted, controlled, or exploited. Unfortunately, communicating with candor is a problem for many leaders. "It feels kind of uncomfortable at first," says Ryan Smith, cofounder, executive chairman, and former CEO of Qualtrics, "but not telling people the truth is wrong."[40] Jack Welch, the former long-time CEO of General Electric, who also

Candor
honest, forthright expression of a leader's thinking

had a successful career as an author and speaker in the years before his death in 2020, once said that when he asked groups of managers how many of them had received candid performance appraisals, only about 10 percent of people raised their hands. When he asked how many had given candid appraisals to their employees, the results were not much better.[41]

Communicating with candor means letting followers know exactly where the leader stands and what the leader expects of them. The appropriate use of candid communication acknowledges the other person's perspective and opinion, yet is very specific about what the leader wants and why. Leaders who communicate with candor keep the focus on the specific perception they have and the effect it has on the leader and organization rather than accusing or blaming the other person. They stick to facts rather than judgments and are very clear about what they want from followers.[42] Ryan Harwood, the founder and CEO of digital media company PureWow, decided to use candor with one of his firm's top salespeople rather than allowing her to continue her hard-nosed "always be closing" approach with customers. He told her a more human touch would be better for building long-term relationships and maintaining the trust of clients. Harwood says he chose to express that because "she will never become a better salesperson if she doesn't get that feedback."[43]

Leaders also encourage everyone in the organization to open up and speak frankly, so that more people get involved in organizational conversations, which leads to more ideas and faster learning. Candor allows ideas to be debated,

Leadership Practice: Know Yourself 9.3

Do You Speak with Candor?

Instructions: Respond to the following statements based on how you speak to others during personal or work conversations. Answer whether each statement is Mostly True or Mostly False for you. There are no right or wrong answers, so answer honestly.

	Mostly False	Mostly True
1. I say exactly what I think to people.	_____	_____
2. I never hesitate to hurt people's feelings by telling the truth.	_____	_____
3. I like to be strictly candid about what I say.	_____	_____
4. I am very straightforward when giving feedback.	_____	_____
5. I present evidence for my opinions.	_____	_____
6. I am an extremely frank communicator.	_____	_____

Scoring and Interpretation

Give yourself one point for each Mostly True answer and write your score below.

Candor Score_____.

Your score reflects the level of candor with which you communicate. Many people have a hard time giving straightforward opinions and frank feedback because they don't want to hurt a person's feelings nor do they want people to dislike them. Hence the sharing of honest observations is limited. A score of 5–6 on this scale reflects a habit of candor, which will add to your leadership effectiveness. A score of 3–4 means that you do reasonably well at saying what you think. A score of 0–2 means you may have a hard time speaking straight, and you may want to practice to improve your candor.

adapted, and acted upon more quickly. Candid communication also limits common problems such as meaningless meetings, rancorous silence, or ineffective teamwork in other types of organizations. At Taunton Press, a special-interest publishing company, the lack of candor led to endless meetings and decreased productivity. In a small, close-knit company like Taunton, people naturally don't want to offend one another. Yet over time the culture of "terminal niceness" that evolved sabotaged teamwork. Executives hired consultants from Fierce Inc. to help Taunton leaders and employees see that healthy relationships include both confrontation and appreciation. "In an honest and authentic relationship, one must communicate truthfully, and in a collaborative relationship, one must ask candid questions," says Halley Bock, former president and CEO of Fierce. Over time, Taunton transformed to a culture of candor, collaboration, and accountability.[44]

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Put It Into Practice 9.5

Give someone candid feedback today at your first opportunity. Be clear and objective in your statement. Do not give the feedback from personal frustration or with a judgmental attitude.

</div>

9-2f The Power of Stories

Do you remember the example we described in Chapter 6 about how Post-it Notes, one of the best-selling office products of all time, was invented at 3M based on a failed adhesive? There's a great story behind it: The product was born at a church service. When scraps of paper 3M scientist Art Fry had used to mark hymns kept falling out of his choir book, Fry began thinking about how the not-very-sticky adhesive that resulted from another engineer's attempts to create a superglue might be modified for an entirely different purpose.[45] The story of Post-it Notes is well-known in the world of corporate innovation. Facts and figures often don't stick in people's minds very well, but a good story creates "sticky" memories by connecting emotions to activities and events.[46]

Stories can have tremendous influence on people's beliefs, attitudes, and behaviors.[47] Recall the earlier discussion of leaders as *sensegivers*. Leaders who can create and share compelling stories have an advantage because stories help people make sense of complex situations, bind them together in a shared purpose, inspire action, and bring about change in a way that other forms of communication cannot. Telling stories goes hand in hand with listening. Leaders listen to employees, customers, and others and tap into clues about how to construct stories to unite people with purpose and meaning.

Evidence for the compatibility of stories with human thinking was demonstrated by a study at the Stanford Business School.[48] The goal was to convince MBA students that a company practiced a "no-layoffs" policy. Some students were told only a story related to the company's commitment to avoiding layoffs. A second group was given statistical data showing little turnover compared to competitors. Another group was shown the company's policy statement. A fourth group was provided with statistics and a story combined. Of all these approaches, the students presented with the story alone were most convinced that the company practiced a no-layoffs policy. This is a powerful lesson for leaders. To influence people, it is important to touch their emotions, and stories are the best way to do that. Leaders who incorporate imagery and elements of story in their everyday language have a more powerful and lasting influence than those who simply marshal facts and figures to support their point.

Everyone can learn to use stories, and stories need not be long or carefully constructed to have an impact. A story can be a joke, a personal experience, a simple example illustrating an idea, a historical incident, something from a movie or television show, or something read on a blog or news page. A good leadership story simply has to have a beginning, a middle, and an end. It starts with *why* you are telling the story;

takes people on a brief journey; and ends with a point that engages people to feel something and do something.[49] For example, one leader referred to Lewis and Clark's 1804–1806 expedition through 7,689 miles of uncharted territory to get people lined up in support of a new vision and strategy. Along the way, there would be "mountains," "rivers," and "friends and foes alike," he told them, but just like Lewis and Clark they could adapt to the many twists and turns of the journey. Using the image worked; the entire organization came to embrace the new vision, and people often refer back to the Lewis and Clark story to remember that they are on an adventurous journey.[50] Pulling together in the same direction is essential for change to happen, and people come together because of emotion, not logic.

This chapter's Leader's Bookshelf describes additional elements of a good leader story. "People are wired for telling and hearing stories," says Peter Guber, Hollywood film producer, CEO of Mandalay Entertainment Group, and author of *Tell to Win: Connect, Persuade, and Triumph with the Hidden Power of Story.* "We need to plug into that and use it."[51]

| Leader's Bookshelf | Tell to Win: Connect, Persuade, and Triumph with the Hidden Power of Story | by Peter Guber |

Everybody in a leadership role shares the same problem, Peter Guber says in *Tell to Win*: "To succeed, you have to persuade others to support your vision, dream, or cause." Whatever the purpose of a leader communication—motivating employees, engaging customers, or organizing investors—leaders have to "get your listeners' attention, emotionalize your goal as theirs, and move them to act.... You have to reach their hearts as well as their minds." What's the best way to do that? With a story. For leaders, telling *purposeful stories* is an everyday requirement.

How to Tell a Purposeful Story
As an entrepreneur, media mogul, and producer of award-winning films including *Batman, Midnight Express, The Color Purple*, and *Rain Man,* Guber clearly knows a lot about telling a good story, but he emphasizes that you don't have to be a professional to tell a moving story. Guber gives some guidelines for what makes a successful leader story:

- **It Has a Goal.** Purposeful stories have a call to action. Leaders tell stories to achieve something. They

are clear in their minds what they want followers to feel, think, and do because of the story. When Guber started as head of Sony Pictures Entertainment, he says the job of pulling together a disparate group of people spread across the country and overseas seemed insurmountable. He told the story from the film *Lawrence of Arabia*, where T.E. Lawrence pulls all the Arab tribal leaders together, to inspire employees to reclaim their heritage and pull together as "one tribe."

- **It Is Authentic.** The leader has to be motivated by the goal, or it will be impossible to motivate and inspire followers. Being personally connected to the story enables the teller to connect listeners to it. Good storytellers don't follow a script and don't always stay on point. They sometimes shift the story if needed to emotionally bond with the listener and get the point across.

- **It Is Targeted to the Audience.** Build your story about "what's in it for them." The leader has to know the "audience" (followers) to incorporate their

interests into the story. By demonstrating that you are interested in what concerns followers, you change passive listeners into active participants in the story.

Why Is Storytelling So Important?
Without stories, leaders have only "transactional elements and no relationship" with followers, says Guber. In *Tell to Win*, Guber uses not only his own experiences but those of more than 90 other leaders, including famed basketball coach and motivational speaker Pat Riley, Chad Hurley, co-founder and former CEO of YouTube, and former U.S. president Bill Clinton, who have used purposeful stories to drive their success. Reading about how these leaders use stories gives a clear sense that a good story can be very simple and can come from anywhere. As Guber says, "Anyone can do it, and everyone does do it!" The key for leaders is to do it *purposefully.*

Source: *Connect to Win,* by Peter Guber, is published by Crown Business.

Remember This:

- To encourage a give-and-take exchange of information between leaders and followers, leaders need to learn to ask questions.
- An analysis of 500,000 sales conversations found that the top-performing salespeople were those who scattered questions throughout the conversation and spent less time speaking and more time listening.
- Effective leaders are active listeners. **Listening** involves the skill of grasping both facts and feelings to interpret a message's genuine meaning.
- One trick some leaders use to improve their listening is to remind themselves of the acronym WAIT, which stands for "Why am I talking?"
- **Candor** refers to honest, forthright expression of a leader's thinking. Communicating with candor means being direct, honest, and clear about what followers need to do to meet objectives, while also expressing respect for others and not making people feel slighted, controlled, or exploited.
- The founder and CEO of digital media company PureWow used candor with one of his firm's top salespeople rather than allowing her to continue her hard-nosed "always be closing" approach with customers, which helped her become a better salesperson.
- Facts and figures often don't stick in people's minds, but a good story creates "sticky" memories by connecting emotions to activities and events.
- Leaders can learn to use imagery and stories in communication, helping them connect with people on an emotional level and be more influential.
- A good story has a beginning, a middle, and an end. It starts with *why* you are telling the story; takes people on a brief journey; and ends with a point that engages people to feel something and do something.

9-3 Communicating to Persuade and Influence

As the example about the leader who used the adventures of Lewis and Clark to motivate his staff toward a new vision shows, stories can be useful tools for persuading and influencing people. Leaders don't communicate just to convey information. They use communication skills to sell others on the vision and influence them to behave in ways that achieve goals and help accomplish the vision.

The ability to persuade others is more critical today than ever before. The command-and-control mindset of managers telling people what to do and how to do it is no longer effective, especially during a crisis such as the pandemic. Employees don't just want to know *what* they should do but *why* they should do it. In addition, with new collaborative ways of working, including Zoom-type video meetings, many leaders are involved in situations where lines of authority are blurred. The rise of remote work added yet another layer of complexity to the need for leader persuasion and influence. Companies such as Union Bank of California, Gerdau Ameristeel, and IBM have added training programs that help people learn

how to lead by influence rather than command.[52] Leaders can follow four steps to practice the art of persuasion:[53]

1. *Listen first*. A study published in the *Journal of Research in Personality* shows that when people feel that they have been listened to by someone trying to influence them, their liking of, trust in, and commitment to that person increases.[54] Good leaders know that being attentive to others' needs and emotions is the first step toward influencing them. Most people can't hear what you have to say until they have the chance to say what is on their minds. Leaders ask questions and listen actively and supportively to build rapport, find common ground, and get a grasp on how followers may react to their ideas and proposals.[55]

2. *Establish credibility*. A leader's credibility is based on the leader's knowledge and expertise as well as their relationships with others. When leaders have demonstrated that they make well-informed, sound decisions, followers have confidence in their expertise. Leaders also build credibility by listening to others, establishing good relationships, and showing that they have others' best interests at heart. Sometimes leaders can build credibility and trust by showing their vulnerability. When James Rhee took over as CEO of clothing retailer Ashley Stewart, he gathered employees together and told them he was "the least qualified person to run the company," and that he needed their help. Employees stepped up and began proposing ideas that helped return the chain to profitability after years of sliding profits. When Rhee left the company in mid-2020, he posted a comment on his LinkedIn page saying, "Thanks to the colleagues, past and present, who believed in my belief in you."[56]

3. *Build goals on common ground*. To be persuasive, leaders describe how what they are requesting will benefit others as well as the leader. For example, when David Zugheri wanted to switch to a primarily paperless system at First Houston Mortgage, he emphasized to employees that storing customer records electronically meant they could now work from home when they needed to care for a sick child, or take a vacation and still keep track of critical accounts. "I could literally see their attitudes change through their body language," Zugheri says.[57] When leaders can't find common advantages, it's a good signal that they need to adjust their goals and plans.

4. *Make your position compelling to others*. Leaders appeal to others on an emotional level by using symbols, metaphors, and stories to express their messages rather than relying on facts and figures alone. By tapping into the imaginations of their followers, leaders can inspire people to accomplish amazing results. When Erica Galos Alioto, senior vice president in charge of a local sales team in the New York office of Yelp, gives a pep talk near the last day of the month (when the accountants will finalize that month's books), she wears her lucky shiny gold LDOM pants. Alioto tells people how far the team is from the month's target, but she also praises the team, tells stories, asks questions, and has people write down what success means to them. She ends her talk with an emotional appeal, reminding people that "Every time you win the heart and mind of a business owner, you're not only helping yourself—you're helping your team, you're helping your office, you're helping your company, and you're helping Yelp get to where it wants to be." By the end of the day after one of the LDOM pep talks, the New York team had sold $1.45 million in new ads, falling just short of their $1.5 million stretch goal.[58]

Persuasion is a valuable communication process that can lead others to a shared solution or commitment. To be persuasive and act as communication champions, leaders must communicate frequently and easily with others in the organization. Yet for some people, communication experiences are difficult or unrewarding, so they may consciously or unconsciously avoid situations where communication is required.[59] The term *communication apprehension* describes this avoidance behavior and is defined as "an individual's level of fear or anxiety associated with either real or anticipated communication with another person or persons."[60]

> **Put It Into Practice 9.6**
> Make a verbal influence attempt on a person or team by bringing up an issue, then listening first, and then proposing your influence attempt.

Remember This:

- Leader communication is purpose-directed, and an important element is persuading others to act in ways that achieve goals and accomplish the vision.
- Leaders persuade and influence by listening first, establishing credibility, building goals on common ground, and making their position compelling to others.
- When Erica Galos Alioto gives a pep talk to her local sales team in the New York office of Yelp near the last day of the month, she wears her lucky shiny gold LDOM pants.

9-4 Selecting the Correct Communication Channel

One key to effective communication is selecting the right channel for relaying the message. A **channel** is a medium by which a communication message is carried from sender to receiver. A leader may discuss a problem face-to-face, make a phone call, send a text or Instagram message, write a memo or letter, have a video chat, send an e-mail, use social media, or put an item in a newsletter, depending on the nature of the message.

Channel
a medium by which a communication message is carried from sender to receiver

9-4a The Continuum of Channel Richness

Research has attempted to explain how leaders select communication channels to enhance communication effectiveness.[61] Studies have found that channels differ in their capacity to convey information. **Channel richness** is the amount of information that can be transmitted during a communication episode. The channels available to leaders can be classified into a hierarchy based on information richness, as illustrated in Exhibit 9.6.

Channel richness
the amount of information that can be transmitted during a communication episode

The richness of an information channel is influenced by three characteristics: (1) the ability to handle multiple cues simultaneously; (2) the ability to facilitate rapid, two-way feedback; and (3) the ability to establish a personal focus for the communication. Face-to-face discussion is the richest medium because it permits direct experience, multiple information cues, immediate feedback, and personal focus. Face-to-face discussions facilitate the assimilation of broad cues and deep, emotional understanding of the situation. Tony Burns, chairman emeritus of the board and former CEO of Ryder Systems, has always preferred handling things face-to-face. "You can look someone in the eyes," he explains. "You can tell by the look in [their] eyes or the inflection of [their] voice what the real problem or question or answer is."[62]

Exhibit 9.6

A Continuum of Channel Richness
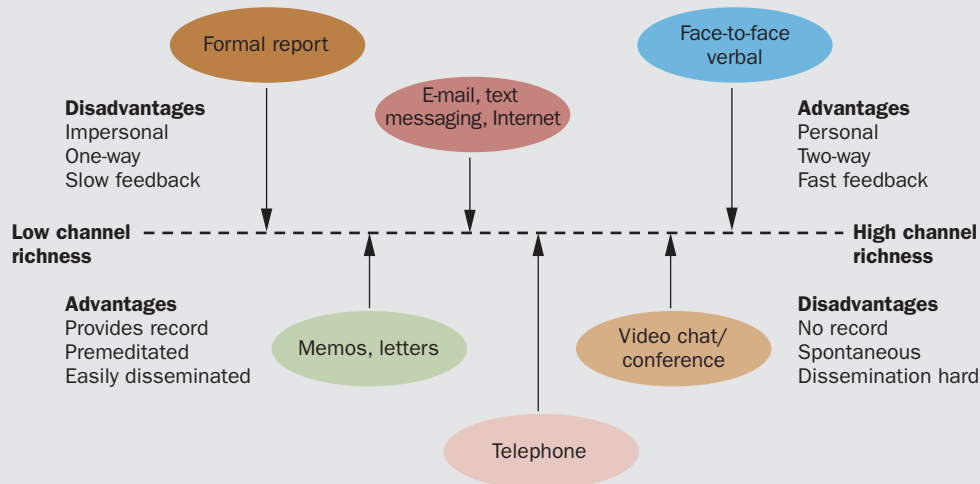
A step down in richness, and one that increased in use during the COVID-19 pandemic, is video chat or conference tools such as Zoom, FaceTime, WhatsApp, Slack, Google Duo, and Microsoft Teams. While not quite as rich as face-to-face, video chats do enable some eye contact and reading of facial cues and body language, along with the immediate feedback needed to resolve issues.

Telephone conversations are next in the richness hierarchy. Eye contact, gaze, posture, and other body language cues are missing, but the human voice still carries a tremendous amount of emotional information. In fact, use of simple old-fashioned telephone calls increased during the pandemic. For some situations, video calls can overwhelm you with too much visual information, and they tend to have an unnatural conversation pattern because of lags in the communication process.[63] Valeria Klamm, a manager of practice growth at accounting and consulting firm Brown Smith Wallace, says she found herself "freezing" on video calls almost daily because of a poor Internet connection and when the frozen frame included a furrowed brow or downturned mouth, people could easily get the wrong message. Similarly, Pete Buttigieg, U.S. secretary of transportation, says that he, like many other people working remotely during the pandemic, was surprised to learn how a phone call can be so much more intimate than a video meeting.[64] Many people found regular phone calls more satisfying than text or e-mail messages for connecting with colleagues or clients while they were working from home. However, in general, digital written messaging through e-mail, text messages, and social media such as Twitter is increasingly being used for communications that were once handled over the telephone. Although these channels lack both visual and verbal

cues, they allow for rapid feedback and can be personalized. Blogs provide a way to get information to a wide audience and also permit feedback.

Still lower on the hierarchy of channel richness—and rarely used in today's business world—are hand-written or typed notes, memos, or letters. Notes and letters can be personalized, but they convey only the cues written on paper and are slow to provide feedback. Impersonal written media, including fliers, bulletins, and standard computer reports, are the lowest in richness. The channels are not focused on a single receiver, use limited information cues, and do not permit feedback.

Each communication channel has advantages and disadvantages, and each can be an effective means of communication in the appropriate circumstances.[65] Channel selection depends on whether the message is routine or nonroutine. Routine communications are simple and straightforward, such as a product price change. Routine messages convey data or statistics or simply put into words what people already understand and agree on. Routine messages can be efficiently communicated through a channel lower in richness. Written or digital communications also are effective when the audience is widely dispersed or when the communication is "official" and a permanent record is required.[66] On the other hand, nonroutine messages typically concern issues of change, conflict, or complexity that have great potential for misunderstanding. Nonroutine messages often are characterized by time pressure and surprise. Leaders can communicate nonroutine messages effectively only by selecting a rich channel.

Leaders should select a channel to fit the message. Following layoffs, for example, people are fearful and worried about their own jobs. Many leaders, not knowing what to say, send out a written notice and hide in their offices. Good leaders, however, know face-to-face communication is the way to keep morale and productivity high. When one construction company had to lay off employees during the mortgage crisis and downturn in the housing market, the CEO called everyone together and told them how the crisis was affecting their company. He acknowledged that he couldn't promise there wouldn't be more layoffs, but as he explained the situation the emotions in the room became calmer because people felt they knew what was going on.[67] Particularly in times of change, if people don't hear what's happening from leaders, they rely on rumors and will often assume the worst.[68]

When a message is highly important, leaders often use multiple media, sending the same message using different channels. For example, one leader explained a request to an employee in person, then immediately composed a follow-up e-mail to the same employee that summarized the request in writing. For companywide changes, leaders might hold small group sessions to talk with employees about a new policy, post an article on the intranet and in the newsletter, and use social media to make sure everyone gets the information. At Aetna, leaders hired professionals to design "knowledge maps" that made the complex workings of the health insurance industry clear to every employee. These appealing and informative posters were displayed in every hallway and used as the centerpiece at every employee event. Leaders also scheduled small interactive workshops and question-and-answer sessions to discuss the maps and talked with employees one-on-one.[69] By using multiple media, saying the same thing more than once via multiple channels, leaders add weight to the message and keep the issue at the top of employees' minds.[70]

Put It Into Practice 9.7

Think back to a time when you felt a difference or mild conflict with a coworker or fellow student. Which channel did you use to resolve the issue? Remember, face-to-face is best for resolving conflicts, but many people use a less rich channel or fail to confront the difference at all.

❛ The more technologically advanced our society becomes, the more we need to go back to the basic fundamentals of human communication.❜

—Angela Ahrendts, former senior vice president of retail at Apple

Most leader communication by its very nature is composed of nonroutine messages. Although leaders make good use of all channels, they don't let anything substitute for the rich face-to-face channel when important issues are at stake. Some companies are also finding ways to use new forms of digital communication to complement the richer, ongoing conversations across the organization.

Leaders at Earls Kitchen + Bar, a Canadian-based chain of casual restaurants, use digital technology to keep in touch with how employees are thinking and feeling. The company used to do an annual survey to make sure all employees felt that they had a chance to be heard. Today, Earls uses software to push short surveys to employees' mobile devices at least every three months and people can say whatever they want, anonymously. Being able to remain anonymous helps employees overcome their reluctance to vent about little things or to ask tough questions of supervisors. Importantly, the technology seems to be spurring more face-to-face conversations too. Leaders say that since the company started using the short surveys, employees seem to be talking more with their supervisors in person.[71] Earls uses digital communication to supplement, not replace, a leader communication style that emphasizes listening to employees. Other companies are also finding anonymous digital surveys a good way to give people a comfortable way to say what's on their minds.[72]

9-4b Using Social Media

Social media
a group of Internet-based applications that allow the creation and exchange of user-generated content

The use of social media is a fact of life in today's organizations. The term **social media** refers to a group of Internet-based applications that allow the creation and exchange of user-generated content. This covers a broad range of internal and external applications, including internal team collaboration tools such as Slack, Yammer, and Microsoft Teams, and external applications including wikis, blogs, microblogs (e.g., Twitter and Sina Weibo), content communities (e.g., YouTube), social networking sites (e.g., Facebook), and virtual social worlds (e.g., Second Life). Various forms of social media are reinventing how people in organizations communicate. At Dallas-based 7-Eleven Inc., field consultants use Yammer to share knowledge and learn best practices for how to help franchise owners improve their businesses.[73] When he was Chief Executive and Chief Land Registrar of HM Land Registry in the United Kingdom, Graham Farrant introduced a weekly internal blog telling people what was going on with his job and encouraging them to post comments letting him know what was going on with theirs. Either Farrant or a senior executive replied to each comment directly.[74]

Both large and small companies are using social media, largely for improving employee collaboration and enhancing engagement.

Team Collaboration Workplace collaboration tools, such as Slack, Google Docs, and Microsoft Teams, have grown rapidly in popularity due both to the pandemic and to a shift in emphasis from individual to group productivity in organizations. E-mail may work for individual exchanges, but many find that a tool such as Slack is more effective with business teams spread around the globe. Group communication tools break down silos by pulling enterprise information from dozens of apps into a single messaging tool. They can replace e-mail, text messaging, and instant messaging by combining them into a single app. For example, Vijay Sankaran, CIO of TD Ameritrade, said, "I just finished a one-hour Q&A session with my virtual organization on Slack. There is no way I could have effectively conducted this virtual open dialogue before." Slack Technologies is growing rapidly, and Microsoft Teams is being used by more than 500,000 organizations for workplace messaging and

meetings.[75] Although many seasoned leaders still rely heavily on e-mail, a 2020 survey found that Google Docs, Zoom, and iMessage were the top tools people under the age of 30 used for collaboration. Members of Gen Z typically prefer to communicate using "literally anything but e-mail," as 24-year-old Adam Simmons, who started and runs a video production company, puts it.[76]

Engaging Employees Social media have also become an effective employee engagement tool for many companies. When people feel that they belong to a community with shared values, their attachment to the organization increases, and leaders recognize that in today's world, "community" is often built through social media. Recall from Chapter 8 how leaders at Tupperware Nordic effectively used social media to build a connected community.

Social media became more important for many companies during the COVID-19 pandemic when some offices were shut down and employees were working from home. Leaders worried that morale, motivation, and engagement would suffer when people who once spent their days working together had to work for long periods where they rarely saw each other in person. Indeed, more than half of the 2,050 employees across industries surveyed for Prudential Financial Inc. in March and April 2020 said they felt less connected to their organizations as remote workers.[77] Many leaders turned to social media, trying innovative ways to replicate the camaraderie that used to occur naturally within the office setting. For example, the snack bar maker KIND started holding two or three virtual water-cooler sessions a week, in which anyone could show up and chat. When trash hauler Waste Management Inc. sent 20,000 employees home in March 2020, the company wanted to find a way to keep in touch with employees so leaders introduced an internal app that linked to brief video messages from top executives.[78]

Social media have many advantages, but there are disadvantages as well. For example, trust is hard to build via social media compared to face-to-face. People need to interact with others in physical space to build the connections that create great organizations. In one study of creativity in the workplace, results showed that the more team members faced one another, the more creative they were; the more often they made eye contact, the more creative they were; and the more willing they were to confide in one another, the more creative they were. All of these behaviors reflect and build trust. The researchers measured trust within the groups and found that it was crucial to creativity. They concluded: "There is no substitute for face-to-face interaction to build up this trust."[79]

Remember This:

- One key to effective communication is selecting the right channel for relaying the message. A **channel** is a medium by which a communication message is carried from sender to receiver, such as a phone call, a text message, or a handwritten note.
- **Channel richness** is the amount of information that can be transmitted during a communication episode. Face-to-face discussion is the richest channel. Impersonal written media, such as bulletins and standard computer reports, are the lowest in richness.

- Most leader communication is composed of nonroutine messages, which concern issues of change, conflict, or complexity and have great potential for misunderstanding. Leaders make good use of all channels, but they don't let anything substitute for the rich face-to-face channel when important issues are at stake.
- Many people found regular phone calls more satisfying than text, e-mail, or video meetings for connecting with colleagues or clients while they were working from home during the COVID-19 pandemic.
- When a message is highly important, leaders often use multiple media, sending the same message using different channels.
- Digital communication channels can be very advantageous, but their use increases the potential for communication errors, and these channels are not effective for complex or sensitive messages.
- The term **social media** refers to a group of Internet-based applications that allow the creation and exchange of user-generated content. Organizations use social media for improving employee collaboration and enhancing engagement.
- More than half of the 2,050 employees across industries surveyed for Prudential Financial Inc. in March and April 2020 said they felt less connected to their organizations as remote workers.
- The snack bar maker KIND started holding two or three virtual water-cooler sessions a week, in which anyone could show up and chat.

9-5 Nonverbal Communication

Nonverbal communication messages transmitted through action and behavior

Leaders don't just communicate in words. Indeed, **nonverbal communication**, that is, messages transmitted through actions, behavior, facial expressions, and tone of voice, accounts for over one-half of the entire message received in a personal encounter.[80]

Leaders are watched, and their appearance, behavior, actions, and attitudes can convey symbolic messages to others. Consider an experience Tom Lawson, now the chair and CEO of property insurance company FM Global, had when he was running the research group. On the day the company released its financial reports, the weather was cold and rainy. The office parking lot was full, so Lawson had to park far from the building and walk through the pouring rain without an umbrella. Drenched and running late for a conference call, he walked right past the receptionist, didn't talk to anybody, went into his office, and closed the door. After the call, Lawson was so busy he forgot to open the door. About three hours later, the head researcher knocked on the door and said, "We've got a problem. Everyone's saying that the company is in financial trouble and that our research is going to be outsourced." Lawson spent the rest of the day walking around telling people everything was fine and telling the story of what had happened.[81]

Even the selection of a communication channel can convey a symbolic message. In other words, people attach meaning to the channel itself. Reports and memos typically convey formality and legitimize a message. Personal visits from

a leader are interpreted as a sign of teamwork and caring.[82] When people were working from home during the pandemic, many leaders had a tough time maintaining employee morale because they didn't have the option of casually dropping praise while wandering around the office or noticing from people's body language and facial expressions when they were needing a boost.

Many people do not realize that they are communicating all the time, without saying a word, by their facial expressions, body language, and actions.[83] Consider the manager who thought his new boss disliked him and didn't appreciate his hard work and commitment. "I see her talking to other managers, but she never talks to me," he told a friend, wondering if he should start looking for another job. When he finally asked his new boss what he could do to improve the relationship, the new leader was surprised. She told him that she considered him one of her most trusted managers and had been thankful to have one person she didn't have to watch over all the time. The new leader had been so busy that she didn't realize her nonverbal communication was sending an inaccurate message to a valued employee.[84]

Leaders strive to be aware of what they signal to others in addition to verbal messages. Research suggests that if there is a discrepancy between a person's verbal and nonverbal communication, the nonverbal is granted more weight by the interpreter.[85] Moreover, judgments based on nonverbal communication can occur at lightning speed. One study suggests that people form an opinion based on body language within 115 milliseconds![86] In interpreting a leader's nonverbal cues, followers determine the extent to which a leader's actions correspond with their verbal messages. If a leader talks about customer service but spends no time with customers, followers will likely place little value on service. If a leader talks about valuing employee feedback but stays in their office with the door closed most of the time, followers will doubt the sincerity of the leader's words.

One way leaders nonverbally communicate the value of feedback is by practicing *management by wandering around* (MBWA).[87] MBWA means that leaders leave their offices and speak directly to employees as they work. For example, Thomas Swidarski, former CEO of Diebold and current CEO of Telos Alliance, is known to personally drop by employees' desks to ask about their work or see what's on their minds.[88] These impromptu encounters send symbolic positive messages to followers that leaders care about their ideas, opinions, and feelings.

> **Put It Into Practice 9.9**
> Recall the most recent time you made an inference based on someone's body language. Briefly describe that situation. If you can't remember an incident, be vigilant for the next time you interpret something based on someone's behavior or action and write down the inference you made.

Remember This:

- To be effective communicators, leaders pay attention to what they signal to others in addition to their verbal messages.
- **Nonverbal communication**, which refers to messages transmitted through actions, behavior, facial expressions, and tone of voice, accounts for over one-half of the entire message received in a personal encounter.
- A study suggests that people may form an opinion based on body language within 115 milliseconds.
- One way leaders nonverbally communicate the value of feedback is by practicing *management by wandering around*, which means that leaders leave their offices and speak directly to employees as they work.

Discussion Questions

1. Why do you think storytelling is such a powerful means of communicating for a leader? How is active listening related to storytelling?

2. What does it mean to say that leaders use communication to act as "sensegivers"? How do you think this differs from conventional management communication?

3. Board members at some companies are opening the lines of communication so shareholders can voice their concerns about executive compensation and corporate governance. Do you think this is a good idea? What might be some risks associated with this type of open communication?

4. A manager in a communication class remarked, "Listening seems like minimal intrusion of oneself into the conversation, yet it also seems like more work." Do you agree or disagree? Discuss.

5. Why do you think it is hard for people to use candor when giving feedback to a colleague or direct report? Explain.

6. Some senior executives believe they should rely on written information and computer reports because these yield more accurate data than face-to-face communications do. Do you agree? Discuss.

7. What communication channel would you choose to communicate an impending companywide layoff? News about the company picnic? New corporate quality goals that will require significant changes in how your direct reports perform their tasks? Explain your choices.

8. How do leaders use communication to influence and persuade others? Think of someone you have known who is skilled in the art of persuasion. What makes this person an effective communicator?

9. How might leaders use social media to create a sense of community among employees? What do you think are some advantages and disadvantages of a company using social media to communicate with employees?

10. Do you agree or disagree with the idea of a leader being a communication champion? Think of reasons both for and against.

Leadership Skill-Building Exercises

Ask 5 Questions

This exercise can be completed either in class or outside of class.

Outside of Class: The next time you are in a casual conversation with someone at school or work, intentionally ask five questions regarding something the other person said. The questions should all be in response to the same subject raised by the speaker. Use the questions to go deeper into the subject. Follow-up questions are important for making a person feel fully heard.

What was the other person's emotional response to your five questions?

_____
_____

In Class: The instructor can divide students into pairs—speaker and questioner—to practice this exercise. The "speaking" students can be asked to talk for no more than four minutes about some simple topic that recently caught their interest. The questioning students will interrupt as needed to ask the five questions. The questioning student should only ask questions and *not add their own views to the conversation*.

How did the speaker react to the questioning?

_____
_____

What did asking repeated questions feel like to you?

_____
_____

The instructor may wish to have the student pairs switch roles so they can experience both sides of using five questions. After the students finish, the instructor can gather opinions about what the experience was like for both the speaker and the questioner. Key questions include the following: What did it feel like to ask questions rather than respond with your own points to what another person said? What is the value of this questioning approach in daily life? As a leader? Are there situations in which asking five questions is likely to be more or less effective?

Listen Like a Professional

The fastest way to become a great listener is to act like a professional listener, such as a clinical psychologist who uses listening to heal another person. Therapists drop their own point of view to concentrate on the patient's point of view. The therapist listens totally, drawing out more information rather than thinking about a response.

Outside of Class: The next time you are in a conversation in which the other person talks about some problem or concern, practice professional listening by doing the following:

1. Hold a steady gaze on the person's left eye (not the nose or face, but the left eye)—use a soft gaze, not a hard stare, and look away every 7 to 10 seconds.

2. Remove your thoughts and opinions from the conversation—quell your mind chatter and your desire to say something in response.

3. Suspend judgment—rather than critically analyzing what is being said, feel empathy as if you are walking in the other person's shoes.

4. Draw out the other person's thoughts with brief questions and paraphrasing. Repeat the professional listening approach at least twice with different people to get comfortable with it.

List your thoughts on how the other people responded to your listening, and what it felt like to you.
Other person responded:

1. _____

_____

2. _____

_____

What I felt:

1. _____

_____

2. _____

_____

In Class: The instructor can divide students into pairs—listener and speaker—to practice this exercise. The "speaking" students can be asked to talk for up to four minutes about some small problem or annoyance they encountered in the previous day or two. The "listening" students can be given instructions to not speak during the trial and instead just maintain a soft gaze into the speaker's left eye, looking away every 7 to 10 seconds, and respond only with body language (facial expressions and nods). The speaking students should continue until they have nothing more to say, but no more than four minutes.

After students switch roles and play both speaker and listener, the instructor can ask the class for perceptions of what happened and what they were feeling during the conversation. Key questions include the following: What did it feel like to listen rather than respond verbally to what another person said? What is the value of this professional listening approach? In what situations is professional listening likely to be more or less effective?

Source: Adapted from Michael Ray and Rochelle Myers, *Creativity in Business* (New York: Broadway Books, 2000), pp. 82–83.

Leadership Skills Application: Cases for Analysis

New Performance Objectives

Educational administrators are bombarded by requests for innovation at all levels. Programs to upgrade math, science, and social science education, state accountability plans, new approaches to administration, and other ideas are initiated by teachers, administrators, interest groups, reformers, and state regulators. In a school district, the superintendent is the key leader; in an individual school, the principal is the key leader.

In the Carville City School District, Superintendent Porter has responsibility for 11 schools—eight elementary, two junior high, and one high school. After attending a management summer course, Porter sent the following e-mail to the principal of each school:

> "Please request that teachers in your school develop a set of performance objectives for each class they teach. A consultant will be providing instructions for writing the performance objectives during the August 10 in-service day. The deadline for submitting the performance objectives to my office is September 21."

Mr. Weigand, principal of Earsworth Elementary School, forwarded Porter's e-mail to his teachers with the following message:

"Please see the forwarded e-mail from Superintendent Porter. As he explains, you will need to write performance objectives for each course you teach. These are due one month from today. This afternoon, during the in-service meeting, you will receive training on how to write these performance objectives."

After receiving this e-mail, several teachers at the elementary school responded with a flurry of hastily written e-mail responses. One well-respected and talented teacher wrote the following e-mail, accidentally sending it to Mr. Weigand instead of her colleagues:

"This is nonsense! I should be spending my time focused on the lesson plan for the new advanced English class the board of education approved. Porter is clueless and has no idea the demands we are facing in the classroom. We never even hear from him until he wants us to complete some empty exercise. I am going to start looking for a school district that values my time!"

Mr. Weigand was stunned by this e-mail, wondering if he was close to losing a valuable teacher who was admired by her peers and others in the school system. He knew this e-mail had been written in haste and that this teacher would be embarrassed to know that he had received it. He was concerned that other teachers may have reacted in similar ways to his e-mail. He also wondered how to respond to the angry e-mail and how to improve morale at the start of a new school year.

Questions

1. Evaluate the e-mail communications of Mr. Porter and Mr. Weigand. To what extent are they communicating effectively about the new performance objectives? Explain. If you were a teacher, how would you have felt after receiving the e-mail? Why?

2. If you were Mr. Weigand, how would you respond to the angry teacher? Be specific about how you would communicate with her and what you would say.

3. What communication channel would you have used to tell teachers about the new performance objectives to influence the teachers more positively? Discuss the positives and negatives of using e-mail versus another channel to communicate this message.

Cabell-Maier

Christmas was fast approaching. Just a short while ago, Chuck Moore, national sales manager for Cabell-Maier, a New York–based multinational toy manufacturer, was confident the coming holiday was going to be one of the company's best in years. At a recent toy expo, Cabell-Maier unveiled a new interactive plush toy that was cuddly, high-tech, and tied into a major holiday motion picture expected to be a smash hit. Chuck had thought the toy would do well, but frankly, the level of interest took him by surprise. The buyers at the toy fair raved, and the subsequent pre-order volume was extremely encouraging. It had all looked so promising, but now he couldn't shake a sense of impending doom.

The problem in a nutshell was that the Mexican subsidiary that manufactured the toy couldn't seem to meet a deadline. Not only were all the shipments late

so far, but they fell well short of the quantities ordered. Chuck decided to e-mail Vicente Ruiz, the plant manager, about the situation before he found himself in the middle of the Christmas season with parents clamoring for a toy he couldn't lay his hands on.

In a thoroughly professional e-mail that started with a friendly "Dear Vicente," Chuck inquired about the status of the latest order, asked for a production schedule for pending orders, and requested a specific explanation as to why the Mexican plant seemed to be having such difficulty shipping orders out on time. The reply appeared within the hour, but to his utter astonishment, it was a short message from Vicente's secretary. She acknowledged the receipt of his e-mail and assured him the Mexican plant would be shipping the order, already a week late, in the next 10 days.

"That's it," Chuck fumed. "Time to take this to Sato." In the message to his boss, he prefaced his original e-mail and the secretary's reply with a terse note expressing his growing concern over the availability of what could well be this season's must-have toy. "Just what do I have to do to light a fire under Vicente?" he wrote. He then forwarded it all to his supervisor and friend, Michael Sato, the executive vice president for sales and marketing.

Next thing he knew, he was on the phone with Vicente—and the plant manager was furious. "Señor Moore, how dare you go over my head and say such things about me to my boss?" he sputtered, sounding both angry and slightly panicked. It seemed that Michael had forwarded Chuck's e-mail to Cabell-Maier's vice president of operations, who had sent it on to the Mexican subsidiary's president.

That turn of events was unfortunate, but Chuck wasn't feeling all that apologetic. "You could have prevented all this if you'd just answered the questions I e-mailed you last week," he pointed out. "I deserved more than a form letter—and from your secretary, no less."

"My secretary always answers my e-mails," replied Vicente. "She figures that if the problem is really urgent, you would pick up the phone and talk to me directly. Contrary to what you guys north of the border might think, we do take deadlines seriously here. There's only so much we can do with the supply problems we're having, but I doubt you're interested in hearing about those." And Vicente hung up the phone without waiting for a response.

Chuck was confused and disheartened. Things were only getting worse. How could he turn the situation around?

Questions

1. Based on Vicente Ruiz's actions and his conversation with Chuck Moore, what differences do you detect in cultural attitudes toward communications in Mexico as compared with the United States? Is understanding these differences important? Explain.

2. What was the main purpose of Chuck's communication to Vicente? To Michael Sato? What factors should he have considered when choosing a channel for his communication to Vicente? Are they the same factors he should have considered when communicating with Michael Sato?

3. If you were Chuck, what would you have done differently? What steps would you take at this point to make sure the supply of the popular new toy is sufficient to meet the anticipated demand?

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Leading Teams

Chapter Outline

Your Leadership Challenge

After reading this chapter, you should be able to:

10-1 Explain how a leader might encourage a group of individuals to work as a collaborative team capable of achieving high performance through a shared mission and collective responsibility.

10-2 Outline the elements necessary for creating high performance teams.

10-3 Describe the stages of team development, including the dynamics within each stage that impact cohesion and productivity.

10-4 Explain the challenges associated with teamwork, including why people sometimes have negative feelings about working in a team.

10-5 Explain the challenges and benefits of virtual teams and the team leader behaviors that contribute to virtual team effectiveness.

10-6 Describe the skills needed to facilitate conflict resolution among members of a team.

When Buurtzorg, a leading Dutch provider of home health services, needs to rent new office space, self-directed teams of nurses decide where the offices will be located. The same goes for deciding how to allocate resources and tasks, which doctors to work with, and how to coordinate with local hospitals. Buurtzorg employs 15,000 nurses, operates in 25 countries, and provides care to more than 100,000 clients each year—and it does it all with self-directed teams of nurses that handle everything from finding clients and recruiting employees to budgeting and scheduling. Management tasks are spread across team members, with teams even monitoring their own performance and taking corrective action when needed. Each of Buurtzorg's 950 or so teams has a "housekeeper and treasurer," a "performance monitor," a "planner," a "developer," and a "mentor"—part-time roles that are filled by nurses who spend most of their time working directly with clients.[1]

Jos de Blok founded Buurtzorg in 2006 with one small team of nurses. Fifteen years later, teamwork is still how everything gets done at the organization. Studies have found that Buurtzorg's self-management system, combined with a holistic approach and innovative technology, results in higher productivity, greater employee and client satisfaction, better patient care, and lower costs than are achieved by other home health care providers.

Many other companies have also discovered that teams have real advantages, but teams present greater leadership challenges than does the traditional hierarchical organization. This chapter explores teams and team leadership. We define various types of teams, investigate what makes a high-performing team, examine how teams develop, and explore topics such as cohesiveness and team norms. The chapter then looks at how leaders can overcome the dilemma that teams may present and considers the various roles that team members carry out for the team to function well. The new challenge of leading virtual teams and remote work is also discussed. The final part of the chapter looks at how to manage team conflict.

10-1 The Value of Teams

Teams are not right for every situation, but much work in organizations is *interdependent,* which means that individuals and departments rely on other individuals and departments for information or resources in order to accomplish their work. When tasks are highly interdependent, a team can be the best approach for ensuring the level of coordination, information sharing, and exchange of materials necessary for successful task accomplishment.

A COVID-19 response team at Cherry Springs Village in Hendersonville, North Carolina, illustrates the value of teams. When nearly every staff member and resident of the long-term care facility became ill with the coronavirus, Cherry Springs needed help fast. The county responded by sending in a "strike team" made up of medical workers, emergency responders, clergy, therapists, social workers, and others. "It was huge for us in the initial part of the pandemic," said Steve Smith, the health director of Henderson County. "[The] strike teams went directly into facilities to mitigate the spread of the disease." Based on an emergency response model traditionally used in situations like hurricanes and wildfires to bring more resources and personnel to a disaster scene, COVID strike teams were also used in other states, including Florida, Texas, New Jersey, Ohio, Wisconsin, Tennessee, and Massachusetts, to address massive outbreaks in long-term care facilities.[2]

10-1a What Is a Team?

A **team** is a unit of two or more people who interact and coordinate their work to accomplish a shared goal or purpose to which they are committed and hold themselves mutually accountable.[3] A team is a group of people, but the two are not one and the same. People who do not interact regularly, such as those waiting in line at the company cafeteria or riding together in the elevator, do not compose a team. Even a group of employees whose work is related is not a team unless the members share a common purpose that requires them to depend on each other. In addition, the concept of teamwork implies that people sublimate their individual needs, desires, and egos and synthesize their knowledge, skills, and efforts toward accomplishing a common goal.

A professor, coach, or employer can put together a *group* of people and never build a *team*. Consider the example of the Miami Heat basketball team. In the spring of 2010, LeBron James, Dwyane Wade, and Chris Bosh were the top scorers on their respective basketball teams. The next year, they were all playing for the Miami Heat. With that kind of talent, the team should have been tough for anyone to beat, but the Heat's dream team opened with a humiliating loss and stumbled through the early weeks of the season. Star players who were used to being in charge at crunch time found themselves working at cross-purposes. Discussing the Heat's loss to the New York Knicks, former Chicago Bulls player Steve Kerr said, "It was a total meltdown. It was, 'I'm so talented, I'll take over.' They looked awful."[4]

Individual stars don't necessarily make a great team, in sports or in business. The Miami Heat struggled with issues that teams in all organizations face: How to get star performers to sublimate their egos and sacrifice their individual goals? How to bring together the right set of specialties and skills? How to define roles? How to promote cohesiveness and norms of collaboration? and How to create a team that is united in a common mission?[5] This chapter's *Think on This* illustrates the spirit and power of teamwork.

10-1b Types of Teams

Teams are found at every level of today's organizations. At Cirque du Soleil, the CEO, chief operating officer, chief financial officer, and vice president of creation function as a top management team to develop, coordinate, and oversee acrobatic troupes that travel to approximately 100 cities on four continents a year. Google assembles teams of three or four employees to assess new ideas and recommend whether they should be implemented. IBM uses teams formed of people specializing in hardware, software, research, and sales to solve specific problems for clients such as Walmart, Charles Schwab, and the Mayo Clinic.[6] And at Tasty Catering, a family-owned business in Chicago, teams of front-line employees from across the company—chefs and accountants, clerical workers and drivers, supervisors and servers—make all strategic decisions.[7]

Organizations use various types of teams to meet internal needs or external challenges. Exhibit 10.1 illustrates four types of teams used in organizations: functional, cross-departmental, self-directed, and agile teams, in which the entire organization is made up of overlapping self-directed teams.

Functional Teams A **functional team** is part of the traditional vertical hierarchy. This type of team is made up of a supervisor and direct reports in the formal chain

Think on This: Lessons from Geese

Fact 1: As each goose flaps its wings, it creates an "uplift" for the birds that follow. By flying in a "V" formation, the whole flock adds 71 percent greater flying range than if each bird flew alone.

Lesson: People who share a common direction and sense of community can get where they are going quicker and easier because they are traveling on the thrust of one another.

Fact 2: When a goose falls out of formation, it suddenly feels the drag and resistance of flying alone. It quickly moves back into formation to take advantage of the lifting power of the bird immediately in front of it.

Lesson: If we have as much sense as a goose, we stay in formation with those headed where we want to go. We are willing to accept their help and give our help to others.

Fact 3: When the lead goose tires, it rotates back into the formation and another goose flies to the point position.

Lesson: It pays to take turns doing the hard tasks and sharing leadership. Like geese, people are interdependent on each other's skills, capabilities, and unique arrangement of gifts, talents, or resources.

Fact 4: The geese flying in formation honk to encourage those up front to keep up their speed.

Lesson: We need to make sure our honking is encouraging. In groups where there is encouragement, the production is much greater. The power of encouragement (to stand by one's heart or core values and encourage the heart and core values of others) is the quality of honking we seek.

Fact 5: When a goose gets sick, wounded, or shot down, two geese drop out of the formation and follow it down to help and protect it. They stay until it dies or is able to fly again. Then they launch out with another formation or catch up with the flock.

Lesson: If we have as much sense as a goose, we will stand by each other in difficult times as well as when we are strong.

What do you think?

Source: 1991 Organizational Development Network. Original author unknown.

of command. Sometimes called a *vertical team* or a *command team*, the functional team can include three or four levels of hierarchy within a department. Typically, a functional team makes up a single department in the organization. For example, the quality control department at Blue Bell Creameries in Brenham, Texas, is a functional team that tests all incoming ingredients to make sure only the best products go into the company's ice cream. A financial analysis department, a human resources department, and a sales department are all functional or vertical teams. Each is created by the organization within the vertical hierarchy to attain specific goals through members' joint activities.

Cross-Departmental Teams A **cross-departmental team** is made up of members from different departments within the organization. These teams are often called *cross-functional teams.* Cross-departmental teams are typically used for projects that affect several departments and therefore require that many views be considered.

Cross-departmental team
team made up of members from different functional departments within an organization

Exhibit 10.1

Evolution of Teams and Team Leadership

Functional Team
- Grouping individuals by activity
- Leader centered
- Vertical or command team

Cross-Departmental Team
- Coordinates across organization boundaries for change projects
- Leader gives up some power
- Special-purpose team, problem-solving team

Self-Directed Team
- Autonomous; defines own boundaries
- Member-centered

Agile Team
- Governs itself within organization made up of agile teams
- Develops extremely close relationships with its customers

Need for traditional leadership ← → **Need for team leadership**

Cross-departmental teams facilitate information sharing across functional boundaries, generate suggestions for coordinating the departments represented, develop new ideas and solutions for existing organizational problems, and assist in developing new practices or policies.

A good example of a cross-departmental team comes from the Kellogg School of Management at Northwestern University, which was struggling to improve its yield performance—that is, the percentage of applicants who actually enroll after being offered admission. Leaders created a cross-departmental team made up of people from admissions, financial aid, student life, marketing, and IT who met regularly to jointly monitor performance on key metrics and discuss each department's role in improving results. By getting people from the different areas talking to one another and sharing responsibility, the team produced significant improvements in the quality of students applying for and enrolling in the program.[8]

<div style="float:left; width:25%">

Special-purpose team
team that focuses on a specific purpose of high importance and disbands once the project is completed; sometimes called a project team

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One type of cross-departmental team is the **special-purpose team**, sometimes called a *project team*. Special-purpose teams focus on a specific purpose and disband once the project is completed. They are created outside the formal organization structure to undertake a project of special importance or complexity or to develop a new product or service. At Colgate-Palmolive, a special purpose team made up of R&D staffers and IT software engineers and data scientists created a new smart toothbrush designed to make recommendations on how the user could brush better. R&D team members focused on the brush head, sensors, and other aspects of the physical product, while the IT team members developed the underlying application and machine learning.[9]

Self-Directed Teams Cross-departmental teams may gradually evolve into self-directed teams. **Self-directed teams** are made up of employees who work with minimum supervision and rotate jobs to produce an entire product or service, or at least one complete aspect or portion of a product or service.[10]

Exhibit 10.1 illustrates the evolution of teams and team leadership. The functional team groups individuals by common skill and activity within the traditional structure. Leadership is based on the vertical hierarchy. In cross-departmental teams, members have more freedom from the hierarchy, but the team typically is still leader-centered and leader-directed. The leader is most often assigned by the organization and is usually a supervisor or manager from one of the departments represented on the team.

In the next stage of evolution, team members work together without the ongoing direction of managers, supervisors, or assigned team leaders. The chapter opening example describes how nurses work in self-directed teams at Buurtzorg. As another example, at Lockheed Martin's Missiles and Fire Control division's Pike County Operations in Troy, Alabama, all employees work in self-directed teams that set performance goals and make decisions related to assembling and testing advanced missile systems. Self-directed teams at Pike County Operations have contributed to 100 percent on-time delivery with zero customer rejects for the division.[11]

Empirical studies have shown that self-directed teams are associated with higher job satisfaction.[12] Job satisfaction increases partly because working in self-directed teams enables people to feel challenged, find their work meaningful, feel more control over their work lives, and develop a stronger sense of identity with the organization.[13]

Self-directed teams have access to information and resources needed to perform a complete task and are empowered with decision-making authority to take over duties such as selecting new members, scheduling work or vacations, and evaluating performance. Self-directed teams are typically not completely autonomous, in that organizational leaders set overall direction and monitor the team's work on a regular basis. However, these teams are effectively trained to work with minimum supervision, and members are jointly responsible for making decisions and solving problems.

Self-directed teams typically elect one of their own to serve as team leader, to lead meetings, for example, and the leader may change each year. Some teams function without a designated leader, so anyone may play a leadership role depending on the situation. For example, the emergency trauma team at Massachusetts General Hospital performs so smoothly that the team switches leaders seamlessly, depending on the crisis at hand. With each new emergency, direction may come from a doctor, intern, nurse, or technician—whoever is particularly experienced with the problem at hand.[14]

10-1c Agile Teams

The most advanced use of self-directed teams is structuring the entire organization into *agile teams*, a concept that originated in software companies and is spreading to other industries. An **agile team** is small, is focused on one aspect of a larger project, and has complete responsibility and all needed member expertise to produce its product or service. Such a team governs itself within an

Self-directed teams teams made up of members who work with minimum supervision and rotate jobs to produce a complete product or service

> **Put It Into Practice 10.1**
> Recall your best experience as part of a team. Identify the type of team it was and what you most appreciated about that experience.

Agile team a team that is small, is focused on one piece of a larger project, and has complete responsibility along with all needed member expertise to produce a product or service

organization composed of agile teams. Typically, agile teams have the following characteristics:[15]

- Agile teams are small in size, typically made up of three to six people. Small size enables better coordination and faster decision making. Team members can interact closely with other team members, stay close to their customer, and quickly implement changes as needed.
- They are composed of employees from different functional areas. Teams are multidisciplinary, are made up of both technical and nontechnical employees, and include all the functions needed to perform the team's task and meet its goals.
- They focus on building solutions for distinct, small, and manageable components of larger, complex problems that are integrated into a comprehensive whole. Agile thinking recognizes that ambiguity and rapid change in today's world create big problems that can best be solved by teams that work on specific aspects of the problem in collaboration with other teams and customers.
- They develop extremely close relationships with their customers, both inside and outside the organization. Agile teams are obsessed with continuously adding value for customers. In a sense, the customer is the boss of agile teams. Continuous interactions among teams and customers are the norm. A study by McKinsey & Company found that 80 percent of companies using agile teams developed new products and services by working closely with customers and field-testing new ideas and prototypes for rapid feedback to improve the product.[16]
- They hold a daily 15-minute meeting, called a **scrum**, during which members share progress, report obstacles or problems, and make commitments.[17] Typically, in the daily scrum, each team member answers three questions: (1) "What have I accomplished since yesterday's meeting?" (2) "What will I do before tomorrow's meeting?" and (3) "What issues or problems might impede my most efficient and effective performance?"

Scrum
a daily 15-minute meeting during which members of agile teams share progress, report obstacles or problems, and make commitments

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Put It Into Practice 10.2

Imagine what daily participation in a successful agile team would feel like. Rate the extent to which your daily experiences would be satisfying and write down why.

China's Haier Group, a global innovation leader and the world's largest appliance maker, provides an excellent example of the agile team concept in an industrial setting rather than a software firm. Instead of a vertical hierarchy, Haier's structure is based on more than 4,000 self-organizing microenterprises, or MEs. Each of these MEs, or teams, is made up of 10 to 15 people who come from various functional areas, such as research, manufacturing, procurement, and marketing, and each team is accountable for accomplishing a specific product or service mission. Each team has profit and loss responsibility, its own accounting system, and the autonomy to hire and fire employees, make most operational decisions, and set its own rules for expenses, compensation, and bonus distribution. Everyone, no matter what functional area they represent, is expected to keep in close touch with customers. The role of leaders isn't to direct or supervise employees or teams but to provide them with the resources and guidance they need to serve customers. Linkages among the activities of various MEs are developed by the teams themselves as needed. For example, if a team needs market research about a specific region, it may consider proposals from several other teams.[18] By decentralizing decision making, breaking down the barriers between functions, and linking employees directly with customers, the agile team-based structure enables Haier to respond extremely quickly to changing consumer demands and market needs.

Remember This:

- A **team** is a unit of two or more people who interact and coordinate their work to accomplish a shared goal or purpose to which they are committed and hold themselves mutually accountable.

- Teams can be effective in providing the coordination and information sharing needed to accomplish interdependent tasks. Organizations may use many different types of teams.

- A **functional team** is made up of a supervisor and direct reports in the formal chain of command. A **cross-departmental team** includes people from different functional areas.

- One type of cross-departmental team, a **special-purpose team**, is a team that focuses on a specific purpose of high importance and disbands once the project is completed. A special purpose team at Colgate-Palmolive created a new smart toothbrush.

- Buurtzorg, a leading Dutch provider of home health services, uses self-directed teams of nurses. **Self-directed teams** are member-centered rather than leader-centered; they are made up of members who work with minimum supervision and rotate jobs to produce a complete product or service.

- The most advanced use of self-directed teams is structuring the entire organization into agile teams. An **agile team** is a small team that is focused on one piece of a larger complex project and has complete responsibility along with all needed member expertise to produce a product or service.

- Most agile teams hold a daily 15-minute meeting, called a **scrum**, during which members share progress, report obstacles or problems, and make commitments.

- One organization that effectively uses agile teams is China's Haier Group, a global innovation leader and the world's largest appliance maker. Rather than a vertical hierarchy, Haier's structure is based on more than 4,000 self-organizing microenterprises, or teams.

10-2 Leading a Team to High Performance

Smoothly functioning teams don't just happen. They are created and shaped by leaders. Harvard Business School professors studying surgery teams, for example, found that the attitude and actions of the team leader, and the quality of the leader's interactions with team members, are crucial to team effectiveness and the success of the surgery.[19] Teamwork is becoming common in health care, but poor coordination and communication among team members has sometimes been a problem, leading to errors and even patient deaths. The U.S. Department of Defense and the Agency for Healthcare Research and Quality developed a team training program to teach cognitive and interpersonal skills that contribute to better health care teamwork, with significant focus on team leadership. Boston Children's Hospital reduced medical errors by 40 percent after teams began applying the tools learned from the program.[20]

❝ High-performance teams and organizations do not arise spontaneously. They do not appear overnight. High performance is a process and a mindset. It requires a methodology and it must be practiced—over and over.❞
John Foley, founder and president of John Foley, Inc.; former Marine Corps jet fighter instructor pilot and lead solo pilot of the Blue Angels jet acrobatics team

To lead any team to high performance, whether in health care, manufacturing, Internet services, or NASCAR racing, leaders incorporate the following elements:[21]

1. *A Compelling Purpose, Clear Objectives, and Explicit Metrics.* To succeed, team members must know what is expected of them and commit to accomplishing it. High-performing teams have a specific, clearly defined purpose and a well-defined set of goals, enabling people to come together in a shared undertaking. For example, a clear purpose and goals enabled a COVID-19 response team at Johnson Controls to develop standardized plans for rapidly converting unconventional spaces into health care facilities. In one instance during the early months of the pandemic, Johnson's team supplied a 1,000-bed hospital the Army Corps of Engineers set up on Long Island with a video surveillance system, a bedside nurse-call system, fire alarms, and wireless networks in a space of 20 days, rather than the six months such a project would normally take.[22] A team cannot succeed if people are floundering around wondering why the team exists, or if people are going in different directions rather than pulling together for a common purpose. Team members also need clear metrics so they know how well they are progressing toward meeting goals.

2. *A Diversity of Skills and Unambiguous Roles.* Effective teams contain the diverse mix of skills, knowledge, and experience needed to perform all the components of the team's project.[23] In addition, diversity in terms of race, gender, ethnic or cultural background, and other dimensions can contribute to greater innovation and better decision making because the team can draw from wider perspectives.[24] To tap into the benefits of diversity, even though the various companies of Berkshire Hathaway operate independently, top executives on their own have begun meeting regularly to discuss common challenges such as cybersecurity and sustainability that need diverse ideas. "Even though we're in different industries and have different business models, said Mary Rhinehart, CEO of Berkshire's building-products company Johns Manville, "why wouldn't we take advantage of the talent across the. . . organization?"[25]

   Within this diverse mix, however, individual roles and responsibilities of team members are clearly defined. Clear roles and expectations for members lead to enhanced cooperation because people aren't butting up against one another in confusion over their duties and responsibilities.[26]

3. *Streamlined Team Size.* Although most researchers agree there is no optimal team size, teams function best when they contain just enough members to perform the job, and most experts recommend that teams should err on the side of having too few members rather than too many.[27] In the early days at Amazon, Jeff Bezos established an unofficial "two-pizza rule." If a team became so large that members could not be fed with two pizzas, it was split into smaller teams.[28] Much research has shown that small teams (six or fewer members) perform better than large ones.[29] Members on small teams typically ask more questions, exchange more opinions, and exhibit more cooperative behavior. In addition, people in small teams report higher motivation, more job satisfaction, and a greater sense of belonging and cohesiveness. A Gallup poll in the United States found that 82 percent of employees agree that small teams are more productive.[30]

4. *Decision Authority Over How to Achieve Goals.* Although teams need clearly defined goals spelled out by leaders, the team itself should have the authority

to decide how it will reach those goals. Good leaders share power, information, and responsibility and work to build consensus rather than issuing orders.[31] Members of high-performing teams determine together how they will work cooperatively to accomplish objectives and achieve the team's purpose.

5. *Psychological Safety.* One of the most critical qualities for an effective team is psychological safety. In a large research study exploring why some teams perform better than others, called Project Aristotle, Google researchers found that psychological safety, more than anything else, was critical to making a team work.[32] **Psychological safety** means a team climate characterized by mutual trust and respect, in which team members are comfortable being themselves by taking risks to share their creative ideas and personal feelings, and by encouraging others to be personally vulnerable in front of one another.[33] Psychological safety is composed of both emotional expression and social sensitivity.

- *Emotional expression*. People in effective teams feel comfortable enough to express their emotions about team activities as well as their thoughts. Team members communicate freely and easily in a relaxed way and may joke around and share personal stories.
- *Social sensitivity*. A team's collective intelligence increases when people are sensitive to and inquire into one another's moods and emotions. Team members pay attention to and ask about one another's facial expressions, body language, and other nonverbal cues.

Psychological safety

a team climate characterized by mutual trust and respect, in which members are comfortable being themselves by taking risks to share their creative ideas and personal feelings, and by encouraging others to be personally vulnerable in front of one another

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Put It Into Practice 10.3

Recall the team experience in which you felt most psychologically safe to express yourself fully. Write down how psychological safety affected your and other team members' behavior.

| **Leader's Bookshelf** | **Great Business Teams: Cracking the Code for Standout Performance** | **by Howard M. Guttman** |

Management consultant and author Howard Guttman believes high-performance organizations begin with great teams. In his book, *Great Business Teams*, Guttman draws on research into the inner workings of several dozen high-performance teams at companies such as Johnson & Johnson, L'Oreal, Novartis, and Mars Drinks.

Characteristics of Great Teams
Whether it is a top leadership team, a cross-departmental project team, or a self-directed product development team, Guttman says great teams share five key characteristics:

- ***They Are Led by High-Performance Leaders.*** Leaders of great teams put power and authority in the hands of the team. They see their job as making sure all members are clear about and committed to the business strategy and operational goals, understand

their roles and responsibilities, and adhere to specific ground rules for decision making and interpersonal behavior.

- ***They Have Members Who Act as Leaders.*** Members of great teams act as leaders by embracing responsibility, exerting influence to accomplish tasks, and holding one another accountable for results. Everyone's performance—even the leader's—is subject to scrutiny and feedback.

- ***They Abide by Protocols.*** Ambiguity kills effective teamwork, says Guttman. To achieve high performance, everyone on the team needs to be clear about what the team as a whole is going to accomplish, what each person will contribute, how the team will carry out its tasks, and how members are expected to interact with one another.

- ***They Are Never Satisfied.*** On a high-performance team, self-monitoring, self-evaluation, and continually raising the performance bar are the norm.

- ***They Have a Supportive Performance Management System.*** To get great teamwork, the organization's performance management and reward systems have to support the expected team behaviors.

Why Teams?
Guttman says today's organizations and the challenges they face are too complex for formal leaders to make all the decisions. He argues that companies can best succeed with distributed leadership, in which key decisions are made by layers of self-directed teams that are jointly accountable for performance.

Source: *Great Business Teams*, by Howard Guttman, is published by John Wiley & Sons.

These five elements are among the most important guidelines for team leaders. The Leader's Bookshelf further discusses characteristics of teams that lead to high performance.

Remember This:

- The team leader plays a big part in whether a team achieves high performance.
- Five elements leaders provide that contribute to high performance are: compelling purpose and clear objectives, clear roles and diversity of skills, streamlined team size, decision authority over how to achieve goals, and psychological safety.
- Having a compelling purpose and clear objectives enabled a COVID-19 response team at Johnson Controls to supply a 1,000-bed hospital the Army Corps of Engineers set up on Long Island with a video surveillance system, a bedside nurse-call system, fire alarms, and wireless networks in a space of 20 days.
- **Psychological safety** means a team climate characterized by mutual trust and respect, in which team members are comfortable being themselves, sharing creative ideas and taking risks, and being vulnerable in front of one another.
- Psychological safety is composed of both emotional expression and social sensitivity.

10-3 Leading Team Processes

Team processes refer to the dynamics that change over time and can be influenced by leaders. In this section we discuss stages of development, cohesiveness, and norms. The fourth type of team process, conflict, will be covered later in the chapter.

10-3a How Teams Develop

Smoothly functioning teams don't simply spring up overnight. It is important for leaders to understand that teams develop over time. Research suggests that teams develop over several stages and team leadership requirements change throughout the process.[34] Exhibit 10.2 shows one model of the stages of team development.[35] These stages typically occur in sequence, although there can be overlap.

Forming The **forming** stage of development is a period of orientation and getting acquainted. Team members find out what behavior is acceptable to others, explore friendship possibilities, and determine task orientation. Uncertainty is high because no one knows what the ground rules are or what is expected of them. Members will usually accept whatever power or authority is offered by either formal or informal leaders. The leader's challenge at this stage of development is to facilitate communication and interaction among team members to help them get acquainted and establish guidelines for how the team will work together. It is important at this stage for the leader to make everyone feel comfortable and like

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Put It Into Practice 10.4

Identify the highest performing team on which you were a member. Identify the one thing you think made its performance so high.

Forming
stage of team development that includes orientation and getting acquainted

a part of the team. Leaders can draw out shy or quiet team members to help them establish relationships with others.

Storming During the **storming** stage, individual personalities emerge more clearly. People become more assertive in clarifying their roles. This stage is marked by conflict and disagreement. Team members may disagree over their perceptions of the team's purpose or goals. The team is characterized by a general lack of unity and cohesiveness. It is essential that teams move beyond this stage or they will never achieve high performance. An experiment with student teams confirms the idea that teams that get stuck in the storming stage perform significantly less well than teams that progress to future stages of development.[36] The leader's role during the storming stage is to encourage participation by each team member and help people find their common vision and values. Members need to debate ideas, surface conflicts, disagree with one another, and work through the uncertainties and conflicting perceptions about team tasks and goals. The expression of emotions, even negative ones, helps to build camaraderie and a shared understanding of goals and tasks.[37]

Storming
stage of team development in which individual personalities and conflicts emerge

Exhibit 10.2

Five Stages of Team Development
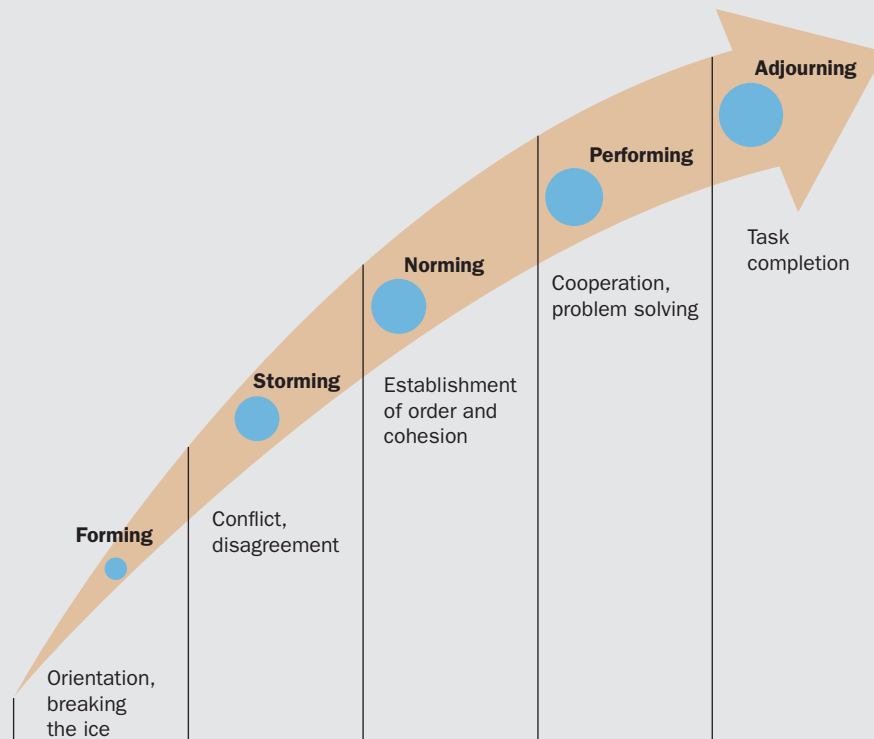
Sources: Based on the stages of small group development in Bruce W. Tuckman, "Developmental Sequence in Small Groups," *Psychological Bulletin* 63 (1965), pp. 384–399; and B. W. Tuckman and M. A. Jensen, "Stages of Small Group Development Revisited," *Group and Organizational Studies* 2 (1977), pp. 419–427.

Norming
stage of team development in which conflicts have been resolved and team unity emerges

Performing
stage of team development in which the major emphasis is on accomplishing the team's goals

Adjourning
stage of team development that occurs in committees and teams that have a limited task to perform; the emphasis is on wrapping up, gearing down, and signifying closure

Norming At the **norming** stage, conflict has been resolved and team unity and harmony emerge. Consensus develops as to who the natural team leaders are, and members' roles are clear. Team members come to understand and accept one another. Differences are resolved, and members develop a sense of cohesiveness. This stage typically is of short duration and moves quickly into the next stage. The team leader should emphasize openness within the team and continue to facilitate communication and clarify team roles, values, and expectations.

Performing During the **performing** stage, the major emphasis is on accomplishing the team's goals. Members are committed to the team's mission. They interact frequently, coordinate their actions, and handle disagreements in a mature, productive manner. Team members confront and resolve problems in the interest of task accomplishment. At this stage, the team leader should concentrate on facilitating high task performance and helping the team self-manage to reach its goals.

Adjourning The **adjourning** stage occurs in committees and teams that have a limited task to perform and are disbanded afterward. During this stage, the emphasis is on wrapping up and gearing down. Task performance is no longer a top priority, and leaders frequently focus on team members' social and emotional needs. People may feel heightened emotionality, strong cohesiveness, and depression or regret over the team's disbandment. At this point, the leader may wish to signify the team's disbanding with a ritual or ceremony, perhaps giving out certificates or awards to signify closure and completeness.

When teams are under time pressure, these stages might occur quite rapidly and often overlap. Stages may also be accelerated for virtual teams. For example, at a large consumer goods company with a virtual team of engineers working in the United States and India, leaders started the project with a couple of days of team building to help the team move rapidly through the forming and storming stages. Team members together created a shared vision, developed specific team norms and agreements, built virtual relationships, and clarified roles and responsibilities. Cultural education and exercises on virtual communication were also part of the process. The team building process not only helped people reach the performing stage quickly, but it also contributed to building cohesiveness, which is generally considered an attractive feature of teams.[38]

10-3b Team Cohesiveness

Team cohesiveness is defined as the extent to which members are attracted to the team and motivated to remain in it.[39] Members of highly cohesive teams are committed to team activities, attend meetings, and are happy when the team succeeds. Members of less cohesive teams are less concerned about the team's welfare. Leaders typically want to encourage high cohesiveness in teams.

Team cohesiveness
the extent to which members are attracted to the team and motivated to remain in it

Determinants of Cohesiveness Leaders can use several characteristics of team structure and context to influence cohesiveness. First is *team interaction*. When team members have frequent contact, they get to know one another, consider themselves a unit, and become more committed to the team.[40] Second is the concept of *shared goals*. When team members agree on purpose and direction, they will be more cohesive. The most cohesive teams are those that feel they are involved in

something immensely relevant and important. An aerospace executive, recalling participation in an advanced design team, put it this way, "We even walked differently than anybody else. We felt we were way out there, ahead of the whole world."[41] Third is *personal attraction to the team*, meaning that members have similar attitudes and values and enjoy being together.

Two factors in the team's context also influence group cohesiveness. The first is the *presence of competition*. When a team is in moderate competition with other teams, its cohesiveness increases as it strives to win. Finally, *team success* and the favorable evaluation of the team by outsiders add to cohesiveness. When a team succeeds in its task and others in the organization recognize the success, members feel good, and their commitment to the team will be high.

Consequences of Cohesiveness The outcome of team cohesiveness can fall into two categories—morale and performance. Morale is typically higher in cohesive teams because of increased communication among members, a friendly team climate, maintenance of membership because of commitment to the team, loyalty, and member participation in team decisions and activities. High cohesiveness has almost uniformly good effects on the satisfaction and morale of team members.[42]

With respect to performance, studies suggest that teams in which members share strong feelings of connectedness and generally positive interactions tend to perform better.[43] Thus, a friendly, positive team environment contributes to performance as well as member satisfaction. Among call center teams at Bank of America, for example, productivity rose 10 percent when leaders scheduled more face-to-face interaction time outside of formal meetings. Simply interacting with others in a positive way can energize people. Alex Pentland, a professor at the Massachusetts Institute of Technology (MIT), and his colleagues at MIT's Human Dynamics Laboratory studied teams across diverse industries to identify what gives some teams the energy, creativity, and shared commitment that leads to high performance. They found positive patterns of communication to be the most important predictor of a team's success—as significant as individual intelligence, personality, skill, and the substance of discussions combined.[44]

However, cohesiveness can also *decrease* performance in some cases. One matter of particular concern is **groupthink**, which refers to the tendency of people in cohesive groups to suppress contrary opinions. The hesitation of team members to express safety concerns that went against the group consensus has been cited as a contributing factor to the 1986 *Challenger* space shuttle disaster, in which seven crew members were killed. People slip into groupthink when the desire for harmony outweighs concerns over decision quality.[45]

Other research suggests that performance in cohesive teams may depend on the relationship between leaders and the work team. One study surveyed more than 200 work teams and correlated job performance with their cohesiveness.[46] Highly cohesive teams were more productive when team members felt top leader support and less productive when they sensed leader hostility and negativism. The leader of a team at Trello that includes both on-site and virtual members nurtures high productivity and performance by ensuring that everyone feels valued and supported. If even a single remote employee is participating in a meeting by video call, everyone is required to individually open their laptops and do the same— even if they're all sitting in the office—to make sure everyone feels on the same footing and feels they have an equal chance to participate.[47]

Groupthink
the tendency of people in cohesive groups to suppress contrary opinions

10-3c Team Norms

A **team norm** is an informal standard of conduct that is shared by team members and guides their behavior.[48] Norms are valuable because they provide a frame of reference for what is expected and acceptable. Norms can have a big influence on how well teams perform. In studying what makes a team effective, researchers at Carnegie Mellon and MIT found that the right norms increase a team's collective intelligence to perform well, whereas negative norms can hamper a team, even if all its members are highly intelligent.[49]

Exhibit 10.3 illustrates two common ways in which norms develop.[50] Norms begin to develop in the first interactions among members of a new team, so *first behaviors* often set a precedent for how the team will interact. At one company, a team leader began his first meeting by raising an issue and then "leading" team members until he got the solution he wanted. The pattern became ingrained so quickly into an unproductive team norm that members dubbed meetings the "Guess What I Think" game.[51]

Team leaders should use care to shape norms that will help the team be effective. For example, research shows that when leaders have high expectations for collaborative problem solving, teams develop strong collaborative norms.[52] One powerful way in which leaders influence norms is by making *explicit statements* about the desired team behaviors. When he was CEO of Ameritech, Bill Weiss established a norm of cooperation and mutual support among his top leadership team by telling them bluntly that if he caught anyone trying to undermine the others, the guilty party would be fired.[53]

Many leaders and teams have had to create new norms or strengthen old ones because of the shift to remote working that began during the COVID-19 pandemic and has continued for some companies. When people are working from home and interacting primarily through digital communication rather than face to face, norms

Team norm
an informal standard of conduct that is shared by team members and guides their behavior

Put It Into Practice 10.6

For a team you're involved with at school or work, initiate a new team norm you believe would be helpful, such as starting on time even when members are missing or that everyone be heard during discussion of each topic.

Exhibit 10.3

Two Ways Team Norms Develop

Primacy: First Behaviors

+

Explicit Leader Statements

→

Team Norms
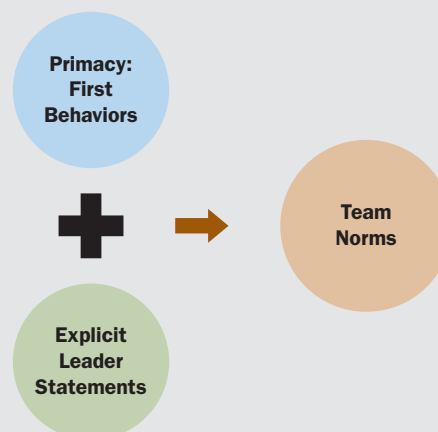
may need to be more explicit. The CEO of a large construction company found that during Zoom meetings with his top leadership team, people were frequently exchanging "snarky, entertaining, and distracting" private messages. He realized that in their face-to-face meetings there had been a compelling but unstated norm against side conversations and passing notes, but the shift to online meetings had undercut that once strong norm. He raised the issue at the next meeting and the team agreed that members would not engage in private chats during Zoom meetings. The members also explicitly defined other norms that would guide team interactions.[54]

Remember This:

- Teams go through stages of development and change over time. Guiding a team through these stages is an important part of team leadership.
- **Forming** is the stage of team development that includes orientation and getting acquainted. The **storming** stage is the stage when individual personalities, goals, and conflicts emerge. Leaders must make sure teams do not get stuck in the storming stage or they will never achieve high performance.
- In the **norming** stage, conflicts have been resolved and team unity emerges. **Performing** is the stage in which the primary emphasis is on accomplishing the team's goals. The **adjourning** stage occurs in teams that have a limited task; the emphasis is on wrapping up and signifying closure.
- **Team cohesiveness** is the extent to which members are attracted to the team and motivated to remain in it. Morale is almost always higher in cohesive teams, and cohesiveness can also contribute to higher performance.
- Among call center teams at Bank of America, productivity rose 10 percent when leaders scheduled more face-to-face interaction time outside of formal meetings.
- Team cohesiveness can decrease performance if members slip into **groupthink**, which is the tendency of people in cohesive groups to suppress contrary opinions.
- A **team norm** is an informal standard of conduct that is shared by team members and guides their behavior.
- When people were working from home during the pandemic, leaders realized that norms need to be made more explicit for remote teams whose members interact through digital communication rather than face to face.
- One leader learned that people were exchanging distracting private messages during Zoom meetings, whereas there had been a compelling but unstated norm against side conversations and passing notes during the team's face-to-face meetings.

10-4 What Team Members Contribute

Now let's turn our attention to understanding the qualities and competencies of team members that contribute to high performance.

10-4a Overcoming the Team Member Dilemma

David Ferrucci was thrilled about the chance to recruit top scientists to participate on a team at IBM to build a computer smart enough to beat grand champions at the game of *Jeopardy*. But Ferrucci soon learned that teamwork presents a dilemma for many people. To be sure, building "Watson" was an unusual project, and its results would be put to the test in a televised "human versus machine" competition. Success or failure would be attributed to the team and not to any individual team member. Many of the engineers and academic researchers that Ferrucci approached preferred to work on their individual projects, where the success would be theirs alone. Eventually, however, he pulled together a core team of people willing to take the risk. "It was a proud moment, frankly, just to have the courage as a team to move forward," Ferrucci says.[55]

In organizations around the world, some people love the idea of teamwork, others hate it, and many people have both positive and negative emotions about working as part of a team. Complete Leadership Practice: Know Yourself 10.1 to get an idea of your feelings toward teamwork and whether team leadership might present a problem for you. Leaders can be more effective when they understand three primary reasons teams present a dilemma for people:

> **Put It Into Practice 10.7**
>
> Reflect back on what you felt when you learned that teamwork would be a significant portion of a course's grade. Write down the basis for those feelings.

- *We Have to Give Up Our Independence.* When people become part of a team, their success depends on the team's success; therefore, they are dependent on how well other people perform, not just on their own individual initiative and actions. In addition, whereas most people are comfortable with the idea of making sacrifices to achieve their own individual success, teamwork demands that they make sacrifices for *group* success.[56] The idea is that each person should put the team first, even if at times it hurts the individual. People who exhibit extreme individualism or self-orientation may not do well on teams. Teams can fail when one or more members have a *prima donna* or narcissistic-type personality, which means they are extremely self-centered; have an inflated view of their own talents, skills, and importance; and put their own ambitions ahead of collective goals and results. A study of NBA teams found that players with higher levels of narcissism and with higher-narcissism members in core roles had poorer coordination and lower performance than teams with lower levels of narcissism.[57]

> **Free rider**
> a person who attains benefits from team membership but does not actively participate in and contribute to the team's work

- *We Have to Put Up with Free Riders.* Teams are sometimes made up of people who have different work ethics. The term **free rider** refers to a person who attains benefits from team membership but does not actively participate in and contribute to the team's work. You might have experienced this frustration in a student project team, where one member put little effort into the project but benefited from the hard work of others when grades were handed out. Free riding is sometimes called *social loafing* because some members do not exert equal effort.[58] The potential for free riding might be one reason a survey found that 40 to 60 percent of people (depending on gender and age) like working in teams to learn from others, but no more than 36 percent report they like working in teams to complete tasks.[59]

Leadership Practice: Know Yourself 10.1

Individual or Team?

Instructions: Respond to the following statements with your preferences for working on your job or school assignments. Please answer whether each item is Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. I prefer to work on a team rather than do tasks individually.	_____	_____
2. Given a choice, I try to work by myself rather than face the hassles of group work.	_____	_____
3. I enjoy the personal interaction when working with others.	_____	_____
4. I prefer to do my own work and let others do theirs.	_____	_____
5. I get more satisfaction from a group victory than an individual victory.	_____	_____
6. Teamwork is not worthwhile when people do not do their share.	_____	_____
7. I feel good when I work with others even when we disagree.	_____	_____
8. I prefer to rely on myself rather than others to do a job or assignment.	_____	_____
9. I find that working as a member of a team increases my ability to perform well.	_____	_____
10. It annoys me to do work as a member of a team.	_____	_____

Scoring and Interpretation

For odd-numbered items give yourself 1 point for each Mostly True answer and for even-numbered items give yourself 1 point for each Mostly False answer.

Total Score _____.

Your score indicates your preference for working as part of a team versus working as an individual. A score of 8–10 suggests a clear preference for working with others on a team. Teams can accomplish tasks far beyond what an individual can do, and working with others can be a major source of satisfaction. A score of 0–3 suggests a clear preference for working alone rather than on a team. On a team you will lose some autonomy and have to rely on others who may be less committed than you. On a team you have to work through other people and you lose some control over work procedures and outcomes. A score of 4–7 suggests you are satisfied either working on a team or alone. How do you think your preference will affect your career choices and your potential role as a leader?

- *Teams Are Sometimes Dysfunctional.* Some companies have had great success with teams, but there are also many examples of how teams in organizations fail spectacularly.[60] A civilian worker at a large U.S. Air Force base tells of an experience in which the team "streamlined" the process of handling mail by changing it from 8 steps to a ridiculous 19, meaning official mail was handled by more people and getting to its intended recipient even later than before.[61] Exhibit 10.4 lists five dysfunctions that are common in teams.[62]

Over the past few decades, a great deal of research and team experience has produced significant insights into what causes teams to succeed or fail. The evidence shows that how teams are managed plays the most critical role.

10-4b Team Member Roles

Every team needs members who meet the important needs of the team for both accomplishing its tasks and fostering member unity, satisfaction, and

Exhibit 10.4	
Five Common Dysfunctions of Teams	
Dysfunction	**Attitudes and Behaviors**
Lack of trust	People don't feel safe to reveal mistakes, share concerns, or express ideas
Fear of conflict	People go along with others for the sake of harmony; don't express conflicting opinions
Lack of commitment	People can't truly commit to decisions because they haven't contributed their true opinions and ideas
Avoidance of accountability	People don't accept responsibility for outcomes; engage in finger-pointing when things go wrong
Inattention to results	Members put personal ambition or the needs of their individual departments ahead of collective results

Source: Based on Patrick Lencioni, *The Five Dysfunctions of a Team* (New York: John Wiley & Sons, 2002).

Put It Into Practice 10.8

During your next team meeting at school or work, identify the member who seems most task specialist and the member who seems most socio-emotional, based on their comments. Write down which role you respect most for contributing to the team and why.

Task-specialist role team role associated with initiating new ideas, evaluating the team's effectiveness, seeking to clarify tasks and responsibilities, summarizing facts and ideas for others, and stimulating others to action

well-being. Recall from Chapter 3 the discussion of situational leadership and the meta-categories of *task-oriented* and *relationship-oriented* behaviors described in that chapter (Exhibit 3.2). Task-oriented behavior places primary concern on tasks and production and is generally associated with higher productivity, whereas relationship-oriented behavior emphasizes concern for followers and relationships and is associated with higher employee satisfaction.

For a team to be successful over the long term, both task-oriented behavior and relationship-oriented behavior are required within the team. To understand the importance of team members fulfilling a variety of roles, consider the 33 miners who were trapped for months underground after a copper mine collapsed in San José, Chile. The miners organized into several teams in charge of critical activities such as communication with rescue workers, the transport of supplies from above ground, rationing and distribution of food, managing health concerns, and securing the mine to prevent further rock falls. Some team members were clearly focused on helping the trapped miners meet their needs for physical survival, some focused on helping people coordinate their activities, and still others focused on the group's psychological and social needs, helping people maintain hope and a sense of solidarity as the ordeal stretched to a harrowing 69 days. Experts agree that teamwork and leadership were key to the miners' survival.[63]

The **task-specialist role** is associated with behaviors that help the team accomplish its goal. People who play a task-specialist role often display the following behaviors:

- *Initiate Ideas.* Propose new solutions to team problems.
- *Give Opinions.* Offer opinions on task solutions; give candid feedback on others' suggestions.

- *Seek Information.* Ask for task-relevant facts.
- *Summarize.* Relate various ideas to the problem at hand; pull ideas together into a summary perspective.
- *Energize.* Stimulate the team into action when interest drops.[64]

The **socioemotional role** includes behaviors that maintain people's emotional well-being and strengthen the social identity. People who adopt a socioemotional role display the following behaviors:

- *Encourage.* Are warm and receptive to others' ideas; praise and encourage others to draw forth their contributions.
- *Harmonize.* Reconcile group conflicts; help disagreeing parties reach agreement.
- *Reduce Tension.* Tell jokes or in other ways draw off emotions when group atmosphere is tense.
- *Follow.* Go along with the team; agree to other team members' ideas.
- *Compromise.* Will shift own opinions to maintain team harmony.[65]

Socioemotional role team role associated with facilitating others' participation, smoothing conflicts, showing concern for team members' needs and feelings, serving as a role model, and reminding others of standards for team interaction

Leadership Practice: Know Yourself 10.2

What Role Do You Play?

Instructions: Think about how you communicate and contribute during teamwork sessions at school or work. Answer the statements below based on whether they are Mostly True or Mostly False for your behavior on a team. There are no right or wrong answers, so answer honestly.

	Mostly False	Mostly True
1. I often speak out in the interest of getting the best solution.	_____	_____
2. I typically reach out to help disagreeing members reach agreement.	_____	_____
3. I typically push the team to get things done.	_____	_____
4. I make comments that are sometimes playful or humorous.	_____	_____
5. I tend to bring up or ask others for facts relevant to a solution.	_____	_____
6. I am especially warm and complimentary toward others' ideas.	_____	_____
7. I can sometimes upset people by pushing for the rational solution.	_____	_____
8. I praise and encourage others for their work on the team.	_____	_____
9. I make suggestions that are logical and rational.	_____	_____
10. I give team members appreciation and support for a job well done.	_____	_____

Scoring and Interpretation

Your behavior on a team may reflect either a task-specialist role or a socioemotional role. For your score as a task specialist, count 1 point for each "Mostly True" answer to the odd-numbered items. Task Specialist score = _____. For your score as filling a socioemotional role, count 1 point for each "Mostly True" answer to the even-numbered items. Socioemotional score = _____. Both task-specialist and socioemotional roles are necessary for team success. Do you tend to naturally focus more on achieving the team's task or on meeting the social needs of members? A score of 4 or more on either scale suggests you are pretty strong on that team member role. If one score is three points higher than the other, you likely specialize in the higher-scoring role during team sessions.

Teams with mostly socioemotional roles can be socially satisfying, but they also can be unproductive. At the other extreme, a team made up primarily of task specialists will tend to have a singular concern for task accomplishment. This team will be effective for a short period of time but will not be satisfying for members over the long run, and performance is likely to decline along with a decline in morale. Effective teams have people in both task-specialist and socioemotional roles. A well-balanced team will do best over the long term because it will be personally satisfying for team members and it will accomplish its tasks.

People tend to take on different roles based on their personalities and interests. Some people naturally lean more toward behaviors that aid in accomplishing tasks, whereas others tend toward behaviors that maintain group harmony and satisfaction. People who can excel at both types of roles often emerge as team leaders. At Marriott, strengthening both task-oriented and relationship-oriented skills is a primary goal for team leader training because teams headed by leaders with both types of skills are typically more productive and innovative.[66] In any case, it is the leader's responsibility to make sure both task and socioemotional needs are met, whether through the leader's own behaviors or through the actions and behaviors of other team members.

Remember This:

- Teams present a dilemma for many people. Individuals have to give up their independence and sometimes make sacrifices for the good of the team. Other potential problems are free riders and dysfunctional teams.

- A **free rider** is a person who attains benefits from team membership but does not actively participate in and contribute to the team's work.

- Five common dysfunctions of teams are lack of trust, fear of conflict, lack of commitment, avoidance of accountability, and inattention to results.

- People who exhibit extreme individualism or self-orientation do not do well on teams.

- A study found that NBA teams with higher levels of narcissism and with higher-narcissism members in key roles had lower performance than teams with lower levels of narcissism.

- Team members take on various roles that meet important needs of the team for both accomplishing its tasks and fostering member unity and satisfaction.

- The **task-specialist role** is associated with initiating new ideas, evaluating the team's effectiveness, seeking to clarify tasks and responsibilities, summarizing facts and ideas for others, and stimulating others to action.

- The **socioemotional role** is associated with facilitating others' participation, smoothing conflicts, showing concern for team members' needs and feelings, serving as a role model, and reminding others of standards for team interaction.

10-5 Leading Virtual/Remote Teams

The COVID-19 pandemic brought many changes to the world. One big change was that leaders who once expected their employees to show up at the office for work each day began allowing them, encouraging them, or even asking them to stay at

home and work remotely, linking with their colleagues through advanced digital technologies. Virtual/remote work became the norm, and many companies, including Facebook, Nationwide, Twitter, Otis, Fujitsu, and Siemens, have said large portions of their workforces will continue to work remotely from now on.[67] Even before the pandemic, though, some organizations had embraced the use of virtual teams due to advances in IT, shifting employee expectations, and the globalization of business.[68]

Virtual teams and remote work are a reality for many of today's leaders. A **virtual team** is made up of geographically or organizationally dispersed members who share a common purpose and are linked primarily through advanced information and telecommunications technologies.[69] Virtual teams are sometimes also global teams. A **global team** is a cross-border work team made up of members of different nationalities whose activities span multiple countries.[70]

Exhibit 10.5 illustrates the primary differences between conventional types of teams and today's virtual teams. Conventional types of teams discussed earlier in this chapter meet and conduct their interactions face-to-face in the same physical space. Team members typically share similar cultural backgrounds and characteristics. The key characteristics of virtual teams, on the other hand, are (1) spatial distance limits face-to-face interaction and (2) the use of digital communication is the primary means of connecting team members.[71] Members of virtual teams are often scattered in different locations, whether it be different offices and business locations around the country or around the world. Team members use groupware such as Slack or Microsoft Teams, e-mail, instant messaging, telephone and text messaging, wikis and blogs, videoconferencing, and other technology tools to collaborate and perform their work, although they also might meet face to face at times.

Although some virtual teams are made up of only organizational members, virtual teams often include contingent workers, members of partner organizations, customers, suppliers, consultants, or other outsiders. For example, the "heart-healthy" food company Smart Balance has about 67 employees, but nearly 400 people work for the company. Smart Balance started by making a buttery spread and now has a line of spreads; all-natural peanut butter; nutrient-enhanced milk, cheese, sour cream,

Virtual team
team made up of geographically or organizationally dispersed members who share a common purpose and are linked primarily through advanced information and telecommunications technologies

Global team
a cross-border work team made up of members of different nationalities whose activities span multiple countries

Exhibit 10.5

Differences between Conventional, Virtual/Remote, and Global Teams

Type of Team	Spatial Distance	Communications	Member Cultures	Leader Challenge
Conventional	Colocated	Face-to-face	Same	High
Virtual/ Remote	Scattered	Mediated	Same	Higher
Global	Widely scattered	Mediated	Different	Very high

and popcorn; and other products. The use of virtual teams that include employees and outside contractors has enabled Smart Balance to innovate and expand rapidly. The company keeps product development and marketing in-house but uses contractors to do just about everything else, including manufacturing, distribution, sales, IT services, and research and testing. Each morning, virtual team members exchange a flurry of e-mails, text messages, and phone calls to update each other on what took place the day before and what needs to happen today. Information is shared widely, and leaders make a point of recognizing the contributions of virtual members to the company's success, which helps create a sense of unity and commitment.[72]

10-5a Uses of Virtual/Remote Teams

Virtual teams may be temporary cross-departmental teams that work on specific projects, or they may be long-term, self-directed teams. One of the primary advantages of virtual teams is the ability to rapidly assemble the most talented group of people to complete a complex project, solve a particular problem, or exploit a specific strategic opportunity. On a practical level, organizations can save employees time and cut travel expenses when people meet in virtual rather than physical space. IBM reported that it saved more than $50 million in travel-related expenses in one year by using virtual teams.[73]

With the rise of remote work during the pandemic, leaders around the world learned that many tasks and activities can be accomplished efficiently and effectively outside of the office. Moreover, about 80 percent of employees surveyed say they would like to work from home at least some of the time.[74] However, as we mentioned in Chapter 9, people need to interact with others in physical space to build the trust and cohesion that fuel learning, innovation, and high performance over the long term. Apple's cofounder and former CEO Steve Jobs once said, "There's a temptation in our networked age to think that ideas can be developed by email and iChat. That's crazy. Creativity comes from spontaneous meetings, from random discussions."[75] Research has also shown that frequent in-person interactions contribute to higher commitment, support, and cooperation among members of teams. Thus, companies such as Prudential Insurance and Google have begun using *hybrid teams*, which means employees work from home part of the time, perhaps one or two days a week, and spend the rest of the work week inside the office where they interact with colleagues in physical rather than virtual space. Face-to-face interaction allows for the empathy, emotional connection, and nonverbal communication that build trust and support collaboration and positive relationships.[76]

10-5b Challenges of Virtual/Remote Teams

Despite their potential benefits, there is growing evidence that 100 percent virtual teams are often less effective than teams whose members meet face-to-face.[77] Studies indicate that, as virtual distance grows, innovative behavior can decline by a whopping 93 percent.[78] Trust drops 83 percent, clarity of roles and objectives falls 62 percent, and project results such as on-time delivery and customer satisfaction decline by about 50 percent. The team leader can make a tremendous difference in how well a virtual team performs. Leaders of virtual and remote teams can improve performance by following these tips:[79]

- *Become a Better Leader.* Many managers learned during the pandemic that leading remotely or virtually requires better leadership. An approach of

Put It Into Practice 10.9

Think back on your remote coursework during the pandemic when your connection with the instructor and classmates was by video or phone only. Write down what worked and didn't work for you compared to courses taught via normal face-to-face interactions.

directing and controlling how and when people did their jobs was not possible when offices were closed and employees were working from home. Most leaders found that they needed to shift to a more people-oriented style and use their full capabilities to keep people focused and motivated during a challenging time. Benjamin Schmerler, owner of a public relations firm, said he tried to make every message to his remote team "acknowledge the collective vulnerability that [everyone was feeling]."[80] Leading a virtual or remote team means a leader must trust people to do their jobs without constant supervision and focus more on results than on the process of accomplishing them. Too much control can squelch a virtual team's effectiveness, so leaders have to give up most of their control yet at the same time provide guidance, encouragement, support, and development. Rather than directing how people do their work, the key role for a team leader is asking, "What do you need from me, and how can I be of help?"[81]

- *Find Ways to Build Trust and Relationships.* Building team relationships and trust is one of the biggest challenges faced by leaders of virtual or remote teams. "Being authentic, connecting with others . . . and all of the interpersonal skills leaders use to build relationships and trust are always important," one team leader said, but in a virtual environment, "the actions associated with these skills must be *deliberate* and *intentional*."[82] Leaders of virtual teams often bring people together at least once in the beginning so they can start developing trusting relationships face to face.

  Leaders also apply technology to build and sustain relationships.[83] They hold frequent, short virtual meetings using Zoom or other platforms, for example, to enable people to get to know one another and clarify roles and project tasks. When all team members explicitly understand both team and individual goals, deadlines, and expectations for participation and performance, trust can develop more easily. In addition, leaders encourage non-task-related communication, such as scheduling unstructured video chats and encouraging social networking, where people share photos, thoughts, and personal biographies. Some companies host virtual holiday parties and celebrate special occasions virtually to help sustain relationships and trust. One study suggests that higher levels of online communication increase team cohesiveness and trust.[84] Software company Zapier, where all employees work virtually, randomly pairs remote employees every week in 30-minute video calls so people interact with others all across the company.[85] A virtual team at Business.org sets aside 10 minutes at the beginning of every video call to allow people to socialize, talk about their weekend plans, and participate in the type of conversations that naturally occur in a physical meeting space.[86]

- *Shape Team Culture and Ground Rules.* This involves creating a psychologically safe virtual environment in which people feel comfortable expressing concerns, admitting mistakes, sharing ideas, acknowledging fears, or asking for help. Leaders set the example by their own behavior. Leaders also make sure that they enable all team members to share their unique experiences and strengths. Hassan Osman, the virtual IT team leader introduced in Chapter 9, says leaders of virtual meetings should directly ask what each team member's thoughts are on specific issues so that everyone's voice is heard.[87] The simple act of rotating meetings so that members in one time

zone aren't inconvenienced more than others can help shape an equitable culture in which everyone feels that their time and contribution is valued. At CloudBees, a software services company with 500 people working in 18 countries, employees took it upon themselves to draft a "netiquette" guide that includes instructions on scheduling meetings to be convenient for all team members.[88]

It is also important that leaders define a clear context so that people can make decisions, monitor their own performance, and regulate their behavior to accomplish goals. For each virtual team decision, Kevan Hall, CEO of Global Integration, asks team members to summarize the decision, whether they agree with it, and the specific actions they will take as a result of the decision.[89] Another important point is shaping norms of respectful interaction. Team members need to agree on communications etiquette, rules for "verbalizing" online when members are shifting mental gears or need more feedback, whether there are time limits on responding to voice mail or e-mail, and so forth. As previously mentioned, norms may need to be more explicit when people are working in virtual rather than physical space.

Remember This:

- A **virtual team** is made up of geographically or organizationally dispersed members who share a common purpose and are linked primarily through advanced information and telecommunications technologies.

- The use of virtual teams grew during the COVID-19 pandemic, and many organizations, including Google, Twitter, Nationwide, Otis, Fujitsu, and Siemens, have said large portions of their workforces will continue to work remotely.

- A **global team** is a cross-border work team made up of members of different nationalities whose activities span multiple countries.

- Virtual teams provide many advantages, but they also present new challenges for leaders, who must learn to build trusting relationships in a virtual environment.

- Research shows that frequent in-person interactions contribute to higher commitment, support, and cooperation among members of teams, so some companies have begun using *hybrid teams*, which means employees work from home one or two days a week and spend the rest of the work week inside the office where they interact with colleagues in physical rather than virtual space.

- Leaders of virtual and remote teams can improve performance by becoming better leaders, finding multiple ways to build trust and relationships, and shaping team culture and ground rules.

- A virtual team at Business.org allocates 10 minutes at the beginning of every video call to allow people to socialize, talk about their weekend plans, and participate in the type of conversations that naturally occur in a physical meeting space.

10-6 Handling Team Conflict

As one would expect, there is an increased potential for conflict among members of virtual or remote teams because of the greater chances for miscommunication and misunderstandings. Studies of virtual teams indicate that how they handle internal conflicts is critical to their success, yet conflict within virtual teams tends to occur more frequently and take longer to resolve. Moreover, people in virtual teams who communicate via digital technology tend to engage in more inconsiderate behaviors such as name-calling or insults than do people who work face-to-face.[90] Some people aren't cut out for virtual teamwork and show a greater propensity for shirking their duties or giving less than their full effort when working remotely, which can lead to team conflicts.[91] Cultural value differences, little face-to-face interaction, and lack of on-site monitoring make it harder to build team identity and commitment.

Whenever people work together in teams, some conflict is inevitable. Whether leading a virtual/remote team or a team whose members work side-by-side, bringing conflicts into the open and effectively resolving them is one of the team leader's most important jobs. **Conflict** refers to antagonistic interaction in which one party attempts to block the intentions or goals of another.[92] Effective conflict management has a positive impact on team cohesiveness and performance.[93] High-performing teams typically have lower levels of conflict, and the conflict is more often associated with tasks than with interpersonal relationships. In addition, teams that reflect healthy patterns of conflict are usually characterized by high levels of trust and mutual respect.[94]

Conflict antagonistic interaction in which one party attempts to thwart the intentions or goals of another

10-6a Types of Conflict

Two basic types of conflict that occur in teams are task conflict and relationship conflict.[95] **Task conflict** refers to disagreements among people about the goals to be achieved or the content of the tasks to be performed. Two shop foremen might disagree over whether to replace a machine's valve or let it run despite the unusual noise it is making. Or two members of a top management team might disagree about whether to acquire a company or enter into a joint venture as a way to expand globally. **Relationship conflict** refers to personal incompatibility that creates tension and feelings of personal animosity among people. For example, in one team at a company that manufactures and sells upscale children's furniture, team members found their differing perspectives and working styles to be a significant source of conflict during crunch times. Members who needed peace and quiet were irked at those who wanted music playing in the background. Compulsively neat members found it almost impossible to work with those who liked working among stacks of clutter.[96]

Task conflict disagreement among people about the goals to be achieved or the content of the tasks to be performed

Relationship conflict personal incompatibility that creates tension and feelings of personal animosity among people

In general, research suggests that task conflict can be beneficial because it leads to better decision making and problem solving. On the other hand, relationship conflict is typically associated with negative consequences for team effectiveness.[97] One study of top management teams, for example, found that task conflict was associated with higher decision quality, greater commitment, and more decision acceptance, while the presence of relationship conflict significantly reduced those same outcomes.[98]

10-6b Balancing Conflict and Cooperation

There is evidence that mild conflict can be beneficial to teams.[99] A healthy level of conflict helps to prevent *groupthink*, as described earlier, in which people are so committed to a cohesive team that they are reluctant to express contrary opinions.

When people in work teams go along simply for the sake of harmony, problems typically result. Thus, a degree of conflict leads to better decision making because multiple viewpoints are expressed. When Priya Parker facilitated a meeting for an architectural firm that needed to make a difficult choice about whether to remain a traditional creator of buildings or to change its focus to "experience design" (that is, how people navigate through space), she found that the firm's culture was so polite that no one would express conflicting ideas. She decided to set up a "cage match," throwing towels around two architects and asking them to argue each side, with everyone else having to choose their preferred side. The exercise "helped the team see how a peace-at-all-costs culture made them ambivalent, and how learning to be more (respectfully) argumentative could be healthy," Parker said.[100]

However, conflict that is too strong, that is focused on personal rather than work issues, or that is not managed appropriately can damage productivity, tear relationships apart, and interfere with the healthy exchange of ideas and information.[101] Effective team leaders find the right balance between conflict and cooperation, as illustrated in Exhibit 10.6. Too little conflict can decrease team performance because the team doesn't benefit from a mix of opinions and ideas—even disagreements—that might lead to better solutions or prevent the team from making mistakes. At the other end of the spectrum, too much conflict outweighs the team's cooperative efforts and leads to a decrease in employee satisfaction and commitment, hurting team performance. A moderate amount of conflict that is managed appropriately typically results in the highest levels of team performance.

Exhibit 10.6

Balance Conflict with Cooperation
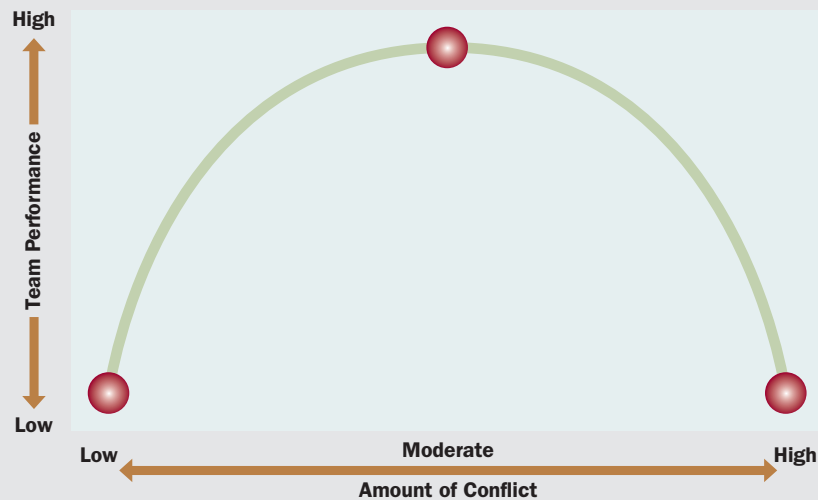
Source: Richard L. Daft, *Management* 14th ed. (Boston: Cengage 2022), p. 674.

10-6c Causes of Conflict

Several factors can lead to conflict.[102] One of the primary causes of conflict is competition over resources, such as money, information, or supplies. In similar fashion, conflict often occurs simply because people are using those resources to pursue differing goals. Goal differences are natural in organizations. For example, the sales department's goals for fast delivery on new orders might conflict with the manufacturing department's goals for high quality and efficiency.

Another cause of conflict that can hurt team performance unless managed appropriately is the presence of group faultlines. **Faultlines** are hypothetical dividing lines that are based on one or more demographic characteristics of members, such as age, race, or ethnicity, or on non-demographic characteristics, such as personal values or attitudes.[103] Faultlines may develop in groups based on people's social identities and on perceptions people form concerning their own similarities and differences compared to other members of the group. For example, a faultline arose among team members who prefer quiet versus music and neatness versus clutter in the children's furniture maker described previously in this chapter. They occur when people focus on surface diversity characteristics rather than on the team's larger vision and purpose. These dividing lines may split a team into smaller subgroups and lead to interpersonal conflict, competition rather than collaboration within the larger team, and the tendency of subgroups to withhold information from other subgroups. People identify with and feel a commitment to their subgroup rather than the larger team.

Faultlines
Hypothetical dividing lines that are based on one or more demographic characteristics of members, such as age, race, or ethnicity, or on non-demographic characteristics, such as personal values or attitudes

10-6d Styles to Handle Conflict

Teams as well as individuals develop specific styles for dealing with conflict, based on the desire to satisfy their own concern versus the other party's concern. A model that describes five styles of handling conflict is in Exhibit 10.7. Each of the five styles is appropriate in certain cases, and effective team members and leaders vary their style to fit the specific situation and the people involved. The two major dimensions are the extent to which a person is assertive versus unassertive and cooperative versus uncooperative in their approach to conflict.[104] Answer the questions in Leadership Practice: Know Yourself 10.3 to find out which conflict-handling style you tend to use most often.

1. The *dominating style* (my way) reflects assertiveness to get one's own way and should be used when quick, decisive action is vital on important issues or unpopular actions, such as during emergencies or urgent cost cutting.

2. The *avoiding style* (no way) reflects neither assertiveness nor cooperativeness. It is appropriate when an issue is trivial, when there is no chance of winning, when a delay to gather more information is needed, or when a disruption would be costly.

3. The *compromising style* (half way) reflects a moderate amount of both assertiveness and cooperativeness. It is appropriate when the goals on both sides are equally important, when opponents have equal power and both sides want to split the difference, or when people need to arrive at temporary or expedient solutions under time pressure.

4. The *accommodating style* (your way) reflects a high degree of cooperativeness, which works best when people realize that they are wrong, when an

Exhibit 10.7

A Model of Styles to Handle Conflict
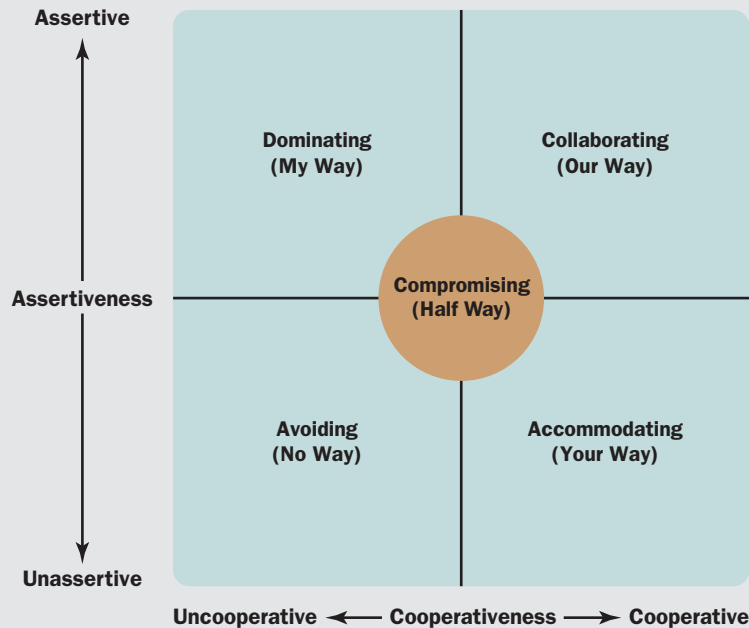
Sources: Based on Kenneth Thomas, "Conflict and Conflict Management," in *Handbook of Industrial and Organizational Behavior,* ed. M. D. Dunnette (New York: John Wiley, 1976), p 900; and Nan Peck, "Conflict 101: Styles of Fighting," *North Virginia Community College Website,* September 20, 2005, www.nvcc.edu/home/npeck /conflicthome/conflict/Conflict101/conflictstyles.htm (accessed April 13, 2011).

issue is more important to others than to oneself, when building social credits for use in later discussions, and when maintaining harmony is especially important.

5. The *collaborating style* (our way) reflects a high degree of both assertiveness and cooperativeness. The collaborating style enables both parties to win, although it may require substantial bargaining and negotiation. The collaborating style is important when both sets of concerns are too important to be compromised, when insights from different people need to be merged into an overall solution, and when the commitment of both sides is needed for a consensus.

> **Put It Into Practice 10.10**
>
> Identify conflict situations you've been involved in or have observed. Pinpoint which of the five styles of handling conflict shown in Exhibit 10.7 was typically used.

Caroline Lim, global head of human resources and corporate affairs at PSA International, provides an example of the collaborating style. Lim says to motivate her team she always tries to reinforce the positives and show appreciation, but she doesn't "sweep things under the carpet." Lim addresses problems head on and talks with people about ways to learn and improve.[105] In contrast, Mark Zuckerberg, CEO of Facebook, illustrates the dominating style with recent changes that put him more directly in charge of decision making

Leadership Practice: Know Yourself 10.3

How Do You Handle Team Conflict?

Instructions: Think about how you typically handle a dispute or disagreement with a team member, friend, or coworker, and then respond to the following statements based on whether they are Mostly False or Mostly True for you. There are no right or wrong answers, so answer honestly.

	Mostly False	Mostly True
1. I try hard to win my position.	_____	_____
2. I strongly assert my opinion in a disagreement.	_____	_____
3. I raise my voice to get other people to accept my position.	_____	_____
4. I feel that differences are not worth arguing about.	_____	_____
5. I would usually avoid a person who wants to discuss a disagreement.	_____	_____
6. I would rather keep my views to myself than argue.	_____	_____
7. I give in a little if other people do the same.	_____	_____
8. I will split the difference to reach an agreement.	_____	_____
9. I typically give up some points in exchange for others.	_____	_____
10. I don't want to hurt other people's feelings.	_____	_____
11. I am quick to agree when someone I am arguing with makes a good point.	_____	_____
12. I try to smooth over disagreements.	_____	_____
13. I suggest a solution that includes the other person's point of view.	_____	_____
14. I consider the merits of other viewpoints as equal to my own.	_____	_____
15. I try to include the other person's ideas to create an acceptable solution.	_____	_____

Scoring and Interpretation

Five categories of conflict-handling strategies are measured in this instrument: dominating, avoiding, compromising, accommodating, and collaborating. By comparing your scores on the following five scales, you can identify your preferred or natural conflict-handling strategy by the highest score.

To calculate your five scores, give yourself 1 point for each Mostly True answer for the three items indicated.

Dominating: Items 1, 2, 3:_____
Avoiding: Items 4, 5, 6:_____
Compromising: Items 7, 8, 9:_____
Accommodating: Items 10, 11, 12:_____
Collaborating: Items 13, 14, 15:_____

Briefly review the text material (pages 385, 386) about these five strategies for handling conflict. Do you agree that your highest score represents the style you use the most? Which strategy do you find the most difficult to use? How would your conflict strategy differ if the other person was a family member rather than a team member? Can you think of a situation where a conflict strategy in which you are weak might be more effective? Explain your scores to another student and listen to the explanation for their scores.

Source: Adapted from "How Do You Handle Conflict?" in Robert E. Quinn et al., *Becoming a Master Manager* (New York: Wiley, 1990), pp. 221–223.

regarding key issues such as how to address criticism of the company's effect on U.S. politics. Conflicts within the company led to the departure of several senior executives and board members who disagreed with Zuckerberg's plans for the company.[106]

Another approach to handling conflict is what Amazon founder Jeff Bezos calls "disagree and commit." Teams must move forward and accomplish results even if a member disagrees with a decision. People can have a genuine disagreement and candidly express their opinions yet after being heard make a sincere

commitment to move forward with the team's decision. At a wholesale wallpaper warehouse, two team members who disagreed with a decision that would require them to rearrange 8,000 boxes of product decided to commit and turn the project into a game. The two say the decision to "disagree and commit" helped them have fun developing a system and completing the project, which freed up over a third of the overall space. The plant was able to move more supplies and parts to the warehouse and avoid the cost of adding storage space to their building.[107]

Remember This:

- **Conflict** refers to antagonistic interaction in which one party attempts to block the intentions or goals of another.

- **Task conflict** results from disagreements about the goals to be achieved or the content of the tasks to be performed. Some task conflict can be beneficial to teams because it leads to better decision making and problem solving.

- **Relationship conflict** results from interpersonal incompatibility that creates tension and personal animosity among people. Relationship conflict is typically associated with negative consequences for team effectiveness.

- Causes of conflict include competition over resources, goal differences, and faultlines.

- **Faultlines** are hypothetical dividing lines that are based on one or more demographic characteristics of members, such as age, race, or ethnicity, or on non-demographic characteristics, such as personal values or attitudes.

- Leaders try to balance conflict and cooperation and use varied styles to handle conflict, including the dominating style, avoiding style, compromising style, accommodating style, and collaborating style. Each style can be effective in certain circumstances.

- Founder Jeff Bezos introduced a "disagree and commit" approach to team member conflict at Amazon.

Discussion Questions

1. What is the difference between a "team" and a "group"? Describe your personal experience with each.

2. Discuss the differences between a cross-departmental team and a self-directed team. Do you believe self-directed teams could be effectively used in any type of organization? Explain.

3. Which of the five elements of high-performance teams do you think would be most difficult for a leader to implement in a virtual team? Explain.

4. Describe the stages of team development. How would you facilitate a team's development through each stage?

5. How might an individual's personal dilemma about teamwork be intensified or reduced in a virtual or remote team? As a virtual or remote team leader, what would you do to manage the dilemmas felt by members?

6. The chapter suggests that very small teams (say, three to six members) perform better, and most people prefer to work in small teams. However, many companies use teams of 100 or more people to perform complex tasks, such as creating and developing a new product. Do you think a unit of that size can truly function as a team? Discuss.

7. Discuss the relationship between team cohesiveness and performance. As a leader, can you think of specific ways you would encourage norms of cohesiveness and collaboration?

8. Think about a team you have participated in to do a class project or a sports team on which you participated. Can you identify members who played a task-specialist role and those who played a socioemotional role? What behaviors were associated with each?

9. What style of handling conflict do you typically use? Can you think of instances where a different style might have been more productive?

10. If you were the leader of a team developing a new computer game, how might you apply "disagree and commit" to resolve a conflict between two strong-willed members related to which features to include in the game?

Leadership Skill-Building Exercises

Team Feedback

Think back to your most recent experience working in a team, either at work or school. Write down your answers to the following questions about your role in the team.

What did the team members appreciate about you?
_____
_____

What did the team members learn from you?
_____
_____

What could the team members count on you for?
_____
_____

How could you have improved your contribution to the team?
_____
_____

Evaluate your answers. What is the overall meaning of your answers? What are the implications for your role as a team member? As a team leader?

In Class: "Team Feedback" is an excellent exercise to use for student feedback to one another after a specific team project or other activities done together during

the course. If there were no assigned team activities but students have gotten to know each other in class, they can be divided into groups and asked to provide the information with respect to their participation in the class instead of in a student team.

The instructor can ask the student groups to sit in a circle facing one another. Then one person will volunteer to be the focal person, and each of the other team members will tell that team member the following:

- What I appreciate about you

- What I learned from you

- What I could count on you for

- My one suggestion for improvement as a team leader/member

When the team members have given feedback to the focal person, another team member volunteers to hear feedback, and the process continues until each person has heard the four elements of feedback from every other team member.

The key questions for student learning are: Are you developing the skills and behaviors to be a team leader? If not, what does that mean for you? If you are now providing team leadership, how can you continue to grow and improve as a team leader?

Source: Thanks to William Miller for suggesting the questions for this exercise.

Team Conflicts or Faultlines

The purpose of this exercise is to help students learn how to deal with potential faultlines when working in future teams by exploring the presence of conflicts or faultlines in previous teams and how the differences were handled.

A faultline is a cleavage among team members arising from members' demographic attributes (e.g., age, race, nationality) or non-demographic characteristics such as personality, fluency, work status, or values (e.g., preferring to complete work at the last minute vs. ahead of time). Team members tend to compare themselves with other members with respect to similarities and differences, which form the basis for a faultline. The impact of a faultline is that it may divide the primary team into smaller subgroups that disagree and thereby lower team commitment and performance outcomes.

Students should be familiar with the faultline concept and understand the difference between an interpersonal conflict and the emergence of a faultline. A typical conflict may be a disagreement between two members; a faultline occurs when other members take sides, causing an apparent cleavage between two or more subgroups or cliques.

This exercise may be accomplished in about 30 minutes when student groups are small:

1. Form into teams and introduce exercise to students—5 minutes

2. Students share their group conflict experiences—7 minutes

3. Student teams analyze whether the reported conflicts were faultlines—5 minutes

4. Teams or whole class discussion of causes and ways to prevent or mitigate negative outcomes associated with team faultlines—10 minutes

In-Class or Online (as indicated by your instructor): Students form into small groups of 3 to 4 members. Each team member should recall a team conflict they

experienced and describe that conflict to other team members. Members should ask questions and explore the underlying cause of each reported team conflict.

Consider the following questions for each conflict:

1. What was the conflict about?

   _____

   _____

2. To what extent was the conflict based on a faultline such as demographic differences or different personal values and workstyles?

   _____

   _____

3. How was the conflict/faultline ultimately resolved?

   _____

   _____

4. How might you as a team member help a team to either prevent or resolve a faultline that threatens to separate team members into subgroups or cliques?

   _____

   _____

Leadership Skills Application: Cases for Analysis

Who Wins?

Ben Davidson and Casey Sarr had agreed to stop for coffee in the atrium Starbucks before heading up to the 35th floor for a board meeting.

"You seem deep in thought," Ben said, placing the two cups of hot coffee on the table.

"Watching Joan and Robert in previous board meetings helps me to understand why the folks in Congress can't get anything done," Casey mused. "Both sides have stated their positions and nothing, *nothing* will budge them. I dread this meeting. I'd rather have a root canal."

"Well, while the two giants battle it out, the rest of us will have to work out some sort of compromise. We outsourced manufacturing operations to China several years ago to cut costs and now things are changing rapidly and we have a major decision. Does Bishop's Engineered Plastics make the best of the situation in China …?"

"… Or do we re-shore?" Casey added.

"Someone will have to be the voice of reason today," Ben said. "Robert Ma has overseen the outsourcing to China and, initially, it was a great move."

"I agree the cost savings were pretty amazing. The retooling and creation of a state-of-the-art factory in Wenzhou by the Chinese really propelled us to a new level within the industry."

"Well, 2012 is the Year of the Dragon, and the dragon is having a problem," Ben replied. "Yes, Robert is going to have to face the fact that if we stay in China, we have to move from Wenzhou," Casey pointed out. "The worker shortage is bad and getting worse. The last estimates for that region were one million workers short. As wages go up and other opportunities present themselves, manufacturing

jobs are losing their appeal in the cities. In our plant the managers have to come down and work on the lines. That's not good. Now, to try to stave off a mass industrial exodus, the Chinese are offering a stimulus to industries to relocate into the interior of the country. The interior offers more workers and lower wages...."

"And a factory move will delay manufacturing and make shipping even more difficult," Ben replied. "Add to that the Chinese insistence on full payment before shipping, and we're looking at some potentially serious delays."

"Joan, on the other hand, is going to argue that the situation in China is an indication that now is the perfect time to re-shore—bring the jobs back to the good old U.S. of A.," Casey said. "She's going to dig in her heels on this one and you and I know that at least two members of that 'august' board are going to back off and let her have her way with no careful analysis of the pros and cons. I sometimes think Frank is a people pleaser, always agreeable, especially toward Joan, because she is the chair. And Martha usually doesn't say anything, much less offer an opinion. She stares down at her hands when the going gets heavy."

"The pros for Joan are obvious—bring jobs home when jobs are needed, shorten the supply line, reduce shipping costs, offer faster response to customers, and, I believe, offer a better quality product. It is worth a little higher labor cost."

"And what are the cons?"

"The problems are the higher wages here and the cost of retooling factories in this country that have been down for a few years."

"But," Casey asked, "Would we have to build a new factory deep in China's interior? No. And will their interior workforce be adequately trained? I would guess not. The Chinese government will help with building and relocation costs, but still..."

"So both Joan and Robert have a strong argument and some glaring weaknesses. Is there room in here for a compromise? That's what I would like to see. They would both get something," opined Ben.

"I don't know. I'm eager to see what each one of them presents. It should be an interesting conversation."

"Or an afternoon in hell," Ben said as the two headed for the elevator. "I wonder what you and I might do to help Joan and Robert resolve this conflict. What do you think we should do, Casey?"

Questions

1. What styles for handling conflict appear among the board members? Explain.

2. What options do Ben and Casey have for helping resolve the conflict between Joan and Robert? What conflict styles might they adopt for this meeting?

3. Do you think suggesting that members "disagree and commit" would help the team move forward toward a good decision? Explain.

Cadotte-Dashner Group

Dashing to catch a cab at the corner of Sixth and Vine, the account team was exhilarated. After a quick exchange of high fives, three of the four jumped into the backseat of a cab to return to the Manhattan offices of Cadotte-Dashner, a global advertising agency with offices in New York, Hong Kong, and Paris. The team couldn't wait to tell their team leader, Kurt Lansing, that they had won the BMW

account that morning. The fourth team member, Brad Fitzgerald, stood apart from the animated group, studying his iPhone and then hailing a cab for an afternoon flight out of LaGuardia.

After a two-year slump in sales, Cadotte-Dashner needed a big score like the BMW account. To drive new business and land high-profile accounts like this one, the company had hired Kurt Lansing, an MBA from Wharton, with prominent status in the advertising industry. His job was to lead a new business team to study the market, develop strategies, and acquire major accounts. Lansing hand-selected four high achievers for his team that represented each area of the business: Brad Fitzgerald, creative director; Trish Roderick, account services; Adrienne Walsh, production manager; and Tyler Green, brand strategy.

"That was a shocker!" said Roderick as she scooted across the backseat of the cab to make room for her teammates. "The client didn't seem too impressed with our presentation until Fitzgerald presented the last set of slides describing the global campaign. They loved it. I think he single-handedly clinched the deal when he presented the tag line for the Asian market," she said excitedly.

"He's a real whiz, alright," muttered Green. "The eighth wonder of the world." Sighing deeply and losing his earlier exuberance, Green said, "We couldn't have bagged the deal without him, and I know we'll all get credit. But none of us knew he planned to present that last part of the global campaign. I know he was working on that tag line late last night, but there was plenty of time this morning to get team input on it. I hate surprises in front of a client. I felt like a fool, even if we did win the business."

"He's a regular white knight," chuckled Walsh, "riding in at the last minute to save the day. I suppose we should appreciate him, but he's just so irritating. He snapped at me last week for not telling him about a client who was upset about delays in their ad campaign. I reminded him that I had told him about it in our status meeting, but he wasn't listening at the time. He was glued to his precious iPhone, as usual. Why have team meetings if he isn't going to participate?"

Roderick was surprised by her teammates' reaction to Fitzgerald. She thought they had been working well together. She was quickly discovering, however, an undercurrent of resentment. This was the first time that she had been exposed to the conflict that was simmering below the surface. No doubt, Fitzgerald did have a strong ego and aggressive personality. A previously successful entrepreneur, Fitzgerald had a track record of success and was very ambitious. However, she did notice that he didn't show respect for differing opinions or invite collaboration on ideas. She wondered if he was placing his own success above the team's. But why complain if the team was sharing the credit and earning fat bonuses along with him? She was content to go with the status quo. "You know," she said, "we're darn lucky to be on his team."

She stared out the cab window at the passing traffic and listened to her two teammates continue to grouse. "I should have known something was up when I walked past his office last night and saw him working with the new copywriter. They must have been hashing out the new tag line," smirked Green. "We are a team, aren't we? The system is bigger than the individual, remember? He doesn't seem too concerned about the welfare of the team—only his own."

"Well, let's all have a heart-to-heart with Mr. McWhiz," said Walsh sarcastically. "I'm sure he'll see things our way. We'll give him a brief overview of Teamwork 101. That will go over great!" As the cab pulled to the curb, they tossed the driver a

$20 bill and headed to their offices on the 40th floor. They would all stop to see the team leader, Kurt Lansing, first.

In the meantime, Lansing smiled broadly when he received Fitzgerald's text message that they had won the BMW account. Sinking back in his chair, he marveled at the cohesiveness and success of his team. All that time building a shared vision and building trust was starting to pay off.

Questions

1. What factors do you think are affecting this team's cohesiveness? Explain.

2. If you were the team leader, what could you do to bring Fitzgerald into the team more and foster better relationships among the team members?

3. As a team member, what would you do? Should the three members of the team confront Fitzgerald with their concerns? Should they inform Kurt Lansing? Explain your answers.

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Leading Diversity and Inclusion

Chapter Outline

Your Leadership Challenge

After reading this chapter, you should be able to:

11-1 Apply an awareness of the dimensions of diversity and multicultural issues in your future leadership.

11-2 Understand and reduce the barriers and difficulties faced by underrepresented employees in organizations.

11-3 Describe the factors that affect women's leadership, including interactive leadership and the first rung of the management ladder.

11-4 Break down your personal barriers that may stand in the way of becoming an inclusive leader.

11-5 Use mechanisms such as sponsorship and employee resource groups to support the participation and advancement of underrepresented employees.

Early in Vivek Gupta's leadership career, a young woman fresh out of college came into his office and told him she wanted to be in sales. Gupta had spent "a tough five years" in sales, traveling all over India. How could a young woman handle the rigors of such a job, he wondered. That evening, he told his wife about the conversation and said the applicant "didn't fit the role" for a sales position. His wife's response? *Why not give her a chance?* As it turned out, the young woman became the best salesperson in the company. The experience changed the way Gupta hires and leads people. He realized he was "a biased 25-year-old who grew up in a world that gave more status to men than to women." Since that day, Gupta has been a strong advocate for giving all people equal opportunities. Now CEO of Mastech Digital, an IT staffing and digital transformation IT services company with headquarters in Pittsburgh, Gupta has been honored three times on the list of "100 Most Influential Leaders in the Staffing Industry" by Staffing Industry Analysts.[1]

Leaders at most companies strive to avoid discriminatory policies and practices, but a *Harvard Business Review* survey found that 93 percent of female respondents and 92 percent of non-White respondents said they had been treated unfairly at work because of someone else's bias.[2] Today's best leaders realize that diversity sparks innovation, leads to better decision making, and spurs growth. Yet subtle bias and hidden discrimination is still a significant problem in many organizations, and valuing and supporting diverse employees takes intentional effort.

The Black Lives Matter anti-racism movement, the MeToo movement fighting sexual abuse and sexual harassment, and other recent social justice movements have reawakened the attention to diversity and inclusion as key topics for leaders in all walks of life. Every leader needs to understand the complexity of diversity issues, learn to create an inclusive culture, and support the development of underrepresented employees for higher-level leadership positions.

This chapter explores the topic of diversity and inclusion and examines the challenge of creating diverse organizations with inclusive cultures. We first define diversity and inclusion, explain the importance of diversity of thought, explore changing attitudes toward diversity, and describe the value of diversity and inclusion for organizations. Next, the chapter looks at factors such as unconscious bias, prejudice, and stereotypes and the challenges they create for women, people of color, and other underrepresented employees in organizations. The chapter then examines a style of leadership that can support a more inclusive work environment, discusses the personal stages of leader diversity awareness, and describes some approaches leaders can take to support the career advancement of diverse people in the workplace. By the end of this chapter, we hope you will better understand some of the challenges, as well as some leadership strategies that can help make organizations more inclusive and provide a better working environment for all people.

11-1 Leading People Who Aren't Like You

How does a Black manager lead an all-White workforce, or a female manager lead a workforce of mostly males? How do White male top executives interact effectively and supportively with female colleagues? What happens when a

29-year-old is promoted to a position of authority over a group of mostly 50- to 60-year-old middle managers? As organizations grow increasingly diverse, these questions are being asked more and more often. Consider Kenneth Frazier of Merck, one of only a handful of Black CEOs running *Fortune* 500 companies, or Cathy Lanier, the female former chief of the Washington, D.C., Metropolitan Police, who is White and led a mostly black and male workforce. Lanier left that job to take over as chief of security for the NFL, where she also had to engender respect and admiration from men not generally accustomed to seeing a woman in charge. Complete the exercise in Leadership Practice: Know Yourself 11.1 to learn about the values you will bring to leading people who are diverse and not like you.

> **Put It Into Practice 11.1**
>
> Think of a time when you felt that some aspect of your unique traits, attributes, skills, experience, or background were not valued at school or work. Write down that aspect and what you felt at that time.

Leadership Practice: Know Yourself 11.1

Values Balancing

Instructions: For each of the following pairs of values, select the one that is more descriptive of you. Even if both qualities describe you, you must choose one.

1. Analytical _____ Compassionate _____
2. Collaborative _____ Decisive _____
3. Competitive _____ Sociable _____
4. Loyal _____ Ambitious _____
5. Resourceful _____ Adaptable _____
6. Sensitive to others _____ Independent _____
7. Self-reliant _____ Uniting _____
8. Helpful _____ Persistent _____
9. Risk-taker _____ Contented _____
10. Interested _____ Knowledgeable _____
11. Responsible _____ Encouraging _____
12. Tactful _____ Driven _____
13. Forceful _____ Gentle _____
14. Participating _____ Achievement oriented _____
15. Action oriented _____ Accepting _____

Scoring and Interpretation

The listed words represent two leadership values: "capacity for collaboration" and "personal initiative." Personal initiative is represented by the first word in the odd-numbered rows and the second word in the even-numbered rows. Capacity for collaboration is represented by the first word in the even-numbered rows and by the second word in the odd-numbered rows. Add the number of words selected that represent each value and record the number:

Personal Initiative: _____
Capacity for Collaboration: _____

Everyone has the capacity for both feminine and masculine ways of thinking and acting. Capacity for collaboration represents feminine values in our culture, and if you selected more of these terms, you may be undervaluing your personal initiative. Personal initiative represents masculine values, and more selected words here may mean you are undervaluing your capacity for collaboration. How balanced are your values? How will you lead someone with values very different from yours?

How prevalent in organizations are feminine and masculine values? Read the rest of this chapter to learn which values are associated with successful leadership.

Sources: Based on Donald J. Minnick and R. Duane Ireland, "Inside the New Organization: A Blueprint for Surviving Restructuring, Downsizing, Acquisitions and Outsourcing." *Journal of Business Strategy* 26 (2005), pp. 18–25; and A. B. Heilbrun, "Measurement of Masculine and Feminine Sex Role Identities as Independent Dimensions," *Journal of Consulting and Clinical Psychology* 44 (1976), pp. 183–190.

11-1a Definition of Diversity

Workforce diversity means a workforce made up of people with different human qualities or who belong to various cultural groups. From the perspective of individuals, **diversity** refers to all the ways in which people differ, including dimensions such as age, race, marital status, physical ability, and income level.[3] Decades ago, most companies defined diversity in terms of a very limited set of dimensions, but today's organizations are embracing a much more inclusive definition that recognizes a spectrum of differences that influence how people approach work, interact with each other, derive satisfaction from their work, and define who they are as people in the workplace.[4]

Exhibit 11.1 illustrates the difference between the traditional model and a more inclusive model of diversity. The dimensions of diversity shown in the traditional model reflect primarily inborn differences that are immediately observable, such as race, gender, age, and physical ability. However, the inclusive model of diversity includes *all* of the ways in which people differ, including dimensions of diversity that can be acquired or changed throughout one's lifetime. These dimensions may have less impact than those in the traditional model but nevertheless affect a person's self-definition and worldview and influence the way the person is viewed by others.

For example, veterans of the wars in Iraq and Afghanistan may have been profoundly affected by their military experience and may be perceived differently from other people. Women with children are perceived differently in the work environment than those without children. An employee living in a public housing project will be perceived differently from one who lives in an affluent part of town. Moreover, a person's social class origins may leave a culture imprint on the person that is as important as race or gender.[5] Secondary dimensions such as work style and skill level are also relevant in the organizational setting.[6]

One of the challenges of managing a diverse workforce is creating an environment where all employees feel accepted as members of the team and where their unique talents are appreciated. When leaders create a feeling of inclusiveness, employees display more loyalty, cooperation, and trustworthiness. **Inclusion** is the

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Exhibit 11.1

Traditional vs. Inclusive Models of Diversity

Traditional	Age	Race	Gender	Pay level	Disability	Lifestyle	

Inclusive	Race	Gender	Social Class	Pay level	Function	Competency	Income
	Parent	Language	Work style	Military experience	Position	Nationality	Personality
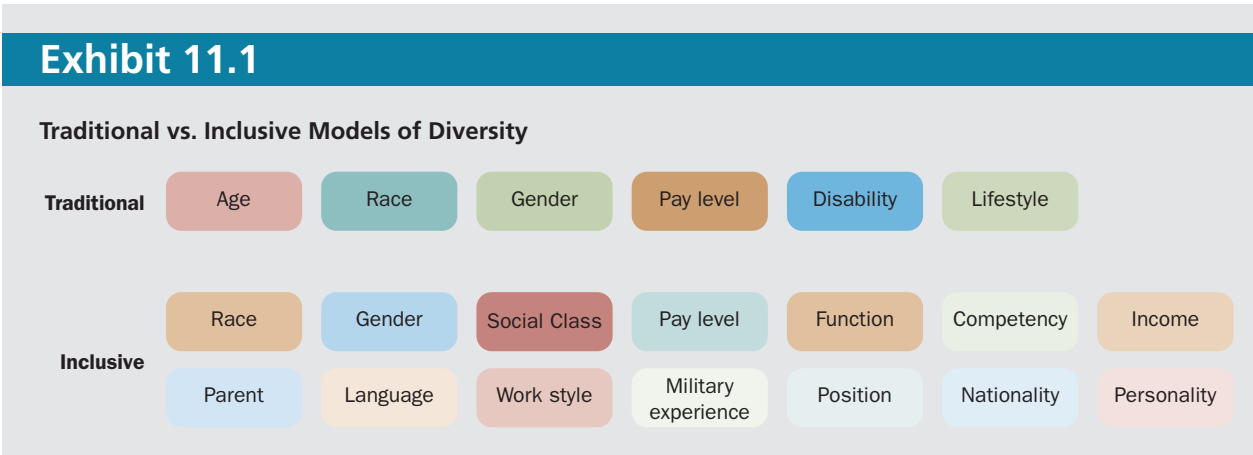
Source: Based on Anthony Oshiotse and Richard O'Leary, "Corning Creates an Inclusive Culture to Drive Technology Innovation and Performance," *Global Business and Organizational Excellence* 26, no. 3 (March/April 2007), pp. 7–21.

degree to which an employee feels like an esteemed member of a group in which their uniqueness is highly appreciated. Inclusion creates a strong sense of belonging and a trust that all people can have their voices heard and appreciated.[7] The Leader's Bookshelf offers some insight into the importance of leaders embracing both uniqueness and belonging.

11-1b Diversity of Thought

When researchers asked teams to solve a complex, unfamiliar problem under time constraints, they found some interesting results. The team with the greatest diversity of thought solved the problem in just 22.5 minutes, whereas the team with the least diversity of thought took 60 minutes to complete the challenge.[8] **Diversity of thought** refers to different ideas, different viewpoints, different skill sets, and different ways of thinking and reasoning.

Heterogeneous teams and organizations—those made up of individuals from different racial and ethnic groups, lifestyles, genders, ages, backgrounds, and other diverse qualities shown in Exhibit 11.1—increase the chances of achieving a diversity

Diversity of thought different ideas, different viewpoints, different skill sets, and different ways of thinking and reasoning

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Leader's Bookshelf	Inclusify: The Power of Uniqueness and Belonging to Build Innovative Teams	by Stefanie K. Johnson

The longing to feel authentic and express who we are is a deeply felt human need. But the desire to belong with others is just as deeply felt and can sometimes cause people to hide who they really are. In *Inclusify*, Stefanie Johnson says balancing the tension between these two human needs is the biggest challenge for organizations seeking to create inclusive cultures. Her research reveals two common problems. Some leaders encourage people to be themselves, but they underestimate the importance of group cohesiveness, often ending up with employees who have no sense of belonging and purpose. Others strive to make everyone fit in, but by ignoring the benefits of listening to diverse perspectives, they leave some people feeling like they cannot be their authentic selves.

To build inclusive organizations requires *inclusifiers*—people at all levels who "live and lead in a way that recognizes and celebrates unique and dissenting perspectives while creating a collaborative and open-minded environment where everyone feels they truly belong."

Become an Inclusifyer

Johnson reminds us that "although few people are born inclusifyers, there are specific steps that leaders can take to become one." Her book offers a range of tools leaders can use to build inclusive cultures. Here are a few of the specific behaviors inclusifyers use to encourage both uniqueness and belonging:

- *Behaviors That Encourage Uniqueness.* Inclusifying leaders publicly support diversity. Rather than ignoring difference, they recognize and embrace different perspectives and backgrounds. They get to know people on an individual basis so they can begin to understand the needs of their team members, and they show a hunger to learn from others' unique perspectives. These leaders strive to treat everyone equitably so that people feel they are treated fairly.

- *Behaviors That Create Belonging.* Inclusifyers are aggressively transparent about their practices, so that people know how things work in the organization. They

provide people with a shared purpose and empower team members to make their own decisions. Inclusifying leaders actively work to build team spirit and to infuse diversity, inclusion, and belonging into the organization's values.

The Power of Uniqueness and Belonging

Johnson asserts that it is possible to have an organization where everyone can both be their true selves and feel a powerful sense of belonging, but it requires a continuous sustained effort so that inclusive practices become the norm. People don't experience inclusion simply because top leaders proclaim the organization is committed to an inclusive culture. Johnson points out that even in organizations where the CEO has made inclusion a benchmark of success, fewer than 40 percent of employees believe their direct managers share this value.

Source: *Inclusify: The Power of Uniqueness and Belonging to Build Innovative Teams*, by Stefanie K. Johnson, is published by HarperCollins.

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of thought, which provides a broader and deeper base of ideas, opinions, and experiences for problem solving, creativity, and innovation. By tapping into the strengths of diversity, teams are more likely to experience higher efficiency, better quality, less duplication of effort among team members, and increased innovation and creativity.[9]

According to the results of one study, companies that rate high on creativity and innovation have a higher percentage of women and non-White employees than less innovative companies. Another study showed that a team's collective intelligence increases when there are more women members on the team, and yet another research team found that having even a single woman added to an all-male team helps the team perform better with more complex tasks. "This is not because her voice is inherently better-suited or superior for addressing complex tasks, but because [diversity] contributes to divergent thinking in the team and deeper information processing," the research team wrote. Diverse groups benefit from listening to different viewpoints and considering diverse perspectives.[10]

Companies can capitalize on diversity by including more diverse employees in business decisions at all levels. As shown in Exhibit 11.2, an analysis of

Exhibit 11.2

Diverse Teams Make Better Decisions
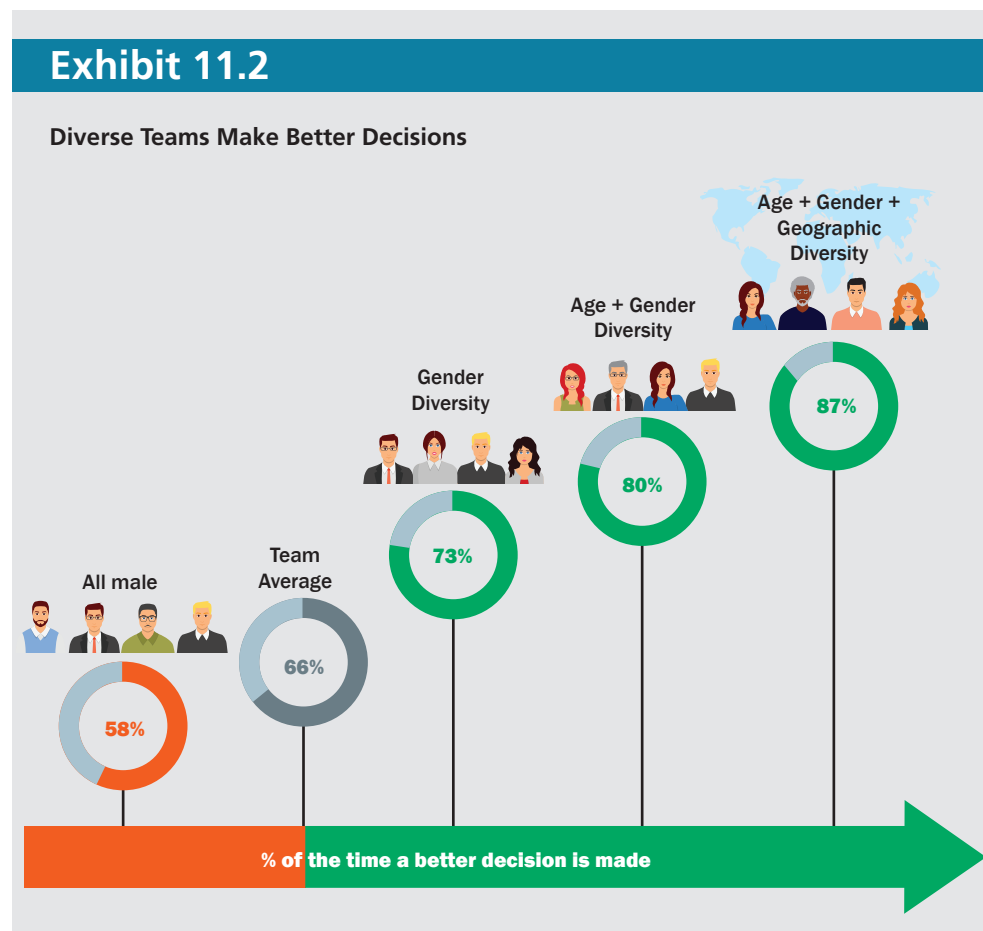
Source: Erik Larson, "Research Shows Diversity + Inclusion = Better Decision Making At Work," *Cloverpop* (September 25, 2017), www.cloverpop.com/blog/research-shows-diversity-inclusion-better-decision-making-at-work (accessed June 25, 2021). Used with permission.

600 decisions made by 200 different business teams over a two-year period found that gender-diverse teams made better decisions 73 percent of the time, while teams with the widest range of diversity made better decisions 87 percent of the time. Moreover, the diverse teams made decisions twice as fast as those that were not diverse.[11]

One reason that diverse groups often make better decisions than homogeneous groups is that diversity pushes people to work harder cognitively to bridge differences and understand one another's ideas and viewpoints.[12] Hala Moddelmog, who has served as president of Arby's Restaurant Group and recently stepped down after six years as the first female president and CEO of the Metro Atlanta Chamber of Commerce, likes to surround herself with colleagues of different races, socioeconomic classes, and personality styles. "You really don't need another you," Moddelmog says. Cindy Holland, vice president for original content at Netflix, also says she tries to hire for diversity of thought and diversity of experience on her team because it leads to better ideas and solutions.[13]

11-1c Changing Attitudes toward Diversity

Attitudes toward diversity are expanding in today's organizations partly because leaders are responding to significant changes in our society. In recent years, the Black Lives Matter and MeToo movements and the growing strength of LGBTQ+ rights activists have brought issues of diversity and inclusion to the forefront.

For example, in mid-2020, as widespread protests against institutional racism raged across the United States, activists toppled statues of historic figures who were slaveholders around the country, NASCAR banned the use of the Confederate flag at car races and venues, and musical groups such as the Dixie Chicks and Lady Antebellum changed their names to drop associations with the Confederate-era South. A year later, U.S. President Joe Biden signed bipartisan legislation making June 19 (Juneteenth) a federal holiday to commemorate the day in 1865 when news of the end of slavery in the United States reached the last slaves in Texas.

The Academy of Motion Picture Arts and Sciences created a task force to revise rules and procedures to expand diversity and inclusion within the filmmaking industry. The organization had been criticized for years for its lack of diverse representation. In 2020, the Academy elected several women and people of color, including Whoopi Goldberg and Ava DuVernay, to the board of governors; implemented a requirement that all Academy governors, branch executive committee members, and staff attend unconscious bias training; and revised rules to require that Oscar nominees meet certain diversity and inclusion requirements.[14] At the 2020 awards, the South Korean film *Parasite* became the first non-English language film to win a Best Picture Oscar and its director, Bong Joon-ho, also picked up awards for best director and best original screenplay.

Just as movie studios and NASCAR face growing pressure to change, so do leaders in other types of organizations. In 2019, there were 28.4 million foreign-born employees in the U.S. workforce, making up 17.4 percent of all U.S. workers. Of the total number of foreign-born employees, nearly half are Hispanic, and 25 percent are Asian.[15] The percentage of U.S. employees who are not White is expected to increase to around 23 percent by 2024. Women are a growing part of the workforce and are demanding more fair and equitable treatment. Women now outnumber men in the U.S. workforce, and their numbers are projected to grow slightly faster than those of their male counterparts.[16]

Another factor contributing to increased attention to diversity and inclusion is globalization. Leaders are emphasizing cross-cultural understanding so that people can work smoothly across borders. "The speed of global business is accelerating diversity," says Pauline Ning Brody, a Shanghai-born diversity consultant and former director of global sales for Colgate-Palmolive.[17] Employees with global experience and cultural sensitivity are in high demand because at least some aspect of almost every business today cuts across national boundaries.

11-1d The Value of Organizational Diversity

Reckitt Benckiser, a U.K.-based producer of home, health, and personal care products, believes in the power of diversity. The executive committee includes people of four nationalities, and 14 percent of team members are non-male; the group leadership team includes people representing 13 nationalities, with 11 percent of the team non-male; and among the senior management team, there are 54 nationalities and 25 percent non-male. Top executives believe the diversity of the company's leadership and workforce is one reason income increased 17 percent annually, on average, over a recent 10-year period. Retired CEO Bart Becht once said, "It doesn't matter whether I have a Pakistani, a Chinese person, a Brit, or a Turk, man or woman, sitting in the same room . . . so long as I have people with different experiences—because the chance for new ideas is much greater when you have people with different backgrounds."[18]

Leaders in other companies also recognize that building diverse and inclusive organizations provides clear benefits, including the following:

- **Better use of employee talent.** Companies with the best talent are the ones with the best competitive advantage. Attracting a diverse workforce is not enough; leaders must also provide career opportunities and advancement for women, people of color, and other employees from underrepresented groups to retain them.
- **Increased understanding of the marketplace.** A diverse workforce is better able to anticipate and respond to changing consumer needs. Ford Motor Company realized it could reach its business objectives only if it created a workforce that reflected the diverse face of the country. So, Ford worked to increase the percentage of its workforce from underrepresented groups to at least 25 percent and to foster a culture of inclusion; subsequently, the company won a spot on *Black Enterprise*'s "40 Best Companies for Diversity."[19]
- **Enhanced breadth of understanding in leadership positions.** Homogeneous top leadership teams tend to be myopic in their perspectives. According to Niall FitzGerald of Unilever, "It is important for any business operating in an increasingly complex and rapidly changing environment to deploy a broad range of talents. That provides a breadth of understanding of the world and environment and a fusion of the very best values and different perspectives which make up that world."[20]
- **Increased quality of team problem solving.** Teams with diverse backgrounds bring different perspectives to a discussion, which then result in more creative ideas and better solutions.[21] One research project found that when people participated in diverse teams, their answers to problems were 58 percent more accurate than those of people participating in homogenous

teams. Moreover, performance improved over time as people worked within a diverse group, while performance of the homogenous groups tended to go in the opposite direction as people began to copy one another or agree to solutions without debate.[22]

- ***Reduced costs associated with high turnover, absenteeism, and lawsuits.*** Companies that foster diversity and inclusion reduce turnover, absenteeism, and the risk of lawsuits. Because family responsibilities contribute to turnover and absenteeism, many companies now offer child-care and elder-care benefits, flexible work arrangements, remote work options, and part-time employment to accommodate employees' responsibilities at home. Discrimination lawsuits are also a costly side effect of a discriminatory work environment.

Remember This:

- Every leader needs to understand the complexity of diversity issues, learn to create an inclusive culture, and support the development of underrepresented employees for higher-level leadership positions.

- **Workforce diversity** is a workforce made up of people with different human qualities or who belong to various cultural groups. The broader term **diversity** refers to differences among people in terms of age, ethnicity, gender, race, or other dimensions. This definition has been broadened in recent years to be more inclusive and to recognize a broad spectrum of characteristics, such as work style, nationality, social class, and income level.

- **Inclusion** is the degree to which an employee feels like an esteemed member of a group in which their uniqueness is highly appreciated. Inclusion creates a strong sense of belonging and a trust that all people can have their voices heard and appreciated.

- In 2019, there were 28.4 million foreign-born employees in the U.S. workforce, making up 17.4 percent of all U.S. workers. The percentage of U.S. employees who are not White is expected to increase to around 23 percent by 2024.

- In 2020, the Academy of Motion Picture Arts and Sciences elected several women and people of color to the board of governors; implemented a requirement that all Academy governors, branch executive committee members, and staff attend unconscious bias training; and revised rules to require that Oscar nominees meet certain diversity and inclusion requirements.

- **Diversity of thought** is achieved when a leader creates a heterogeneous team made up of individuals with diverse characteristics who bring different ideas, different viewpoints, different skill sets, and different ways of thinking and reasoning.

- Creating diverse and inclusive organizations provides clear benefits, including better use of employee talent, greater understanding of the marketplace, enhanced breadth of understanding in leadership positions, higher quality of team problem solving, and reduced costs associated with employee turnover, absenteeism, and discrimination lawsuits.

11-2 Factors Shaping Personal Bias

Creating an inclusive environment where every individual feels respected, valued, and able to develop their unique talents is difficult. Most people, including leaders, have a natural tendency toward **ethnocentrism**, which refers to the belief that one's own culture and subculture are inherently superior to other cultures.[23] Research by Harvard psychology professor Mahzarin Banaji indicates that the human brain seems to be wired to categorize people by race in the first one-fifth of a second after seeing a face. Banaji's studies suggest that all people have an ingrained propensity to racial bias, even if they are unaware of and even disapprove of such bias. Other studies by social psychologists also suggest that there is a natural tendency among humans to identify themselves with a particular group and to feel somewhat antagonistic and discriminatory toward other groups.[24] In high school, the jocks often are aligned against the geeks, for instance. In hospital cafeterias, the surgeons sit in one area and the medical residents in another. In newspaper and magazine offices, the editorial folks are antagonistic toward the advertising people. The combination of this natural force toward separation, ethnocentric viewpoints, and a standard set of cultural assumptions and practices creates a number of challenges for leaders and employees from underrepresented groups.

Ethnocentrism
the belief that one's own culture and subculture are inherently superior to other cultures

11-2a Unconscious Bias

Starbucks leaders became embroiled in a public relations nightmare after two Black men were arrested on suspicion of trespassing as they waited for a friend in a Philadelphia store. Reports indicate that the men had asked to use the restroom but employees refused because they had not made a purchase. The two were eventually asked to leave. When they declined, saying they were waiting for a friend, the manager called the cops. "What did [the police] get called for?" asked Andrew Yaffe, the White friend. "Because there are two Black guys sitting here meeting me?"[25]

Would two White men who did not order while waiting for a friend have received the same treatment from the manager and employees? Probably not. Starbucks CEO Kevin Johnson said this was an example of *unconscious bias* on the part of employees. The CEO quickly offered an apology and proclaimed the arrests of the men "reprehensible." Starbucks later closed most company-owned stores in the United States for a day of anti-bias training.[26]

Blatant and active discrimination in the workplace may not be as big a problem as in the past, but subtle, and often unconscious, bias remains a major issue in organizations. **Unconscious bias**, sometimes called implicit bias, refers to attitudes or stereotypes that affect our understandings and actions without our conscious knowledge. Unconscious bias occurs when a person is not aware of the bias in their favorable and unfavorable assessments, actions, and decisions toward members of specific groups. When someone assumes an Asian waiter won't speak fluent English, sees a homeless person and thinks *Get a job*, or feels a flicker of discomfort that the pilot of their plane is a woman, unconscious bias is at work.

Unconscious bias
attitudes or stereotypes that affect our understandings and actions without our conscious knowledge; also called implicit bias

Everyone has some degree of unconscious bias, which is developed from the moment we are born based on everything we see and hear. Take the quiz in Leadership Practice: Know Yourself 11.2 to evaluate your personal degree of unconscious bias and think about ways you can become more diversity-aware. Some sociologists and psychologists have proposed that if left to their own devices, people will automatically discriminate. *Unconscious bias theory* suggests that White males, for

example, will inevitably slight women and people of color because people's decisions are influenced by unconscious bias.[27] Consider the following example. When Rick Klau's boss at Google encouraged all employees to attend training to uncover their unconscious biases, Klau's first thought was: "This isn't meant for me. I'm not contributing to the problem." But after attending the seminar, Klau learned that he was wrong. An unconscious bias test showed that he strongly associated men with work and science and women with home and liberal arts. He discovered that 80 percent of the people he connected to on LinkedIn and followed on Twitter were men. "I didn't want to believe it. Consciously or otherwise, I was seeking out people who looked like me," said Klau, who is now a partner in a venture capital firm. He began purposefully striving to add balance to his social media networks and follow more journalists who weren't White men. He stopped attending conferences that were mostly male and became more conscious of who he talked with at the conferences he did attend.[28]

The following findings show how unconscious bias can influence decisions and actions in various situations:[29]

- When researchers mailed thousands of similar résumés, some with stereotypically Black names (such as Jamal or Lakisha) and some with stereotypically White names (such as Greg or Emily), to companies with job openings, the résumés with White-sounding names were 50 percent more likely to result in a request for an interview.
- Research has found that women who come to the emergency room with a stroke wait 15 percent longer than men to get brain imaging, even when they have similar symptoms, and severely injured women are 15 percent less likely than severely injured men to be sent from a nontrauma hospital to a trauma center.
- Doctors who were shown patient histories and asked to make decisions about heart disease were much less likely to recommend cardiac catheterization (a helpful procedure) to Black patients, even when their medical histories were statistically identical to those of White patients. After a stroke diagnosis, women are as much as 30 percent less likely than men to be given one of the main treatment drugs.
- Several studies have found that e-mail messages with stereotypically Black names sent in response to apartment rental ads on Craigslist get fewer responses than ones with White-sounding names.
- Studies of state legislators have found that White legislators in both political parties are less likely to respond to constituents with stereotypically Black-sounding names.

In many cases, these are not acts of conscious discrimination. For example, human resource managers were stunned when shown the results of the résumé study because they genuinely believed they were making a commitment to valuing diversity in their organizations. Most doctors have no intention to treat women or Black patients less effectively than they do White men. Dozens of researchers have studied and documented bias that occurs outside of our awareness and despite good intentions.[30]

The first step in managing unconscious bias in the workplace is to make people aware of it through unconscious bias training. During anti-bias training at Starbucks described at the beginning of this section, an employee described

a personal example of unconscious bias, saying he automatically hid the tip jar when a group of young Black men walked into his store. He said he later felt ashamed when the men asked if there was a tip jar for them to leave a gratuity.[31] The restaurant chain Denny's requires that all employees, including the CEO, undergo unconscious bias training. The New York Police Department contracted with Fair and Impartial Policing to provide unconscious bias training to all 36,000 uniformed members of the NYPD. According to surveys, 70 percent of officers reported a better understanding of their unconscious biases after the training, and more than two-thirds of them said they had gained new strategies and skills to manage them.[32]

Leadership Practice: Know Yourself 11.2

Unconscious Bias

Instructions: Think about your typical day-to-day behavior and respond to each of the following items as Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. I prefer to be in work teams with people who think like me.	___	___
2. I have avoided talking about culture differences with people I met from different cultures because I didn't want to say the wrong thing.	___	___
3. My mind has jumped to a conclusion without first hearing all sides of a story.	___	___
4. The first thing I notice about people is the physical characteristics that make them different from the norm.	___	___
5. Before I hire someone, I have a picture in mind of what the person should look like.	___	___
6. I typically ignore movies, magazines, and TV programs that are targeted toward groups and values that are different from mine.	___	___
7. When someone makes a bigoted remark or joke, I don't confront them about it.	___	___
8. I prefer not to discuss sensitive topics such as race, age, gender, sexuality, or religion at work.	___	___
9. There are people I like but would feel uncomfortable inviting to be with my family or close friends.	___	___
10. If I were to seek a mentor, I would want someone culturally similar to myself.	___	___

Scoring and Interpretation

Give yourself 1 point for each Mostly True answer. Each item reflects an element of "passive bias," which can cause people different from you to feel ignored or disrespected by you. Your Score:_____. As a leader, your typical day-to-day behavior will send signals about your biases and values. Some personal biases are active and well known to yourself and others. Other biases are more subtle. Unconscious bias occurs when a person is not aware of their own bias and has no intent to express bias, but others may experience bias. Unconscious bias may be more insidious than active discrimination because the person would exclude diverse experiences and people from expression and interaction. The ideal score is zero, but few people reach that ideal. If you scored 3 or less, you are making a good attempt to eliminate your passive and unconscious bias. If you scored 8 or more, you should take a careful look at how you think and act toward people different from yourself. You should consider ways to become more culturally sensitive. The sooner you learn to actively include diverse views and people, the better leader you will be.

Source: Based on Lawrence Otis Graham, *Proversity: Getting Past Face Values and Finding the Soul of People* (New York: John Wiley & Sons, 1997).

Leaders can also establish conditions that limit the degree of unconscious bias that goes into hiring and promotion decisions. Corporations such as BP and Becton Dickinson, for example, use tools to measure unconscious as well as conscious bias in their decisions.[33]

11-2b Prejudice, Stereotypes, and Discrimination

Another significant problem in many organizations is **prejudice**, which is an adverse feeling or opinion formed without regard for the facts. Prejudiced people tend to view those who are different as deficient. An aspect of prejudice is stereotyping. A **stereotype** is a rigid, exaggerated, irrational, and typically negative belief or image associated with a particular group of people. When a leader and company act out prejudicial attitudes toward people who are the targets of their prejudice, **discrimination** occurs.[34] Paying a woman less than a man for the same work is gender discrimination. Refusing to hire someone because they have a different ethnicity is ethnic discrimination. For example, some years ago, a manager at a major bank encountered resistance from senior leaders because she wanted to hire an Indian applicant who wore a turban.[35]

Such discrimination is not only unethical but also illegal in the United States. Leaders should be aware that there are a number of federal and state laws that prohibit various types of discrimination. Many companies, including Walmart, Texaco, Coca-Cola, General Motors, Mitsubishi, FedEx, eBay, and Abercrombie & Fitch, have been troubled by suits alleging the companies broke laws that prohibit discrimination on the basis of race, gender, age, physical disability, or other diverse characteristics.

11-2c Challenges People of Color Face

The Black Lives Matter movement, which began with the hashtag #BlackLivesMatter in 2013, exploded following the May 2020 death of George Floyd, who was pinned by the neck under the knee of White Minneapolis police officer Derek Chauvin for nearly 9 minutes. Floyd's death and the ensuing anger, along with other incidents, thrust the debate about racial bias in the United States to the forefront of public attention. Chauvin was later convicted on charges of second-degree murder, third-degree murder, and second-degree manslaughter.

In organizations of all types and sizes, many people welcomed a renewed focus on the challenges people of color face. In a recent survey, 65 percent of Black respondents, compared to only 16 percent of White respondents, said they have to work harder to advance in their careers. Research verifies their concerns, showing that it takes longer for people of color to get their first promotion into management, and that they also struggle to move up the hierarchy.[36] Recent research by McKinsey & Company shows that Black employees make up 12 percent of entry-level workers in the United States, but their numbers shrink to 7 percent just one step up the career ladder. The problem exists not only in corporate jobs but also in stores, warehouses, and call centers. Black employees hold 19 percent of hourly jobs in the field but make up only 13 percent of higher-level salaried jobs. By contrast, White employees start out as 52 percent of hourly workers and make up 60 percent of all salaried employees in the field.[37] In mid-2021, only four *Fortune* 500 companies had Black CEOs (two of these female), down from the peak of six in 2012. A survey in 2019 found that Black people held only 3.2 percent of senior leadership roles at large companies in the United States, although they accounted for about 12 percent of the U.S. population.[38]

Prejudice
an adverse feeling or opinion formed without regard for the facts

Stereotype
a rigid, exaggerated, irrational, and typically negative belief or image associated with a particular group of people

Discrimination
treating people differently based on prejudicial attitudes and stereotypes

> **Put It Into Practice 11.3**
> Reflect on a time when you masked or downplayed any aspect of your physical, cultural, spiritual, or emotional self at school or work. Write down the reasons you hid part of yourself.

Statistics are similar in the U.S. military. People of color make up 43 percent of the 1.3 million people on active duty, but of the 41 most senior commanders (those with four-star rank), as of May 2020 only two were Black—General Michael X. Garrett, commander of the Army Forces Command, and General Charles Q. Brown, Jr., commander of the Pacific Air Forces. On June 9, 2020, the U.S. Senate confirmed Brown as Air Force chief of staff, making him the first Black leader of a U.S. military service at a time when the entire country was grappling with racial issues. "The absence of minorities at the top means the absence of a voice to point to things that should have been addressed a long time ago," said Brandy Baxter, a Black Air Force veteran. General Brown agrees. He said: "I'm thinking about a history of racial issues and my own experiences that didn't always sing of liberty and equality. . . . I want the wisdom and knowledge to lead, participate in, and listen to necessary conversations on racism, diversity and inclusion."[39]

The frustration that many Black leaders and other people of color feel is reflected in the experiences of Leslie Miley, a Black engineering manager at Google. As Miley was heading into Google's San Francisco offices one morning, he was physically stopped by another Google employee who demanded to see his employee badge, which was plainly visible, clipped to his belt. "Welcome to being Black in Big Tech," Miley tweeted. Miley says it wasn't the first time that "bias in badging" has signaled to people of color that "you don't belong here."[40] Google isn't the only big tech company that has a diversity problem. Large technology companies employ far fewer women and people of color than other industries. At Facebook, a dozen anonymous current and former employees said they are treated like they "do not belong" in a Medium post entitled "Facebook Empowers Racism Against Its Employees of Color." One Black program manager says two White employees asked her to clean up after their breakfast mess. When she told her supervisor about the incident, she says she was told that she "needed to dress more professionally."[41]

Top executives at Google, Facebook, Twitter, and other technology companies are struggling to find ways to diversify their organizations and create a more inclusive culture. Other organizations also need to improve. A report by the Center for Talent Innovation, titled "Being Black in Corporate America," points out that diversity and inclusion efforts are falling short across the corporate world. The study found that only 8 percent of people employed in white-collar professions are Black, and the proportion falls sharply at higher rungs of the corporate ladder.[42] PepsiCo recently announced a goal of increasing the number of Black managers by 30 percent by 2025. The company committed to adding more than 250 Black employees to the managerial ranks, including a minimum of 100 Black employees to the executive level. Starbucks recently implemented an executive mentoring program for employees of color. The company's COO, Roz Brewer, who is Black, believes the program is a good step toward helping more people of color rise through the ranks. "I can only imagine back in my own personal career if I had that opportunity," Brewer said.[43]

11-2d The First Rung

For people of color, women, and other underrepresented employees, the struggle of moving up the hierarchy begins with the problem of simply getting on the first rung of the management ladder. A great deal of research has looked at the problem women have advancing in their careers.[44] In December 2019, women

held 50.4 percent of all jobs in the United States, and the trend of their greater participation in the workforce is expected to continue, with the number of working women growing and the number of men declining.[45] But very few women are expected to break through the glass ceiling to reach senior leadership positions. Although the number of women CEOs of *Fortune* 500 companies was at an all-time high in early 2020, women-led companies still represented only 7.4 percent of the total. Both male and female Blacks and Hispanics continue to hold only a small percentage of all management positions in the United States.[46]

The **glass ceiling** is an invisible barrier that exists for women and other underrepresented employees that limits their upward mobility in organizations. When executives are choosing a successor or someone for a top position, they tend to choose someone who is similar to them—and that has typically meant mostly male and mostly White. Women and underrepresented employees can look up through the ceiling, but prevailing attitudes and stereotypes are invisible obstacles to their own advancement. For women of color, advancing in their careers is even tougher. Ayanna S. Pressley, the first Black woman elected to the U.S. Congress from Massachusetts, says women of color face not simply a glass ceiling, but a concrete ceiling. The term *double jeopardy* has been used to describe the double dose of discrimination that women of color face.[47] In a recent survey, more than 40 percent of Black and Hispanic women said they have been interrupted and spoken over in a work setting, and one third of the women surveyed said others have taken credit for their work or ideas.[48] Asian employees bump up against the *bamboo ceiling*, a combination of cultural and organizational barriers that impede Asians' career progress. Many Asian leaders have found themselves stereotyped as "not top executive material" because they are considered too quiet and unassertive.[49]

A recent five-year study reveals that a more widespread and serious problem for women than the glass ceiling is missing the **first rung**, which is the first promotion onto the management career ladder.[50] Men and women enter the workforce in roughly equal numbers, yet men outnumber women 2 to 1 when they reach that first step up the hierarchy. Thus, women fall behind early in their careers and continue to fall increasingly behind men in promotions, so the gender gap widens at every step up the hierarchy. Researchers have concluded that the first step toward solving the problem of a shortage of women in higher leadership positions is to attack the gender imbalance in initial promotions into management. Luz Damaris Rosario believes a promotion early in her career was crucial to her success. Rosario began working as a chemist at Goya Foods when she was 22 years old. Within two years, she was made a laboratory manager, overseeing a team of researchers in a Puerto Rico plant producing canned beans and tomato sauce. Today, Rosario runs one of Goya's largest food-production plants in Houston. She says the early promotion empowered her, enabled her to gain a broader understanding of how the company operated, and gave her greater access to senior managers, enabling her to continue advancing up the hierarchy.[51]

Data show that roughly equal numbers of men and women—27 percent and 29 percent, respectively—say they have recently sought a promotion, and that women are not stepping out of their careers in larger numbers than men for family or other reasons. Among the employees surveyed, 25 percent of women believe their gender played a role in a missed promotion or salary increase.[52]

One significant problem is that women face a *double bind* because of stereotypes and prejudicial attitudes that persist about male and female behavior, even in

Glass ceiling
an invisible barrier that separates women and other underrepresented employees from top leadership positions

First rung
the first promotion onto the management career ladder

Put It Into Practice 11.4
Today, reach out to someone in an underrepresented group to make them feel included.

todays' age when evolving ideas about gender go beyond the binary male-female construct. When women are perceived to be warm and nurturing—as the prevailing stereotype expects them to be—they are considered too soft for a leadership position. However, when women take charge to get things done, they are often labeled as "pushy" or too aggressive. Tho Bella Dinh-Zarr, a former vice chair of the National Transportation Safety Board, captured the double bind when she described her participation in meetings, both in the public and private sector: "[If] I interrupt, I may easily be perceived as pushy. Yet if a man does it, he's seen as having something important to say." Jennifer Thorpe-Moscon, vice president of Catalyst's Research Data and Innovation Lab, which has done in-depth research on this issue, says the "double bind applies in almost every area of the workplace; you encounter these double standards where men are viewed more positively for exactly the same behavior that women exhibit in any meeting."[53]

Remember This:

- Most people have a tendency toward ethnocentrism, which refers to the belief that one's own culture and subculture are inherently superior to other cultures.
- Research indicates that the human brain seems to be wired to categorize people by race in the first one-fifth of a second after seeing a face.
- A big problem in organizations is **unconscious bias**, sometimes called implicit bias, which refers to attitudes or stereotypes that affect our understandings and actions without our conscious knowledge.
- Researchers have documented unconscious bias in education, government, and the workplace, and companies are beginning to provide unconscious bias training to employees.
- **Prejudice** is an adverse feeling or opinion formed without regard for the facts. A **stereotype** is a rigid, exaggerated, irrational, and typically negative belief or image associated with a particular group of people.
- When a leader and company act out prejudicial attitudes toward people who are the targets of their prejudice, **discrimination** occurs.
- Research shows that it takes longer for people of color to move into their first management job, and that they also struggle to move up the hierarchy. In 2019, Black Americans held only 3.2 percent of senior leadership roles at large companies in the United States, although they accounted for about 12 percent of the U.S. population.
- The **glass ceiling** is an invisible barrier that separates women, people of color, and other underrepresented employees from top leadership positions. An even more widespread and serious problem is missing the **first rung**, which is the first promotion onto the management career ladder.
- One significant problem for women is the *double bind*—when women are perceived to be warm and nurturing, as the prevailing stereotype expects them to be, they are considered too soft for a leadership position, but when they take charge to get things done, they are often labeled as "pushy" or too aggressive.

- The term *double jeopardy* has been used to describe the double dose of discrimination women of color face.
- Luz Damaris Rosario, who runs one of Goya's largest food-production plants in Houston, says a first rung promotion early in her career empowered her, enabled her to gain a broader understanding of how the company operated, and gave her greater access to senior managers, enabling her to continue advancing up the hierarchy.

11-3 Ways Women Lead

A McKinsey global survey of 279 companies found that those with the greatest proportion of women on their executive committees earned a return on equity (ROE) 47 percent higher than did those with no female executive members. Another recent study by ISS Analytics indicates that organizations with gender-diverse executive teams performed better financially, were more highly valued, and had lower risk profiles than companies with no female executives.[54] Indeed, a number of studies have found that companies where women make up a significant percentage of board members and senior management perform better than those with only a few women in high-level positions.[55]

Research has looked at the leadership approach women use that contributes to these positive outcomes. Women often use a style of leadership that is different from men's—a more collaborative, less hierarchical, and more relationship-oriented approach that is in tune with today's global and multicultural environment.[56]

There is some evidence that men may become less influential in the U.S. workforce, with women becoming dominant players, because women's approach is more attuned to the needs and values of the shifting environment. For example, there's a stunning gender reversal in U.S. education, with girls taking over almost every leadership role from kindergarten to graduate school.[57] Hanna Rosin, journalist and author of *The End of Men*, suggests that women are more adaptable and easier to educate.[58] Empirical studies do show that women students are more achievement oriented, less likely to skip classes, spend more time studying, and typically earn higher grades.[59] This chapter's *Think on This* box takes a closer look at various ways in which women appear to be outpacing men in the United States.

11-3a Women as Leaders

According to James Garbarino, an author and psychology professor at Loyola University, women are "better able to deliver in terms of what modern society requires of people—paying attention, abiding by rules, being verbally competent, and dealing with interpersonal relationships in offices."[60] Garbarino's observation is supported by the fact that female leaders are typically rated higher by direct reports on interpersonal skills as well as on factors such as task behavior, communication, ability to motivate others, and goal accomplishment.[61]

As illustrated in Exhibit 11.3, one survey of followers rated women leaders significantly higher than men on several characteristics that are crucial for developing fast, flexible, adaptive organizations. Female leaders were rated as having more idealized influence, providing more inspirational motivation, being more individually considerate, and offering more intellectual stimulation.[62] *Idealized influence* means that followers identify with and want to emulate the leader; the

Think on This: Are Men Failing?

Here are some recent observations in the United States that suggest men are falling behind in today's world:

- In 1954, 96 percent of men between the ages 25 and 54 worked. In 2012, the male labor force participation rate was about 70 percent, and by 2020 it was down to about 66 percent.
- Men still dominate the top of organizational hierarchies, but women are gaining in other areas.
- Of the 15 fastest-growing professions, 12 of them are dominated by women.
- Although men still earn more, men's incomes have generally declined in the past decade while women's have grown. Women in their 20s earn more money than men in the same age group.
- By 2026, 57 percent of college students will be women. In Canada, women make up 58 percent of all college graduates between the ages of 25 and 29. Women make up 75 to 80 percent of graduates in education and psychology, and 60 to 75 percent in foreign languages, communications, and biology.
- The rate of suicide among boys increases from slightly more than girls before age 15 to 4.5 times that of girls between the ages of 20 and 24.
- Both Republican and Democratic political consultants say that, all else being equal, women candidates are now more desirable than men.

Overall, women's participation in both the labor force and civic affairs has steadily increased since the mid-1950s, whereas men's participation has slowly but steadily declined.

When there is a major upheaval in society, the people who were at the top of the old order of things (men) tend to cling to the old ways, whereas the people who were on the bottom (women) experience a burst of energy and take advantage of new opportunities. Are men failing? Or is this just a course correction that will have men and women making equal contributions to society?

What do you think?

Sources: Based on "Male Civilian Labor Force Participation Rate in the United States from 1990 to 2020," www.statista.com/statistics/191725/us-male-civilian-labor-force-participation-rate-since-1990/(accessed June 21, 2021); Philip Carl Salzman, "Why Men Are Falling Behind in Schools," *Minding the Campus* (January 3, 2019), www.mindingthecampus.org/2019/01/03/why-men-are-falling-behind-in-schools/ (accessed June 21, 2021); Warren Farrell, "'Boy Crisis' Threatens America's Future with Economic, Health, and Suicide Risks," *USA Today* (April 7, 2019), www.usatoday.com/story/opinion/2019/04/07/males-risk-boy-crisis -identity-america-future-addiction-suicide-column/3331366002/ (accessed June 25, 2021); Hanna Rosin, *The End of Men—and the Rise of Women* (New York: Riverhead/Penguin 2012); and David Brooks, "Why Men Fail," *The New York Times* (September 10, 2012), www.nytimes.com/2012/09/11/opinion/brooks-why-men -fail.html?_r=0 (accessed May 10, 2013).

leader is trusted and respected, maintains high standards, and is considered to have power because of who she is rather than what position she holds. *Inspirational motivation* is derived from the leader who appeals emotionally and symbolically to employees' desire to do a good job and help achieve organizational goals. *Individual consideration* means each follower is treated as an individual but all are treated equitably; individual needs are recognized, and assignments are delegated to followers to provide learning opportunities. For example, one of the strengths of Cynthia Carroll, who from 2007 to 2013 was the first female CEO of global mining company Anglo American, is "getting the most out of each individual."

Exhibit 11.3

Comparison of Male and Female Leaders by Their Direct Reports

Women Higher Than Men

Leadership Qualities

Quality	Value
Idealized influence	0.39
Inspirational motivation	0.21
Individual consideration	0.19
Intellectual stimulation	0.41

Organizational Outcomes

Outcome	Value
Extra effort	0.42
Effectiveness	0.25
Employee satisfaction	0.33

0   0.1   0.2   0.3   0.4   0.5
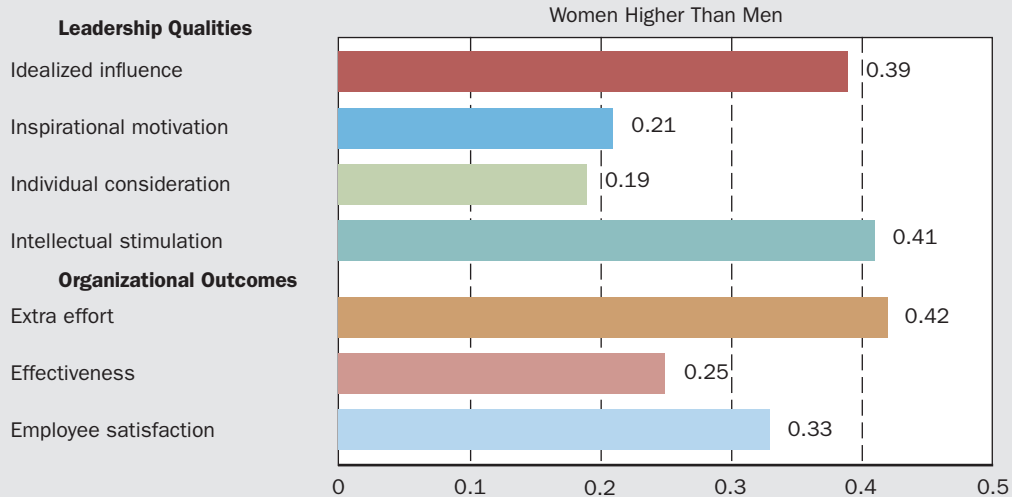
Source: Based on Bernard M. Bass and Bruce J. Avolio, "Shatter the Glass Ceiling: Women May Make Better Managers," *Human Resource Management* 33, no. 4 (Winter 1994), pp. 549–560.

Carroll also brought a new mindset to Anglo American to help the company become more global in its approach, reflecting intellectual stimulation.[63] *Intellectual stimulation* means questioning current methods and challenging employees to think in new ways. In addition to these qualities, women leaders were judged by followers in the survey as more effective and satisfying to work for and were considered able to generate extra levels of effort from employees.

Another analysis conducted by Zenger Folkman of 360-degree assessments of more than 60,000 leaders (22,603 women and 40,187 men) found that women were rated higher on almost all leadership competencies. In a follow-up study during the early months of the COVID-19 pandemic, scores for women were even higher than in the pre-pandemic studies. Women leaders were rated higher on 18 of the 19 leadership competencies (13 of these being statistically significant). Men were rated higher only on technical/professional expertise, but the difference was not statistically significant. The top ten competencies for which women were rated higher than men at a statistically significant level are:[64]

1. Takes initiative
2. Learning agility
3. Inspires and motivates others
4. Develops others
5. Builds relationships
6. Displays high integrity and honesty

7. Communicates powerfully and prolifically

8. Collaboration and teamwork

9. Champions change

10. Makes decisions

Moreover, employees reporting to women had higher levels of engagement. The employee engagement score for employees reporting to men leaders was 49.2 and for women leaders 55.2.

11-3b Is Leader Style Gender-Driven?

Several researchers have examined the question of whether women lead differently than men. Although they are broad generalizations, social science research suggests that predominantly *communal* qualities, such as compassion and kindness, are more associated with women in general and predominantly *agentic* qualities, such as assertiveness and competitiveness, are more associated with men.[65] Refer to Leadership Practice: Know Yourself 11.1 earlier in the chapter to see if your values are more communal or agentic.

Leadership traits traditionally associated with White, American-born males include aggressiveness or assertiveness, rational analysis, and a "take charge" attitude. Male leaders tend to be competitive and individualistic and prefer working in vertical hierarchies. They rely on formal authority and position in their dealings with followers.

Some women also reflect these characteristics, of course, but research has found that, in general, women prefer less competitive environments than men, tend to be more collaborative, and are more concerned with relationship building, inclusiveness, participation, and caring.[66] Female leaders such as Deborah Kent, the first woman to head a vehicle assembly plant for Ford Motor Company, or Terry Kelly, former CEO of W. L. Gore & Associates, are often more willing to share power and information, to encourage employee development, and to strive to enhance others' feelings of self-worth. "It does no good to have a diverse workforce if you don't listen to their opinions and thoughts," says Kent. "I treat people the way I want to be treated."[67]

Professor and author Judy B. Rosener has called women's approach to leadership **interactive leadership**.[68] The leader favors a consensual and collaborative process, and influence derives from relationships rather than position power and authority. Some psychologists have suggested that women may be more relationship oriented than men because of different psychological needs stemming from early experiences. This difference between the relationship orientations of men and women has sometimes been used to suggest that women cannot lead effectively because they fail to exercise power. However, whereas male leaders may associate effective leadership with a top-down command-and-control process, women's interactive leadership seems appropriate for the future of diversity, globalization, and decentralized organizations.

Although the values associated with interactive leadership, such as inclusion, relationship building, and caring, are generally considered "feminine" values, interactive leadership is not gender-specific. These values are becoming increasingly valuable for both male and female leaders.[69] Any leader can learn to adopt a more inclusive style by paying attention to nonverbal behavior and developing skills such as listening, empathy, cooperation, and collaboration.

Put It Into Practice 11.5

Think of your experiences working with leaders of different genders or races (consider leaders in broad terms as anyone over you in family, school, community organizations, or work). Rank order them in terms of their interactive, collaborative leadership style.

Interactive leadership

a leadership style in which people develop personal relationships with followers, share power and information, empower employees, and strive to enhance others' feelings of self-worth

Remember This:

- A McKinsey global survey found that companies with the greatest proportion of women on their executive committees earned a return on equity (ROE) 47 percent higher than did those with no female executive members.
- Women often use a style of leadership that is different from men's and that is more collaborative, less hierarchical, and more relationship-oriented.
- In one study, women leaders were rated higher on 18 of 19 leadership competencies, with men rated higher only on technical/professional expertise.
- **Interactive leadership** is a leadership style in which people develop personal relationships with followers, share power and information, empower employees, and strive to enhance others' feelings of self-worth.
- Any leader can learn to be more inclusive by paying attention to nonverbal behavior and developing skills such as listening, empathy, cooperation, and collaboration.

11-4 Becoming an Inclusive Leader

A top goal for today's organizations is to ensure that *all* people are given equal opportunities and treated with fairness and respect, but leaders vary in their sensitivity and openness to other cultures, attitudes, values, and ways of doing things.[70]

Exhibit 11.4 shows a model of five stages of individual diversity awareness, development, and actions.[71] The continuum ranges from a defensive, ethnocentric attitude, in which leaders meet the minimum legal requirements regarding affirmative action and sexual harassment, to a complete understanding and acceptance of people's differences, in which leaders value diversity and inclusiveness as an inherent part of the organizational culture.

1. People at stage 1 see differences as a threat against their own comfortable worldview and frequently use negative stereotyping or express prejudicial attitudes. Leaders at this stage of diversity awareness consider themselves successful if their legal record is good. They may view women, people of color, and other underrepresented employees as a "problem" that must be dealt with. Typically, these leaders promote a few underrepresented employees to executive-level jobs to meet legal requirements.

2. At stage 2, people try to minimize differences and focus on the similarities among all people. This is the stage where unconscious and subtle bias is most evident because people have moved beyond openly prejudicial attitudes. Leaders don't adequately recognize or respond to the challenges underrepresented employees face in the organization. For example, leaders at stage 2 might fail to address insensitive comments or actions toward or about women, people of color, or other underrepresented employees and might themselves engage in these microaggressions. The term **microaggressions** refers to statements or actions that are instances of indirect or subtle discrimination against members of a marginalized group.[72] For example, a manager might refer to a report from a Black colleague as "actually being pretty good," which implies that the colleague exceeded the manager's low expectations, or a supervisor might

Microaggressions statements or actions that are instances of indirect or subtle discrimination against members of a marginalized group

Exhibit 11.4

Stages of Personal Diversity Awareness

Highest Level of Awareness

Integration
- Multicultural attitude—enables one to integrate differences and adapt both cognitively and behaviorally
- Becomes an ally to underrepresented employees

Adaptation
- Able to empathize with those of other cultures
- Able to shift from one cultural perspective to another

Acceptance
- Accepts behavioral differences and underlying differences in values
- Recognizes validity of other ways of thinking and perceiving the world

Minimizing Differences
- Hides or trivializes cultural differences
- Focuses on similarities among all individuals

Defense
- Perceives threat against one's comfortable world view
- Uses negative stereotyping
- Assumes own culture superior

Lowest Level of Awareness

Source: Based on M. Bennett, "A Developmental Approach to Training for Intercultural Sensitivity," *International Journal of Intercultural Relations* 10 (1986), pp. 179–196.

compliment an Asian employee for speaking perfect English, which is in fact the employee's first language.

3. When people move to stage 3 of diversity awareness, they accept the range of human differences and recognize the validity of other ways of thinking and doing things. Here, leaders become proactive and acknowledge that addressing issues of gender identity, race, disability, and so forth is important not just for the underrepresented employees but also for the health of the organization. They recognize that diversity can bring needed insight into developing and marketing products for new customers, so they look for ways to attract and retain high-quality employees that reflect a broad diversity. In stage 3 organizations, more women and underrepresented employees make it to high-level positions, and leaders begin providing diversity and inclusion training to all employees.

4. Leaders at stage 4 are able to empathize with people who are different from themselves and can comfortably shift from one cultural perspective to another. Leaders at this stage make a strong commitment to broad equality, inclusiveness, and community. They genuinely strive to develop policies and practices that are inclusive rather than exclusive and often become allies to underrepresented employees. An **ally** is a person who is White or otherwise in the majority and actively works to support the advancement of people of color, women, and others who are underrepresented in the organization.[73] Allies stand up for those who experience discrimination or unfair treatment, and they work to understand where bias exists in organizational practices and policies.

   Interest in allyship for many leaders was sparked largely by the protests that erupted after the death of George Floyd. Some companies began using ally training to help White leaders know how to advocate for Black colleagues and others who feel marginalized in the organization. Wilda White, a management consultant who also serves as chair of Vermont's oversight commission on mental health and law enforcement, says she received a lot of texts from White colleagues asking how she was doing in the weeks following the George Floyd killing. She said it is nice when people want to express solidarity, but continuously striving to build meaningful relationships should be the goal. She emphasizes that White employees can help their Black co-workers by being respectful of their experiences rather than trying to smooth over difficult situations. "If a Black person tells you that they're feeling something is racist," White says, "just believe them."[74]

5. At stage 5 of diversity awareness, people are capable of integrating differences and adapting both cognitively and behaviorally. It is at this stage where leaders can create organizations that are gender- and color-blind. All employees are judged on their competence, and stereotypes and prejudices are completely erased. No group of employees feels different or disadvantaged. Stage 5 represents the ideal leader and organization. Although it may seem unreachable, many of today's best leaders are striving to achieve this stage of diversity awareness and acceptance. As Inga Beale, former CEO of Lloyds of London, puts it, "We're fighting against inequality all the time. [Achieving full equality] seems overwhelming, too big an issue to address. But we have to try. We have to aim for it."[75]

The commitment of top leaders is critical to building organizations that embrace diversity, and all leaders can advance to higher stages of diversity awareness. For example, a series of highly publicized incidents of racial discrimination at Denny's Restaurants in the early 1990s spurred top leaders to implement diversity and inclusion programs and provide diversity awareness training at every level of the company. Today, Denny's is a model for diversity. The company releases annual diversity reports, the most recent of which shows that its group of more than 1,700 restaurants is 90 percent franchise owned. Nearly 50 percent of those franchisees are women, people of color, or entrepreneurs from other underrepresented groups. "Just like our employees, franchisees have to be a reflection of what our country looks like," said April Kelly-Drummond, Denny's head of diversity, equity, inclusion, and multicultural engagement. The report indicates that Denny's workforce of more than 9,000 identifies as 68 percent minority, including 52 percent at the management level. The board of directors is 44 percent minority and 33 percent female. Moreover, Denny's has spent more than $2 billion with diverse and underrepresented suppliers since beginning its Supplier Diversity program in 1993.[76] Denny's continues to push toward stage 5 of the diversity awareness scale in Exhibit 11.4.

Ally
a person who is White or otherwise in the majority and actively works to support the advancement of people of color, women, and others who are underrepresented in the organization

---

Put It Into Practice 11.6

Pick the stage in Exhibit 11.4 that is most like you. Write down your strategy for moving into the next higher stage.

> **Remember This:**
>
> - A top goal for today's organizations is to ensure that all people are given equal opportunities and treated with fairness and respect, but leaders vary in their diversity awareness and openness to other attitudes, values, and ways of doing things.
> - Leaders evolve through stages of personal diversity awareness and action ranging from minimum efforts to meet affirmative action guidelines to valuing diversity as an integral part of organizational culture.
> - **Microaggressions** are statements or actions that are instances of indirect or subtle discrimination against members of a marginalized group.
> - An **ally** is a person who is White or otherwise in the majority and actively works to support the advancement of people of color, women, and others who are underrepresented in the organization.
> - The ultimate goal for leaders is to build organizations as integrated communities in which all people feel encouraged, respected, and committed to common purposes and goals.

11-5 How Leaders Encourage the Advancement of Underrepresented Employees

Personal diversity awareness is the first step to creating a culture that embraces diversity and inclusion and enables all people to reach their potential, thereby enabling the organization to perform at its best. Four effective approaches for ensuring that more people of color, women, and other underrepresented employees move to higher levels of the organization are employee resource groups, sponsorship, coaching and feedback, and expanded recruitment efforts.

11-5a Employee Resource Groups

Employee resource groups

groups based on social identity that focus on concerns of employees from specific groups and enable them to make greater contributions to the organization

Employee resource groups are based on social identity, such as gender or race, and are organized to focus on the concerns of employees from specific groups.[77] Participating in an employee resource group lets underrepresented employees share common experiences and success strategies, enabling them to make greater contributions to the organization and advance their careers. Anne Ackerley earned a promotion to chief marketing officer of BlackRock partly because of the role she played in the company's resource group for women and the exposure it gave her to senior leaders. Ackerley continued to advance in her career, and today she is a managing director and head of BlackRock's Retirement Group.[78]

More than 90 percent of *Fortune* 500 companies have such groups.[79] For example, Cisco Systems has groups that provide leadership and growth opportunities for Asians, Blacks, women, Indians, Middle Eastern employees, veterans, Latinos, LGBTQ+ employees, disabled employees, and others.[80]

Resource groups pursue a variety of activities, such as meetings to educate top leaders, mentoring programs, networking events, training sessions and skills seminars, intern programs, and community volunteer activities. These activities give

Leadership Practice: Know Yourself 11.3

Valuing Workplace Diversity

Instructions: What judgmental beliefs or attitudes do you have that influence your feelings about diversity in the workplace? To see how prepared you are to put stereotypes aside so you can lead effectively, circle all the words below that you associate with your personal reaction to the idea of workplace diversity programs being implemented in your organization.

Abnormal	Dispute	Oppose
Accommodate	Dissatisfaction	Optimistic
Aggravation	Dread	Partake
Appreciative	Eager	Perplexed
Assist	Gratified	Please
Baseless	Hostile	Reasonable
Belittle	Impractical	Retreat
Beneficial	Irritation	Right
Biased	Join	Suitable
Committed	Just	Sympathetic
Comprehend	Listen	Uneasy
Corrupt	Necessary	Unfounded
Criticize	Noble	Valueless
Dislike	Obstinate	Welcoming

Scoring and Interpretation

Total Score A _____. Add 1 point for each of the following words circled: Beneficial, Just, Necessary, Noble, Reasonable, Right, Suitable. Subtract 1 point for each of the following words circled: Abnormal, Baseless, Biased, Corrupt, Impractical, Unfounded, Valueless.

Total Score B _____. Add 1 point for each of the following words circled: Appreciative, Committed, Eager, Gratified, Optimistic, Pleased, Sympathetic.

Subtract 1 point for each of the following words circled: Aggravation, Dislike, Dissatisfaction, Dread, Irritation, Perplexed, Uneasy.

Total Score C _____. Add 1 point for each of the following words circled: Accommodate, Assist, Comprehend, Join, Listen, Partake, Welcoming. Subtract 1 point for each of the following words circled: Belittle, Criticize, Dispute, Hostile, Obstinate, Oppose, Retreat.

Your scores on this questionnaire pertain to your attitudes toward workplace diversity programs, which are reflected in your personal diversity values. Your score for Part A reflects your intellectual judgments toward workplace diversity, Part B relates to your affective (emotional) reaction, and Part C shows your behavioral response to diversity. If your scores are near zero, then your attitudes and values toward workplace diversity are neutral. Higher positive scores mean that you hold positive values toward diversity and will likely deal sympathetically with bias in the workplace. Higher negative scores mean you hold negative values toward diversity and may be ill prepared to deal with diversity issues that arise in your role as leader. What experiences have led to your diversity values? How do you think your values will contribute to a career in leadership for you?

people a chance to meet, interact with, and develop social and professional ties to others throughout the organization, which often includes influential executives and key decision makers. Resource groups are a powerful way to reduce social isolation for women, people of color, and members of other underrepresented groups; help these employees be more effective; and enable members to achieve greater career advancement.

Studies confirm that these groups can be important tools for helping organizations retain managerial-level employees.[81] The African Ancestry Network at General Motors has been active since 1999. One ranking identified GM as one of the 20 most diverse companies in the S&P 500. Telva McGruder, president of the African Ancestry Network and director of workplace engineering and operations solutions at GM, first decided she wanted to become an engineer after seeing an artificial heart on a 1980s television show. She says she was often the only woman in her classes at Purdue University, where she earned bachelor's and master's degrees in electrical engineering, and was among the very few people of color in

Sponsorship
strong support from a powerfully positioned executive who is willing to put their reputation on the line to promote an individual's career advancement

her academic programs. In addition to providing mentoring and networking opportunities for GM employees, the African Ancestry Network strives to get younger people of color interested in engineering by visiting K–12 classrooms in the Detroit area and creating robotics teams to spur student interest.[82]

11-5b Sponsorship

Sponsorship is one of the most effective ways in which organizations can promote capable women, people of color, and other underrepresented employees to the first rung up the management ladder and beyond. **Sponsorship** refers to strong support from a powerfully positioned executive who is willing to put their reputation on the line to promote an individual's advancement to higher organizational levels.[83] Sponsorship is mentorship on steroids. Mentors are important because they offer advice and guidance, but a sponsor actively helps the protégé develop relationships with other powerful people and advocates for the individual when big projects or promotions come up.[84] TJ Wright says the ability as a Black women to move from being a bank representative at Synchrony Financial to being assistant vice president in the company's consumer-banking operations is due in part to two senior level executives who sponsored her and vigorously campaigned for her as she sought larger roles in the company.[85]

Sylvia Hewlett, author of *Forget a Mentor, Find a Sponsor*, led a two-year study that shows that sponsorship makes a measurable difference in career advancement for women and people of color.[86] Sponsors make sure their protégés get considered for important projects and have opportunities to show what they can do. In addition, people with sponsors are more likely to ask for stretch assignments, request salary increases, and seek opportunities. Yet research also shows that only about 5 percent of underrepresented employees have sponsors compared to 21 percent of White male employees. Just as with job promotions, when senior leaders pick someone to sponsor, they almost automatically turn to people like themselves. Companies such as American Express, AT&T, Citigroup, Credit Suisse, Deloitte, Genentech, and Morgan Stanley have made sponsorship more accessible for women and people of color by making sure senior executives know of high-potential underrepresented candidates.[87]

Dame Inga Beale, the first female CEO of insurance giant Lloyd's of London (she stepped down from the job in 2019) and a powerful spokesperson for equality, is very aware of the challenges underrepresented employees face. When the *Financial Times* first featured Beale in its list of influential LGBT+ executives, she says she received hate mail telling her she "didn't deserve to be alive." Beale worked tirelessly at Lloyd's to build a culture of inclusiveness and encourage sponsorship of talented underrepresented employees. She knows the difference a sponsor can make because she turned down her first promotion offer (in the insurance division of General Electric) because she says, "I didn't think I was capable enough and I was petrified." After her boss's boss (a woman) took Beale out to dinner and told her to believe in her own ability and go for what she wanted, Beale took an assertiveness training course and then went back to the office, asked for the promotion she had previously turned down, and got it.[88]

11-5c Coaching and Feedback

According to a 2019 survey by Glassdoor, 10 percent of hiring managers said they believed they would lose good employees over the next year because of a lack of

diversity and inclusion programs.[89] The most effective companies include diversity training on an ongoing basis, addressing issues such as racism and sexism, discrimination, stereotyping, and unconscious bias. At a training session at Eli Lilly, Shannon Alston Rush talked about how it felt to be the only Black woman in a room many times during her career, "to be in the room where you're leading the [profit-and-loss statement] yet no one is asking the questions."[90]

Many companies provide coaching to help diverse employees advance. **Coaching** in organizations is the process of someone engaging in regular conversations with an employee that facilitate learning and development by supporting strengths and overcoming obstacles to improve behavior and performance. Eli Lilly set up relationship-building and leadership development programs for Black, Hispanic, and Asian women, with the CEO and other top executives devoting three days of their time to the sessions.[91] BioMartin Pharmaceutical also provides executive-level coaching to women and employees from underrepresented groups who show leadership potential. Since the program began, 35 percent of the participating women and 14 percent of the men have been promoted into new jobs. Lilly's CEO says diversity and inclusion problems can't be solved by "waving your CEO wand," giving orders and getting results.[92]

Personal feedback is an important aspect of coaching programs. Many lower-level managers from underrepresented groups don't get the kind of candid, constructive feedback that research indicates is important for career advancement. For example, research by Shelley Correll, a professor of sociology and organizational behavior at Stanford, shows that leaders frequently give male employees specific, and sometimes harsh, feedback that helps them achieve specific goals, while they more commonly give vague, personality-based feedback to female employees. Correll analyzed more than 200 performance reviews and found that 60 percent of developmental feedback linked to business outcomes was given to men, with only 40 percent given to women.[93]

11-5d Expanded Recruitment Efforts

Organizations are changing their recruitment efforts to target a more diverse group of applicants. As an example, Nationwide sends recruiters, including top executives and board members, to conferences run by groups such as the National Black MBA Association, the Anita Borg Institute (an advocate for women in technology), and the National Society of Hispanic MBAs to hire full-time employees as well as interns.[94] The top companies in a new diversity and inclusion ranking by *The Wall Street Journal* also recruit from college and community associations for women and people of color.[95]

Some companies are moving their offices or opening branches in locations where large groups of underrepresented employees live to expand their commitment to diversity. Asian American Dan Lin, whose producing credits include the *Lego Movie* and *It* franchises, moved the offices of his film and television production company Rideback from Hollywood to Historic Filipinotown to signal a commitment to the company's diversity recruiting goals. Rideback hires people from the ethnically diverse neighborhood and seeks people who represent different life experiences. Lin recently created the Rideback TV Incubator to help television writers from underrepresented backgrounds develop shows to pitch at cable networks and streaming services.[96]

Increasing the representation of people of color has become a top goal for many companies in recent years as the Black social justice movement has grown. Research from McKinsey points to the fact that fewer than 9 percent of Blacks

Coaching
the process of engaging in regular conversations with an employee that facilitate learning and development by supporting strengths and overcoming obstacles to improve behavior and performance

live in the U.S. West, where most new job creation in technology sectors has been concentrated. Nearly 60 percent of the Black U.S. population is in the South. Gong, a San Francisco Bay-area sales-analysis software company, was planning to add a second U.S. location in Salt Lake City when the COVID-19 pandemic hit, putting plans on hold. Leaders later reconsidered locations and decided to open their new office in Atlanta instead. Similarly, Airbnb leaders decided to set up a technical hub in Atlanta. "We couldn't fulfill [our diversity goals] just by having our company headquarters in San Francisco or London," said Airbnb's Laphonza Butler. "We needed to consider places that looked very different to get the results we needed." BlackRock opened an Atlanta office in 2018 to take advantage of a more diverse talent pool, with one leader saying the company sees diversity as "a business imperative." In early 2021, around 26 percent of BlackRock's Atlanta-based employees were Black, and 11 percent were Latino.[97]

Remember This:

- Four effective ways leaders can support the participation and advancement of women, people of color, and other underrepresented employees are employee resource groups, sponsorship, coaching and feedback, and expanded recruitment efforts.

- **Employee resource groups** are groups based on social identity that focus on concerns of employees from specific groups and enable them to make greater contributions to the organization.

- **Sponsorship** refers to strong support from a powerfully positioned executive who is willing to put their reputation on the line to promote an individual's career advancement.

- TJ Wright moved from being a bank representative at Synchrony Financial to being an assistant vice president because two senior-level executives sponsored her and vigorously campaigned for her as she sought larger roles in the company.

- **Coaching** is the process of engaging in regular conversations with an employee that facilitate learning and development by supporting strengths and overcoming obstacles to improve behavior and performance.

- At Eli Lilly, the CEO and other top executives devoted three days to development sessions for Black, Hispanic, and Asian women.

- Companies including Airbnb, software company Gong, and investment management firm BlackRock have opened offices in Atlanta to tap into a more diverse labor pool.

Discussion Questions

1. Do you agree with the idea that people have innate biases and will automatically discriminate if left to their own devices? Discuss.

2. Why is diversity of thought important for today's organizations? Do you think an organization can have diversity of thought if all employees are of the same race and approximately the same age and background?

3. What is interactive leadership, and why might this approach be increasingly important for all leaders?

4. Among employee resource groups, sponsor relationships, and personal coaching, which do you think would have the most direct benefit for an underrepresented employee? Why?

5. How might an organization strike a balance between meeting the needs of a diverse workforce and shaping a well-focused high-performance culture based on shared values?

6. Take another look at this chapter's *Think on This* box. What might be some reasons men seem to be falling behind in today's world? If this is true, why is it that women are still so poorly represented at higher organizational levels?

7. What are the first rung and glass ceiling? Why do you think they act as barriers to women and underrepresented employees?

8. Why do you think research found that women receive less harsh feedback than men do during performance reviews? How might that affect a woman's career? Explain.

9. Do you think people and organizations can ever become gender- and color-blind? Discuss.

10. How might leaders accommodate the needs of diverse groups without offending other groups or appearing to show favoritism?

Leadership Skill-Building Exercises

Personal Differences

Each of us feels different in many ways from the average behavior or expectations that other people seem to value. This reflects our own feelings of diversity. The differences you feel compared to others could be about your physical characteristics (height, age, skin color) but also could reflect a difference in your thinking style, feelings, personality, or behavior, especially when you feel different from what other people expect or what you perceive are the social norms. Write in the following list six ways you feel different from others:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Now answer the following questions with respect to your perceived diversity.

What are your feelings about being different?
_____
_____

Which elements of diversity are you proud of? Why?

_____

_____

What element would you like to change to be less diverse? Why?

_____

_____

How do your differences contribute to a student team or work organization?

_____

_____

In Class or Online (as indicated by your instructor): This exercise can be adapted for group discussion about underlying diversity. The instructor can ask students to meet in teams of three to four members. One member (focal person) then volunteers to describe the ways they feel different from others based on the previous list. Other students take turns providing feedback to the focal person on what the perceived differences mean to them with respect to team or class contributions. Each student takes a turn as the focal person, describing their feelings of being different and hearing feedback from others on the perception and impact of those differences.

Here are the key follow-up questions for this exercise: What did you learn about perceived diversity and interpersonal relations? What does it mean when our differences appear larger to ourselves than they appear to others? How does personal diversity affect team or organizational performance?

Online Personal Diversity Training and Assessment

Choose one or both of the following options as indicated by your instructor.

Option A—Diversity Training Video: This exercise is based on the incident described in the chapter wherein two Black men were arrested for sitting in a Starbucks restaurant. That incident prompted Starbucks **to** develop a training program to educate 175,000 employees about the unconscious bias that shapes expectations toward diverse people. A primary element of that diversity training was a seven-minute video.

Watch the Starbucks video at www.youtube.com/watch?v=eDPTVEqkGa4.

If you are doing this exercise alone, jot down brief answers to the following questions.

If you are doing this exercise in class, as indicated by your instructor, divide into groups of three to four heterogeneous students and discuss the following questions. Members take turns sharing your answers. Instructors may prefer to have a whole class discussion rather than use small groups, in which case the following questions can be discussed with the entire class.

1. What are you feeling after watching the Starbucks video?

_____

_____

2. What personal experiences can you share that reflect bias similar to the experiences described in the video?

_____

_____

3. What can we do as individuals to make sure that no one feels excluded?

_____
_____

Option B—Unconscious (Implicit) Bias Assessment: Go to https://implicit
.harvard.edu/implicit/ and complete one or more of the assessments under "Project
Implicit Social Attitudes." Your instructor may assign one of the 14 scales or you
may make your own choices. After completing the scale or scales, answer the
following questions. When considering and discussing these questions, keep in
mind that unconscious bias is not something you are aware of, so your results may
seem a surprise or unexpected.

If you are doing this exercise alone, jot down brief answers to the following
questions.

If you are doing this exercise in class, as indicated by your instructor, divide
into groups of three to four students and discuss the following questions. Mem-
bers take turns sharing your answers. Instructors may prefer to have a whole class
discussion rather than use small groups, in which case the following questions can
be discussed with the entire class.

1. What are you feeling about the level of unconscious bias revealed for the as-
sessments you completed? Do you agree with the assessment?

_____
_____

2. What was being measured in your responses that indicate bias? Do you feel
resistance to your results?

_____
_____

3. What do you think are the sources of your implicit bias and how might they
be altered?

_____
_____

Leadership Skills Application: Cases for Analysis

Oil Company Charade

Bethany Gentry was thrilled to have infiltrated the ultimate good old boy network,
landing a job with a mid-size Tulsa-based oil company. Armed with solid creden-
tials and what she considered the strengths of female leadership—listening, col-
laboration, consensus building, and organization—she looked forward to her first
meeting with the company's retiring first female manager, Alexis Baker.

Alexis offered a firm, almost painful handshake and a cup of coffee.

"I've been looking forward to meeting you, Alexis," Bethany said.

"It's Alex."

"Oh, I didn't know." Bethany took a sip of piping hot coffee with a sudden
vague feeling of discomfort. The first moments of this much-anticipated meeting
seemed awkward and somewhat strained.

"I'll be honest with you," Alex said as she walked around and sat in the oversized
chair behind her desk. "You're here for the same reason I was here. When our founder,

Champ Luman, died twelve years ago, his three middle-aged daughters, re- ferred to throughout the company as *the girls*, became major shareholders. They pushed hard for the inclusion of a woman in management. That *was* me. Now it's you."

Bethany tried to show no reaction as she set her cup on the desk. "Are you implying that I was selected over more qualified male candidates?"

"No. I was not on the selection team. I've seen your resume and you are an excellent addition to the organization. But qualifications aside, you and I fulfill, shall we say—the 'diversity' requirements for an otherwise all-male club."

Bethany could not believe the undisguised cynicism of the woman across the desk. She was torn between a desire to get up and march out of the office and a desire to stay and hear the entire lecture. She decided to take the high road. "My understanding was that you have been very successful here," she said.

"I suppose so." Alex gazed up at the numerous photographs showing oil rigs scattered across the Oklahoma plains. "I learned to play the game," she said somewhat wistfully and then suddenly turned and looked at Bethany. "I'm not trying to intimidate you. But I think that coming in, you should understand some things."

"Such as?"

"Such as . . . don't be too eager with your ideas or opinions. When I started, I intended to jump right in and contribute. The men resented it. I was considered a 'pushy broad' as one *gentleman* told me to my face. The reaction to me was harsh. They may have been stuck with me, but these guys could marginalize me, make sure I didn't count, and make sure I knew it."

"What did you do?"

"I stewed awhile and finally tried the opposite tactic. I jumped up to get coffee for everyone. I sought the *wise counsel* of their opinions before daring to make a suggestion in meetings. I played the female image that was in their minds. I felt like an idiot. I kowtowed till I thought I would throw up."

"How did they react?"

"I was no longer marginalized. But I wasn't respected either. I had quietly stepped back and accepted *my place*."

"Why didn't you just quit?"

"Because I knew that's exactly what they wanted me to do. And I'm just stub- born enough not to give them what they wanted."

Bethany took a deep breath and shook her head. "This sounds like the 1950s. I can't believe men in management act like this."

"Uh-huh. It may be a little better now, but they are still throwbacks to *Mad Men*."

"So how did you develop this reputation for success if you went from being ignored to being a doormat?"

"Have you met Bill Ledson?" Bethany nodded, took a sip of coffee, and leaned forward, waiting to hear the secret of success.

"At an industry meeting in Houston, his wife, Margaret, got tipsy, cornered me, and drawled, 'Listen, Honey. I've been around oil men all my life. My dad- dy and his daddy were oil men. You're going to have to wise up and take the plunge—become one of the boys. It's the only way you'll ever be accepted.' She reminded me that I'm on *their* turf. Margaret told me, 'Honey, as a wife and hostess for this crowd, I've talked more football than you can imagine. I hate football. I hang on for the commercials. But they don't know that. Bill doesn't

know that. Me and God—we're the only ones who know that. Trust me,' she said. 'These guys do get down to some serious business, but not until they grouse about how Oklahoma State was robbed of its chance to play LSU for the national championship.' "

"Isn't that trivializing the men in this company?" Bethany asked.

Alex shrugged. "It worked. I became Alex and I became one of the guys. And, over time, I came to be treated with grudging respect, and promotions followed. I held the room spellbound for fifteen minutes at the last board meeting with my theory that Texas A&M joined the Southeastern Conference in order to up their chances for better bowls because the BCS favors the SEC. Later, when I submitted my ideas for improving coordination of teams in the oil fields, they thought it was *brilliant*! I'm one of them!"

Bethany nodded, somewhat impressed.

"Take my advice. Change your name. Bethany is too girlie. What's your middle name?"

"Madison."

"Be Madison." Alex walked Bethany to the door and shook her hand. The meeting was over.

As the door closed behind her, Bethany's feelings about what she had just heard ranged from bewilderment to anger to depression. *She sold out. All of these women sold out. They can't even be who they are. I am an experienced, educated, qualified, capable woman. I don't want to be Madison*, Bethany thought confidently and pushed the elevator button.

The elevator opened and she stepped inside. *What have I gotten myself into?*

Questions

1. If you were Bethany, how would you try to conduct yourself at the oil company? Why do you think your approach would be successful?

2. Do you think male-dominated cultures like this one still exist? Do you think women have to plot a strategy to be accepted? Would you adopt a strategy in which you acted different from your normal personality? Why?

3. What does it mean to be "true to yourself"? Is being true to yourself more important than achieving personal career success in a male-dominated company? Is it okay to *enable* the continuation of an "unhealthy" work environment for women? Why?

The Safety Committee's Jewelry Dilemma

Leela Patel was standing by her machine, as she had for eight hours of each working day for the past six years. Leela was happy; she had many friends among the 400 or so women at the food processing plant. Most of them were of Indian origin like herself, although Asian women formed less than a fifth of the female workforce. Leela was a member of a five-woman team that reported to supervisor Bill Evans.

Leela saw Evans approaching now, accompanied by Jamie Watkins, the shop steward. "Hello, Leela; we've come to explain something to you," Evans began. "You must have heard about the accident last month when one of the girls caught a bangle in the

machine and cut her wrist. Well, the Safety Committee has decided that no one will be allowed to wear any bangles, engagement rings, earrings, or necklaces at work—only wedding rings, sleepers for pierced ears, and wristwatches will be allowed. So I'm afraid you'll have to remove your bangles." Leela, as was her custom, was wearing three bangles—one steel, one plastic, and one gold. All the married Asian women wore bangles, and many of the English girls had also begun wearing them. Leela explained that she was a Hindu wife and the bangles were important to her religion.

"Don't make a fuss, Leela," Evans said between clenched teeth. "I've already had to shout at Hansa Patel and Mira Desai. Why can't you all be like Meena Shah? She didn't mind taking her bangles off; neither did the English girls." Leela could see that Evans was very angry, so, almost in tears, she removed the bangles. When the two had moved off, however, she replaced the gold bangle and carried on with her work.

Within two or three days, the plant manager, Sam Jones, noticed that all the Asian women were wearing their bangles again—some, in fact, were wearing more than ever before. "I'm staggered by the response that this simple, common-sense restriction on the wearing of jewelry has brought," Jones remarked to the regional race relations employment advisor. "I have had several deputations from the Asian women protesting the ban, not to mention visits by individuals on the instruction of their husbands. In addition, I've just had a letter from something called the Asian Advisory Committee, asking that the ban be lifted until we meet with their representatives. The strength of this discontent has prompted me to talk to you. Jewelry constitutes both a safety and a hygiene hazard on this site, so it must be removed. And I'm afraid if I talk to this Asian Committee, they'll turn out to be a bunch of militants who'll cause all sorts of trouble. At the same time, we can't afford any work stoppages. What do you suggest?"

Several days later, the advisor had arranged for Mr. Singh from the local Council for Community Relations to talk to Jones and other managers. Singh explained that in his opinion there were no obstacles arising from *religious* observance that prevented implementation of the ban on bangles. However, he pointed out, the bangles do have a custom base that is stronger than the English tradition base for wedding rings. "The bangles are a mark not only of marriage but of the esteem in which a wife is held by her husband. The more bangles and the greater their value, the higher her esteem and the greater her social standing. The tradition also has religious overtones, since the wearing of bangles by the wife demonstrates that each recognizes the other as 'worthy' in terms of the fulfillment of their religious obligations. This position is further complicated in that women remove their bangles if they are widowed, and some fear that the removal of the bangles may lead to their husbands' deaths."

Questions

1. What is your initial reaction to this story? Why do you think you had this reaction?

2. Based on this limited information, how would you rate this organization in terms of honoring diversity and developing leadership diversity? Discuss.

3. If you were a top executive at this company, how would you handle this problem?

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Leadership Power and Influence

Chapter Outline

Your Leadership Challenge

After reading this chapter, you should be able to:

12-1 Explain how leaders use power and politics to help accomplish important organizational goals.

12-2 Describe the four major styles of influential leadership—transformational, charismatic, coalitional, and Machiavellian.

12-3 Explain the difference between soft power and hard power and identify specific types of power used by leaders.

12-4 Describe structural, human resource, political, and symbolic frames of reference and political tactics for applying power.

12-5 Understand that effective leaders don't use power to exploit others for personal gain.

George Zimmer started Men's Wearhouse in 1973 with one store in Houston, using a cigar box as his cash register. By the time he turned over the CEO job to his hand-groomed successor, Doug Ewert, television commercials in which Zimmer smilingly promised, "You're gonna like the way you look. I guarantee it," were famous. Men's Wearhouse had stores all over the country and a growing digital presence. After almost 40 years, Zimmer resigned as CEO and stepped into the role of executive chairman, turning over the day-to-day operation of the company to Ewert and his top executive team. But Zimmer and Ewert soon began to clash. Tensions boiled over at a board meeting after the company announced that it wanted to sell a deep-discount menswear chain bought under Zimmer's leadership. Zimmer strongly opposed selling the chain, and he was also furious that the board had voted to increase key executive salaries by as much as twofold without consulting him. The power struggle continued for a couple of months, after which Zimmer was fired. Late-night television show host Jimmy Kimmel joked that it was like firing Santa Claus.[1]

George Zimmer learned the hard way that when he turned formal authority over to Doug Ewert, he lost most of the power that had enabled him to exert nearly absolute control at Men's Wearhouse for decades. His role as founder and former CEO did not give him authority to run the company after stepping into a figurehead position—a bitter lesson in the reality of formal power. Power struggles frequently occur in organizations, and formal authority is only one type of power leaders might use to influence others to accomplish the goals they desire. Zimmer apparently did not try to use informal sources of power that may have been available to him.

This chapter explores the topic of leadership power and influence in detail. The chapter opens with a consideration of four types of influential leadership. We next examine what we mean by the terms *power* and *influence*, consider different leader frames of reference that affect how leaders think about and use power, look at the differences in using soft power versus hard power, and outline ways leaders exercise power and influence through political activity. Finally, we briefly consider some ethical aspects of using power and influence.

12-1 Four Kinds of Influential Leadership

New leaders often think of leadership power as something granted by an organization through the leader's position, and formal position can indeed be a strong source of power, as illustrated in the opening example. However, leaders also have power that doesn't depend on job authority, and they influence people through a variety of means. Power often depends on much more than a job title. Four types of influential leadership that rely on a leader's personal style and relationships are transformational, charismatic, coalitional, and Machiavellian-style leadership.

12-1a Transformational Leadership

Transformational leadership is characterized by the ability to bring about significant change in both followers and the organization. Transformational leaders have the ability to lead changes in an organization's vision, strategy, and culture as well as promote innovation in products and technologies.

Transformational leadership
leadership characterized by the ability to bring about significant change in followers and the organization

One way to understand transformational leadership is to compare it to transactional leadership.[2] The basis of **transactional leadership** is a transaction or exchange process between leaders and followers. The transactional leader recognizes followers' needs and desires and then clarifies how those needs and desires will be satisfied in exchange for meeting specified objectives or performing certain duties. Thus, followers receive rewards for job performance, whereas leaders benefit from the completion of tasks. Transactional leaders focus on the present and excel at keeping the organization running smoothly and efficiently. They are good at traditional management functions such as planning and budgeting and generally focus on the impersonal aspects of job performance. Transactional leadership can be quite effective. However, because it involves a commitment to "follow the rules," transactional leadership maintains stability within the organization rather than promoting change.

Transactional skills are important for all leaders. However, in a world in which success often depends on continuous change, organizations also need transformational leadership.[3] Rather than analyzing and controlling specific transactions with followers using rules, directions, and incentives, transformational leadership focuses on intangible qualities such as vision, shared values, and ideas in order to build relationships, give larger meaning to separate activities, and inspire people to participate in the change process. Transformational leadership is based on the personal values, beliefs, and qualities of the leader rather than on an exchange process between leaders and followers.

Studies support the idea that transformational leadership has a positive impact on follower development, performance, and even organizational profitability.[4] Moreover, transformational leadership skills can be learned as they are not ingrained personality characteristics. Transformational leadership differs from transactional leadership in four significant areas.[5]

1. *Transformational leadership paints a grand vision of a desired future and communicates it in a way that makes the pain of change worth the effort.*[6] The most significant role of the transformational leader may be to articulate a vision that is significantly better than the old one and to enlist others in sharing the dream. It is the vision that launches people into action and provides the basis for the other aspects of transformational leadership. Without vision, there can be no transformation.

2. *Transformational leadership inspires followers to go beyond their own self-interests for the good of the group.* Transformational leaders motivate people to do more than originally expected. They make followers aware of the importance of change goals and outcomes and, in turn, enable them to transcend their own immediate interests for the sake of the whole organization.

3. *Transformational leadership elevates the concerns of followers from lower-level physical needs (such as for safety and security) to higher-level psychological needs (such as for self-esteem and self-actualization).* Lower-level needs are met through adequate wages, safe working conditions, and other considerations, but the transformational leader also pays attention to each person's need for growth and development. Therefore, the leader sets examples and assigns tasks not only to meet immediate needs but also to elevate followers' needs and abilities to a higher level and link them to the organization's mission.

4. *Transformational leadership develops followers into leaders.* Instead of strictly controlling people, transformational leaders strive to bring out the best in followers. They rally people around the mission and vision and define the boundaries within which followers can operate with greater freedom to accomplish goals. They enlist followers in identifying problems and help them look at things in new ways so they can bring about productive change to reach the vision.

Jeff Shell, CEO of NBCUniversal, is acting as a transformational leader to bring change to the entertainment giant's many divisions, including the NBC network, news division, cable channels including Bravo and USA, and the company's film studios and theme parks. One significant change involves pushing new movies onto digital platforms for home rental faster, rather than waiting months for Hollywood movies to run exclusively in theaters. Shell saw an opportunity to implement that vision when the COVID-19 pandemic forced theaters to close in the spring of 2020. For example, he had Universal release *Trolls World Tour* on a host of digital services rather than waiting for theaters to reopen, and it was a financial success. Shell has also shifted resources from broadcast and cable networks to the company's new Peacock streaming-video service. Preaching the need for rapid adjustment, Shell says "pivot" so often that the Peacock team had the word printed on the front of T-shirts. Chris Meledandri, chief executive of Illumination Entertainment, the studio behind Universal's lucrative *Minions* franchise, says he at first resisted the changes, wanting "to hold onto the world as I knew it." But Shell's leadership is having an impact. "I am certainly heading toward his vision of the future," Meledandri said.[7]

Effective leaders exhibit both transactional and transformational leadership patterns. They accentuate not only their abilities to build a vision and empower and energize others, but also the transactional skills of designing structures, control systems, and reward systems that can help people achieve the vision.[8]

12-1b Charismatic Leadership

Charisma has been called "a fire that ignites followers' energy and commitment, producing results above and beyond the call of duty."[9] **Charismatic leaders** have an emotional impact on people and inspire them to do more than they would normally do, despite obstacles and personal sacrifice. Their passion for a mission inspires people to follow them and motivates people to transcend their own interests for the sake of achieving the goal. Whereas transformational leadership seeks to increase follower engagement and empowerment, charismatic leadership typically instills both awe and submission in followers.[10] Transformational leadership motivates people not just to follow the leader personally but also to believe in the need for change and be willing to make sacrifices for the sake of the vision rather than just out of admiration for the leader.

Charisma can be used for good or ill, but applied wisely and ethically, it can lift the entire organization's level of energy and performance. In their book, *Messengers: Who We Listen To, Who We Don't, and Why*, Stephen Martin and Joseph Marks report that a meta-analysis of data spanning nearly 25 years shows that "charismatic leaders not only possess an ability to inspire their troops to ever higher levels of performance, but also simultaneously embed deeper levels of commitment in their psyche."[11] There are aspects of charismatic leadership that anyone can learn to use.

Put It Into Practice 12.2

When you are participating with a group in some school, work, or sports activity that you genuinely enjoy, try telling a brief personal story about your love of the activity that will appeal to people's emotions. What effect did telling the story have on you? On others?

Charismatic leaders leaders who have the ability to inspire and motivate people to do more than they would normally do, despite obstacles and personal sacrifice

Leadership Practice: Know Yourself 12.1

Transformational Leadership

Instructions: Think of a situation in which someone (boss, coach, teacher, group leader) was in a leadership position over you. Indicate whether each of the following items is Mostly False or Mostly True for you.

In general, the leader over me:

	Mostly False	Mostly True
1. Listened carefully to my concerns	_____	_____
2. Showed conviction in their values	_____	_____
3. Helped me focus on developing my strengths	_____	_____
4. Was enthusiastic about our mission	_____	_____
5. Provided coaching advice for my development	_____	_____
6. Talked optimistically about the future	_____	_____
7. Encouraged my self-development	_____	_____
8. Fostered a clear understanding of important values and beliefs	_____	_____
9. Provided feedback on how I was doing	_____	_____
10. Inspired me with their plans for the future	_____	_____
11. Taught me how to develop my abilities	_____	_____
12. Gained others' commitment to their dream	_____	_____

Scoring and Interpretation

These questions represent two dimensions of transformational leadership. For the dimension of *develops followers into leaders*, sum your Mostly True responses to questions 1, 3, 5, 7, 9, and 11. For the dimension of *inspires followers to go beyond their own self-interest*, sum your Mostly True responses for questions 2, 4, 6, 8, 10, and 12.

The scores for my leader are:

Develops followers into leaders:_____
Inspires followers to go beyond their own self-interest:_____

These two scores represent how you saw your leader on two important aspects of transformational leadership. A score of 5 or above on either dimension is considered high because many leaders do not practice transformational skills in their leadership or group work. A score of 2 or below would be below average. Compare your scores with those of other students to understand your leader's practice of transformational leadership. How do you explain your leader's score?

Remember, the important learning from this exercise is about yourself, not your leader. Analyzing your leader is simply a way to understand the transformational leadership concepts. How would you rate on the dimensions of *developing followers into leaders* or *inspiring followers to go beyond their own self-interest*? These are difficult skills to master. Answer the 12 questions for yourself as a leader. Analyze your pattern of transformational leadership as revealed in your 12 answers.

Sources: These questions are based on B. Bass and B. Avolio, *Multifactor Leadership Questionnaire*, 2nd ed. (Mind Garden Inc.) and P. M. Podsakoff, B. MacKenzie, R. H. Moorman, and R. Fetter, "Transformational Leader Behaviors and Their Effects on Followers, Trust in Leader Satisfaction, and Organizational Citizenship Behaviors," *Leadership Quarterly* 1, no. 2 (1990), pp. 107–142.

For one thing, charisma comes from pursuing activities that you have a true passion for.[12] Charismatic leaders are engaging their emotions in everyday work life, which makes them energetic, enthusiastic, and attractive to others. For example, Sir Richard Branson, founder of the Virgin Group, which includes more than 400 companies in various industries, never gets involved in a new business unless it is something he has fun doing. His enthusiasm rubs off on everyone around him.[13]

Characteristics of Charismatic Leaders A number of studies have identified the unique qualities of charismatic leaders, documented the impact they have

on followers, and described the behaviors that help them achieve remarkable results.[14] Exhibit 12.1 compares distinguishing characteristics of charismatic and noncharismatic leaders.[15]

- Charismatic leaders articulate an idealized vision of a better future that inspires people and promotes a sense of connection among followers. They set high expectations and fire up people's confidence that they can be achieved.
- They communicate complex ideas and goals in clear, compelling ways, often using metaphors, stories, and anecdotes, so that people understand and identify with their message.
- They convey moral convictions and shared sentiments to demonstrate alignment of goals and expectations with the needs of followers.
- They effectively use nonverbal communication—body gestures, facial expressions, and an animated voice—to demonstrate passion, touch emotions, and gain support.
- The final quality shared by charismatic leaders is that their source of influence comes from personal characteristics rather than a formal position of authority. People admire, respect, and identify with charismatic leaders and want to be like them. Although charismatic leaders may be in formal positions of authority, charismatic leadership transcends formal organizational position because the leader's influence is based on personal qualities rather than the power and authority granted by the organization.

Jack Ma, who cofounded Alibaba Group Holding Ltd. in an apartment in Hangzhou and is now one of China's richest people, provides an example of a charismatic leader. From the beginning, Ma expressed a bold vision—to not just build a company but create a flagship enterprise that would give China a renewed sense of purpose and inspire other Chinese to realize that they could transform the world. He built Alibaba by unifying employees, partners, and investors around common goals and inspiring loyalty toward meeting them. Ma, who resigned as CEO of Alibaba in 2013 and stepped down as executive chairman in 2019, is a master communicator and enjoys celebrating with employees. To mark the company's 20th anniversary and celebrate Ma's retirement, tens of thousands of employees gathered at a stadium in Hangzhou. The finale featured Ma with orange guitar, jeweled sunglasses, and spiked shoulder pads leading a four-person band of senior executives singing *You Raise Me Up*.[16]

Increase Your Zoom Charisma When some offices were closed during the COVID-19 pandemic, many leaders learned that charisma doesn't come across in a video call or Zoom conference the same way it does in person. The use of facial expressions, physical gestures, and even tone of voice that contribute to powerful charismatic communication can be constrained in a digital setting. Leigh Thompson, a professor at the Kellogg School of Management and author of *Negotiating the Sweet Spot: The Art of Leaving Nothing on the Table*, says, "E-charisma involves a completely different set of skills and attributes than does P-charisma." Experts offer the following tips to help achieve Zoom charisma:[17]

- Make eye contact by positioning the camera at eye level and looking at the camera rather than the people on the screen. In smaller meetings where you need to interact more, it is okay to look at people on the screen—look

at one person or one pair of eyes as someone is speaking, for example, to show that you are listening.

- Pay close attention to your nonverbal communication. Nod more and smile more than you normally would in a physical meeting. A simple, warm smile without teeth showing is best for when others are talking, with a broader smile or laugh when someone makes a joke. Strive to radiate positive energy—avoid a negative "resting face" and don't slouch while you are listening.
- When you are speaking, express excitement about your topic. Vary your pitch and speech patterns to emphasize points and make the conversation more engaging. Be sure to speak clearly, use easy to understand language, and ask questions to get feedback.

12-1c Coalitional Leadership

Coalitional leadership
leadership that involves developing allies and building a coalition of people who support the leader's goals and can help influence others to implement the leader's decisions and achieve the goals

Transformational and charismatic leadership both suggest it is the individual leader who acts as a catalyst for bringing about valuable change toward achieving a goal or vision. Yet in most cases, successful change results from the efforts of a *coalition* of people rather than those of a single leader. **Coalitional leadership** involves building a coalition of people who support the leader's goals and can help influence others to implement the leader's decisions and achieve the goals.[18] Coalitional leaders observe and understand patterns of interaction and influence in the organization. They are skilled at developing connections with a broad network of people and can adapt their behavior and approach to diverse people and situations.

Exhibit 12.1

Distinguishing Characteristics of Charismatic and Noncharismatic Leaders

	Noncharismatic Leaders	**Charismatic Leaders**
Likability:	Shared perspective makes leader likable	Shared perspective and idealized vision make leader likable and an honorable hero worthy of identification and imitation
Relation to status quo:	Tries to maintain status quo	Creates atmosphere of change
Future goals:	Limited goals not too discrepant from status quo	Idealized vision that is highly discrepant from status quo
Articulation:	Weak articulation of goals and motivation to lead	Strong and inspirational articulation of vision and motivation to lead
Behavior:	Uses available means to achieve goals within framework of the existing order	Uses unconventional means to transcend the existing order
Influence:	Primarily authority of position and rewards	Transcends position; personal power based on expertise and respect and admiration for the leader

Source: Adapted from Jay Conger and Rabindra N. Kanungo and Associates, *Charismatic Leadership: The Elusive Factor in Organizational Effectiveness* (San Francisco: Jossey-Bass, 1988), p. 91.

Coalitional leaders develop positive relationships both within and outside the organization, and they spend time learning others' views and building mutually beneficial alliances. Coalition building seems to be especially important in the political arena. A recent book titled *The Man Who Ran Washington* describes the political savvy of James A. Baker, who served as White House chief of staff during Ronald Reagan's first term as U.S. president and went on to hold powerful positions as Treasury secretary in Reagan's second term and secretary of state for George H. W. Bush. Baker flourished in politics partly due to his networking and coalition-building skills, fostering smooth relationships with Congress as well as aides, the media, and other outsiders.[19]

Failing to build a coalition can allow conflict and disagreements to derail a leader's decision, particularly if the opposition builds a powerful coalition of its own. Leaders always have to anticipate resistance, talk with people all across the organization, and make sure their decisions will benefit the overall organization. For example, leaders of the Los Angeles Rams knew that hiring a new head coach was a decision that would change the football franchise's future for better or worse. Franchise owner and chairman Stan Kroenke and other top Rams leaders first came up with a list of about 30 desirable candidates, then involved people throughout the franchise in evaluating them. One name on the list was 30-year-old Sean McVay. Some leaders were apprehensive about the possibility of hiring a head coach who was 38 years younger than the team's defensive coordinator. To make sure everyone would support the final decision, the interviewing process with McVay took place over a period of eight days and involved McVay meeting with players, staff members, and managers throughout the organization. The decision to hire Sean McVay turned out to be a good one. Two years later, he took the Rams to the Super Bowl, where he was the youngest head coach ever to reach the Super Bowl game and was eight years younger than the quarterback of the opposing team, Tom Brady.[20]

Leaders can be more successful if they follow four steps for effective coalitional leadership:[21]

1. *Coalitional leaders talk to lots of people.* Leaders have informal conversations with people from all across the organization to gather information and get a clear sense of the challenges and opportunities they face.

2. *Coalitional leaders visit customers and other stakeholders.* Coalitional leaders also solicit the views and input of customers as well as other potentially influential stakeholders, such as board members, government agencies, creditors, or others. When Jan Frank assumed leadership of the California State Compensation Insurance Fund in 2007, she found that this was a big part of her efforts to bring change to the agency, which was reeling from financial scandal, ethical violations, and a criminal investigation. In addition to talking with managers, employees, and board members, Frank met regularly with lawmakers and regulators to solicit their input regarding how to repair the agency's credibility. She knew their support was crucial to achieving what she wanted for the agency.[22]

3. *Coalitional leaders may develop a map of stakeholder buy-in.* Leaders typically find that there are some people who strongly support their goals and plans, some who adamantly oppose them, and a large percentage

who could swing either way. As illustrated in Exhibit 12.2, in mapping the level of buy-in for any significant change, about 10 percent of people can typically be classified as *advocates,* those stakeholders inside and outside the organization who are strong supporters and will help lead the change effort. Another 10 percent might be *partners,* who support and encourage the change but will not actively lead it. Twenty percent are typically strongly opposed to the change. These *resisters* might even disrupt or sabotage change efforts. The remaining 60 percent are classified as *observers* because they have a neutral attitude toward the proposed ideas and changes.[23]

4. *Coalitional leaders break down barriers and promote cross-silo cooperation.* The final critical step in coalitional leadership is continually breaking down barriers and promoting cooperation and collaboration across departments, divisions, and levels. At Tesla, Elon Musk sent an e-mail some years ago in which he cautioned that department managers "should work hard to ensure that they are not creating silos within the company that create an us vs. them mentality or impede communication in any way. . . . Always view yourself as working for the good of the company and never your department."[24]

Exhibit 12.2

Mapping Stakeholder Buy-In
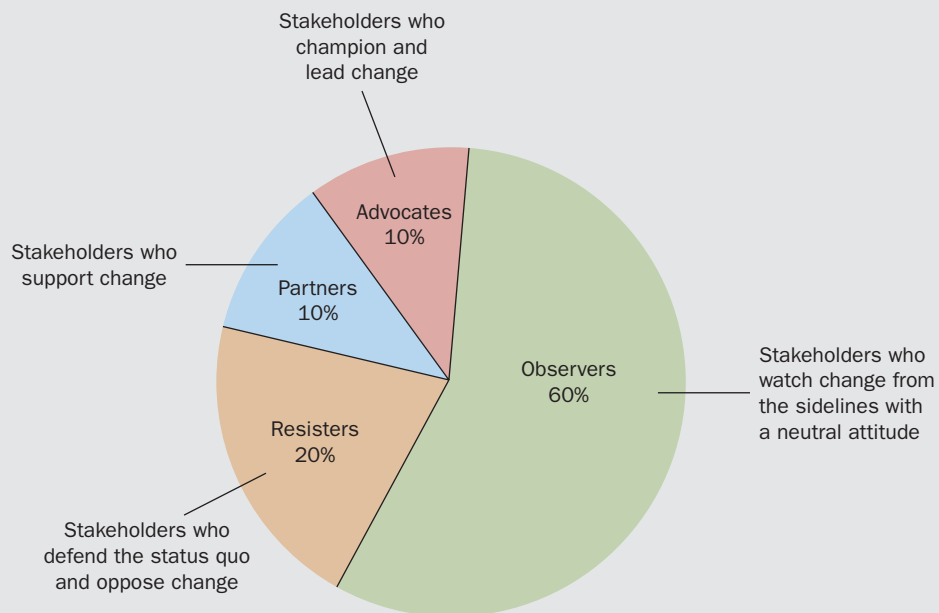
Source: Data are adapted from materials supplied by Experience Point, Inc., in conjunction with the Global Tech simulation, 2007.

12-1d Machiavellian-Style Leadership

Niccolò Machiavelli was an Italian philosopher, historian, and political strategist who wrote *The Prince* in 1513 as a guide for political leaders of the day on how to acquire and use power.[25] The term *Machiavellian* is often associated with unscrupulous, even diabolical behavior aimed at increasing one's power for personal gain, but in reality Machiavelli's essential argument in *The Prince* is that the welfare of the state must come first and foremost and that leaders must often do tough, even ruthless things in the spirit of the ends justifying the means. In other words, power is a tool used for securing the safety and stability of the organization. Despite the emphasis today on agreeableness and collaboration, many organizational leaders, scholars, and politicians agree with Machiavelli that it isn't possible in an imperfect world to lead with "perfectly clean hands."[26]

Jeffrey Pfeffer, Stanford University professor and an expert on organizational power and politics, refers to the need for leaders to sometimes use *bare-knuckle strategies* to attain the clout they need to accomplish great things.[27] As further described in the Leader's Bookshelf selection for this chapter, Pfeffer believes that despite laudable personal achievements, power and politics almost always trump performance as a source of impact, so leaders had better be comfortable acquiring and using these tools. In today's less-hierarchical organizations, leaders actually need more power than before to influence people. When Zia Yusuf, now a senior partner and managing director at Boston Consulting Group, was an executive vice president at SAP, he advised and taught the people who worked for him how to court favor with the top 50 people in the company. Yusuf knew that having people in high places increases power and helps accomplish goals. Yusuf was in charge of an initiative that linked suppliers, users, and developers and had to influence many people over which he had no formal authority, not only from across SAP but from many different organizations. Yusef succeeded because he was skilled at what he called "organizational dynamics"—the ability to influence people to get them to do what needed to be done.[28]

As discussed in the previous sections, many types of leadership are used to influence people. Each style—transformational, charismatic, coalitional, and Machiavellian—relies on different assumptions and behaviors. With Machiavellian-style leadership, the leader is willing to use any means necessary to preserve and protect the well-being of the organization. The characteristics of Machiavellian-style leaders include the following:[29]

1. *They are always on guard for risks and threats to their power.* Machiavellian-style leaders assume that people are basically fickle, greedy, and deceitful, so the leader is always alert to shifting loyalties and is not above using manipulation or pitting people against one another to retain or acquire more power to achieve goals.

2. *They don't mind being feared.* Machiavelli warned that striving to be the most-liked leader can backfire when difficult times call for tough actions. By being too merciful and generous, leaders can ultimately allow disorder to destroy the organization.

3. *They will use deception if necessary.* The Machiavellian-style leader has no problem maintaining or using power by deceptive means to ensure the safety of the organization.

4. *They use rewards and punishments to shape behavior.* Machiavellian-style leaders don't mind exploiting the fears and desires of people to get them to follow the rules and do what is necessary for the overall good.

Leader's Bookshelf	Power: Why Some People Have It and Others Don't	by Jeffrey Pfeffer

Managers may be granted positions of authority, but real power doesn't just fall into a person's hands. It takes ambition, resolve, energy, and skill to accumulate the power a leader needs to be effective and successful, Jeffrey Pfeffer says in *Power: Why Some People Have It and Others Don't.* Think doing a good job gets you power? Think again. As Pfeffer puts it, "welcome to the real world—not necessarily the world we want, but the world that exists."

Power in the Real World
To accumulate power, you need to get noticed. Here are some of Pfeffer's tips for doing so.

- *Play Up to the Boss.* Pfeffer advises regularly asking people who have power what aspects of your job they think are most crucial and how they think you should be doing them. This is one tactic for making your boss and other people with power feel good about themselves. "The surest way to keep your position and to build a power base is to help those with more power enhance their positive feelings about themselves." In Pfeffer's view, flattery really can get you everywhere.

- *Master the Art of Networking.* Try to forge a link between different parts of the company or between the company and important outsiders so that you become the center of a network. Build relationships with people that you can help and who can help you with information and resources. Playing the political game is necessary for acquiring power and getting things done.

- *Be Forceful but Pick Your Battles Carefully.* People who appear forceful and self-confident gain power, whereas those who seem uncertain fade away. Something as simple as interrupting others in a meeting expresses confidence. Pfeffer says Andy Grove of Intel used to insist that his brilliant but shy managers attend *wolf school* where they "learned how to lean into a superior's face and shout out an idea or proposal."

- *Judiciously Break Some Rules.* "The practice of flouting rules and violating norms actually *creates* power, as long as the culprit gets away with the behavior," says Pfeffer. The rules favor the people who make the rules— those who already have power, and they don't always benefit those who want to acquire it.

Is This the Right Way for a Leader to Act?
Pfeffer's book has been criticized for failing to acknowledge that too much focus on obtaining power— and power itself—can be corrupting. Yet, as Pfeffer points out, without power leaders and organizations cannot hope to succeed. In addition, Pfeffer cites research showing that powerful people are wealthier, have more friends, enjoy a better quality of life, and even live longer, healthier lives. He offers this book as a how-to manual for getting and keeping power.

Source: *Power: Why Some People Have It and Others Don't,* by Jeffrey Pfeffer, is published by HarperCollins.

Like coalitional leaders, Machiavellian-style leaders are highly political, but whereas coalitional leaders focus on reaching out and working with others, Machiavellian-style leaders typically focus on gaining and using individual power. They may strive to gain control over information and resources such as jobs, rewards, financial support, and materials so that people depend on them for what they need, which increases their power.[30] These leaders may also use any means necessary to preserve their power, but they do so because they believe the organization can be secure only if it has powerful leaders. There are times in every organization when tough, even bare-knuckle leadership is needed.

Suzanne Evans says she used Machiavellian-style leadership to save her family. Evans was newly married, finishing a dissertation for her Ph.D. in history, and caring for four children under the age of 8. It was total chaos, but like many mothers dealing with blended families, Evans was trying to be kind and generous to the children. "Yet as I read *The Prince*," she says, "I realized that

Leadership Practice: Know Yourself 12.2

What's Your Mach?

Instructions: Leaders differ in how they view human nature and the tactics they use to get things done through others. Answer the following questions based on how you view others. Think carefully about each question and be honest about what you feel inside. Please answer whether each item is Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. Overall, it is better to be humble and honest than to be successful and dishonest.	_____	_____
2. If you trust someone completely, you are asking for trouble.	_____	_____
3. A leader should take action only when it is morally right.	_____	_____
4. A good way to handle people is to tell them what they like to hear.	_____	_____
5. There is no excuse for telling a white lie to someone.	_____	_____
6. It makes sense to flatter important people.	_____	_____
7. Most people who get ahead as leaders have led very moral lives.	_____	_____
8. It is better to not tell people the real reason you did something unless it benefits you to do so.	_____	_____
9. The vast majority of people are brave, good, and kind.	_____	_____
10. It is hard to get to the top without sometimes cutting corners.	_____	_____

Scoring and Interpretation

To compute your Mach score, give yourself one point for each Mostly False answer to items 1, 3, 5, 7, and 9, and one point for each Mostly True answer to items 2, 4, 6, 8, and 10. These items were drawn from the works of Niccolò Machiavelli, an Italian political philosopher who wrote *The Prince* in 1513 to describe how a prince can gain the power to protect and control his kingdom. From 8 to 10 points suggests a high Machiavellian score. From 4 to 7 points indicates a moderate score, and 0 to 3 points would indicate a low "Mach" score. Successful political intrigue at the time of Machiavelli was believed to require behaviors that today might be considered manipulative. A high Mach score today does not mean a sinister or vicious person but probably means the person has a cool detachment, sees life as a game, and is not personally engaged with people. Discuss your results with other students, and talk about examples of politicians or top executives whom you think would likely have a high or a low Mach score.

Source: Adapted from R. Christie and F. L. Geis, *Studies in Machiavellianism* (New York: Academic Press, 1970).

the more things I gave them, the more they expected and the less grateful they became."

Evans decided that a tough Machiavellian-style approach might be just what was needed. Rather than respond with money to the children's temper tantrums while shopping, she "guarded against a reputation for being too generous" on the next trip to Target by giving each one $10 and telling them to use it wisely because it was all they would get. To help her son Daniel do better in school, Evans used "divide and conquer" by pitting him against her daughter Teddy. When Teddy brought home a near perfect report card, she received a celebratory dinner at her favorite restaurant while Daniel got nothing. When Evans and her husband desperately needed a break, she used "be deceptive" by telling the children they were going on a business trip to avoid the whining and crying that would ensue

if the children were excluded from a weekend getaway. The strategies worked. Shopping trips went smoothly, Daniel started receiving excellent report cards, and Evans and her husband had a great weekend away.[31]

Although Machiavellian-style leadership appears to be the approach most motivated to gain and use power, all leaders rely on the use of power to influence others and get things done.[32] In the following sections, we examine various types of power and how leaders apply power through influence tactics.

Remember This:

- Leaders use power and political processes to influence others and get things done. Four types of influential leadership that rely strongly on a leader's personal characteristics and relationships are transformational, charismatic, coalitional, and Machiavellian-style leadership.

- **Transformational leadership** is leadership characterized by the ability to bring about significant change in followers and the organization, in contrast to **transactional leadership**, which is based on a transaction or exchange process between leaders and followers.

- **Charismatic leaders** have a strong emotional impact on people, and they inspire and motivate followers to do more than they would normally do, despite obstacles and personal sacrifice. Applied wisely and ethically, charismatic leadership can lift the entire organization's level of energy and performance.

- An example of a charismatic leader is Jack Ma, who cofounded and built Alibaba Group Holding Ltd. by articulating a bold vision to create a flagship enterprise that would give China a renewed sense of purpose and inspire other Chinese to realize that they could transform the world.

- Leaders have learned that the use of facial expressions, physical gestures, and even tone of voice that contribute to powerful charismatic communication can be constrained in a digital setting, so they must pay more attention to both verbal and nonverbal communication.

- In most cases, successful change results from the efforts of a *coalition* of people rather than those of a single leader. **Coalitional leadership** involves developing allies and building a coalition of people who support the leader's goals and can help influence others to implement the leader's decisions and achieve the goals.

- To have broad influence, coalitional leaders develop relationships with others, listen to others' needs and goals, and promote cooperation.

- Leaders at the Los Angeles Rams used coalitional leadership to make the decision about hiring a new head football coach.

- Machiavellian-style leadership is based on the belief that leaders must often do tough, even ruthless, things in the spirit of protecting the organization. Machiavellian leaders focus on acquiring individual power more than on collaborating with others.

12-2 Using Hard versus Soft Power

Power is often defined as the potential ability of one person to influence others to carry out orders[33] or to do something they otherwise would not have done.[34] Other definitions stress that power is the ability to achieve goals or outcomes that power holders desire.[35] "Simply put, [power is] the ability to have things your way."[36] The achievement of desired outcomes is the basis of the definition used here. **Power** is the potential ability of one person in an organization to influence other people to bring about desired outcomes. It is the potential to influence others within the organization with the goal of attaining desired outcomes for power holders.

Power can be categorized as either *hard power* or *soft power*. Hard power is power that stems largely from a person's position of authority. This is the kind of power that enables a supervisor to influence direct reports with the use of rewards and punishments, allows a manager to issue orders and expect them to be obeyed, or lets a domineering CEO force through their own decisions without regard for what anyone else thinks. This is the approach to power typically taken by Machiavellian-style leaders. Transformational, charismatic, and coalitional leaders also use hard power, but they rely more often on soft power, which is based on personal characteristics and interpersonal relationships. Similarly, Machiavellian-style leaders also sometimes use soft power.

Power is realized through the processes of politics and influence.[37] **Influence** refers to the effect a person's actions have on the attitudes, values, beliefs, or actions of others. Whereas power is the capacity to cause a change in a person, influence may be thought of as the degree of actual change. For example, as a child you may have had the experience of playing a game you didn't really want to play because one person in the group influenced others to do what they wanted. Or you may have changed your college major because of the influence of someone important in your life, or shifted your beliefs about some social issue based on the influence of political or religious leaders.
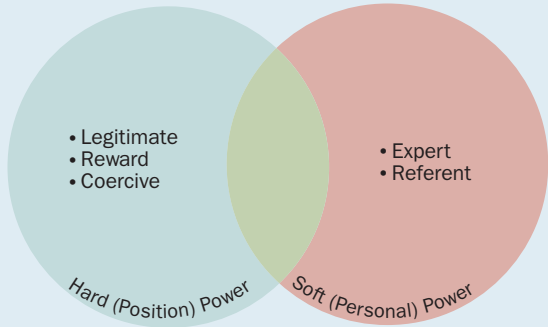
12-2a Hard Power

Most discussions of power include five types that are available to leaders.[38] Exhibit 12.3 illustrates the five types of leader power, categorized as either hard power or soft power. Hard power includes legitimate, reward, and coercive power, which are defined largely by the organization's policies and procedures.

Legitimate Power **Legitimate power** is the authority granted from a formal position in an organization. For example, once a person has been selected as a supervisor, most employees accept that they are obligated to follow the person's direction with respect to work activities. Certain rights, responsibilities, and prerogatives accrue to anyone holding a formal leadership position. Followers accept the legitimate rights of formal leaders to set goals, make decisions, and direct activities. Mark Zuckerberg, cofounder and CEO of Facebook, has been using his legitimate power to assert stronger control over the company in recent years. As described in Chapter 10, Zuckerberg made a number of changes that put him more directly in charge of decision making regarding key issues such as how to address criticism of the company's effect on U.S. politics. Zuckerberg also used his legitimate power to replace the outside founders of Instagram and WhatsApp with managers loyal to him and to swap out five of the board's nine members.[39]

Power
the potential ability of one person to influence other people to bring about desired outcomes

Influence
the effect a person's actions have on the attitudes, values, beliefs, or actions of others

Legitimate power
authority granted from a formal position

Exhibit 12.3

Five Types of Leader Power

Hard Power	Soft Power
Legitimate: Based on leader holding a formal position or title. People accept leader's right to issue orders or direct activities.	**Expert:** Based on leader's special knowledge or skills. People trust and respect decisions because of leader's expertise.
Reward: Based on leader having the ability to provide or withhold rewards. People comply in order to obtain desired rewards.	**Referent:** Based on leader's personal characteristics. People admire and respect leader, like to be around them, and adopt the leader's viewpoint.
Coercive: Based on leader's ability to punish or to recommend punishment. People follow orders to avoid punishments.	• Legitimate • Reward • Coercive • Expert • Referent Hard (Position) Power Soft (Personal) Power

Reward power
authority to bestow rewards on other people

Reward Power Power that stems from the authority to bestow rewards on other people is called **reward power**. For example, appointed leaders may have access to formal rewards, such as pay increases or promotions. As one example, to encourage more environmentally sustainable practices, top leaders at Royal Dutch Shell are setting three-year and five-year goals each year for cutting carbon dioxide emissions and linking pay raises of its executives to achieving the targets.[40] Moreover, organizations allocate huge amounts of resources downward from top leaders. Leaders control resources and their distribution. Lower-level followers depend on leaders for the financial and physical resources to perform their tasks. Leaders with reward power can use rewards to influence subordinates' behavior.

Coercive power
authority to punish or recommend punishment

Coercive Power The opposite of reward power is **coercive power**. It refers to the power to punish or recommend punishment. Supervisors have coercive power when they have the right to fire or demote subordinates, criticize, or withhold pay increases. Sometimes, leaders rely too strongly on their coercive power. For example, as reported in *The New York Times* and *The Hollywood Reporter*, dozens of former employees of Hollywood producer Scott Rudin, whose films include *The Social Network* and *The Girl with the Dragon Tattoo*, said the powerful producer had a long history of "terrorizing" employees, attacking them verbally, hitting walls or desks when angry, or even hurling staplers, cell phones, or other items at people. An office manager reportedly was taken away by ambulance after having a panic attack. One intern was fired for moving too slowly to alert maintenance about a flickering ceiling light and another employee was fired for falling asleep while working late. Rudin recently announced that he was stepping back from active participation in his

Put It Into Practice 12.4

Reflect on how you might develop personal relationships to increase your influence with others. Write down how you feel about developing relationships to increase your influence.

projects to "become a better person and address my [anger management] issues."[41] Coercive power is the negative side of legitimate and reward power.

12-2b Soft Power

It is important to remember that position power and leadership are not the same thing. As we discussed in Chapter 1, a person might hold a formal position of authority and yet not be a leader. Even if they hold a formal position of authority, effective leaders don't rely solely on their hard power to influence others. In today's world, soft power is, more than ever, the tool of the leader. An example of the use of soft power comes from China's Didi Chuxing, the largest ride-hailing platform in the world. Cheng Wei, the founder and CEO of Didi Chuxing Technology Company, focused on building personal relationships with leaders at companies such as Alibaba Group, Tencent, and Lenovo Group, seeking advice about how to best compete against Uber. The soft power approach helped to squash Uber's bold ambition to conquer the Chinese ride-sharing market. After two years of operating in China and racking up more than $2 billion in losses, Uber managers agreed to sell the company's Chinese business to Didi Chuxing.[42]

Leaders in most of today's successful organizations use soft as well as hard power to influence others and accomplish their goals. Soft power includes expert power and referent power, as shown in Exhibit 12.3.

Expert Power Power resulting from a leader's special knowledge or skill regarding tasks performed by followers is referred to as **expert power**. When a leader is a true expert, people go along with recommendations because of the leader's superior knowledge. Based on one scholar's research, leaders who are high in expert power are three times more influential than those without this type of power.[43] Leaders at supervisory levels often have experience in the production process that gains them promotion. At top management levels, however, leaders may lack expert power because subordinates know more about technical details than they do. People throughout the organization with expertise and knowledge can use it to influence or place limits on decisions made by people above them in the organization.[44]

Expert power authority resulting from a leader's special knowledge or skill

Referent Power This kind of power comes from leader personality characteristics that command followers' identification, respect, and admiration so they want to emulate the leader. When workers admire a supervisor because of the way the leader interacts with them, the influence is based on referent power. **Referent power** depends on the leader's personal characteristics rather than on a formal title or position. For example, Andrew Glincher, CEO and managing partner of the big law firm Nixon Peabody LLC, says he leads by asking a lot of questions and really focusing on the response. "I don't learn much by what comes out of my mouth," Glincher says. "Our assets go home every night. They have the choice whether or not they want to come back the next day. You can't take that for granted."[45] Connecting with people and listening enables Andrew Glincher to influence people using soft, personal power as well as the hard authority of his position.

Referent power authority based on personality characteristics that command followers' attention, respect, and admiration so that they want to emulate the leader

Soft power is especially visible in the area of charismatic leadership. As described previously, charismatic leadership is intensely based on the relationship between leader and followers and relies heavily on either referent or expert power. However, all good leaders make use of these types of power rather than using position power alone. The *Think on This* box talks about the far-reaching impact of referent power.

12-2c Follower Responses to the Use of Power

Leaders use the various types of power to influence others to do what is necessary to accomplish organizational goals. The success of any attempt to influence is a matter of degree, but there are three distinct outcomes that may result from the use of power: compliance, resistance, and commitment, as illustrated in Exhibit 12.4.[46]

When people successfully use hard, position power (legitimate, reward, coercive), the response is compliance. **Compliance** means that people follow the directions of the person with power, whether or not they agree with those directions. They will obey orders and carry out instructions even though they may not like it. The problem is that in many cases, followers do just enough work to satisfy the leader and may not contribute their full potential. Recall our earlier definition of *observers* in the discussion of coalitional leadership. These people don't actively resist or sabotage the leader's efforts, but they don't fully participate in achieving the vision. However, if the use of hard power, especially the use of coercion, exceeds a level people consider legitimate, some followers will actively resist the attempt to influence. **Resistance** means that employees will deliberately try to avoid carrying out instructions or will try to disobey orders. Thus, the effectiveness of leaders who rely solely on position power is limited.

The follower response most often generated by soft, personal, and interpersonal power (expert, referent) is commitment. People become *partners* or *advocates,* rather than resisters or observers, as defined earlier. **Commitment** means that followers adopt the leader's viewpoint and enthusiastically carry out instructions. Needless to say, commitment is preferred to compliance or resistance. Although compliance alone may be enough for routine matters, commitment is particularly important when the leader is promoting change. Change carries risk or uncertainty, and follower commitment helps to overcome fear and resistance associated with change efforts. Successful leaders exercise both personal and position power to influence others.

Compliance
following the directions of the person with power, regardless of how much agreement there is with that person's directions

Resistance
the act of disobeying orders or deliberately avoiding carrying out instructions

Commitment
adopting the leader's viewpoint and enthusiastically carrying out instructions

Exhibit 12.4

Responses to the Use of Power
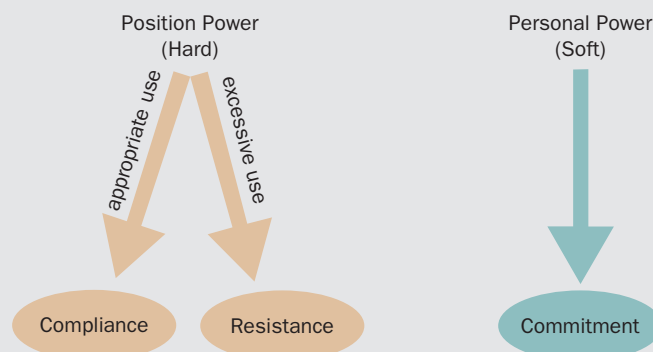
Think on This: The Ripple Effect

Do you want to be a positive influence in the world? First, get your own life in order. Ground yourself in this single principle so that your behavior is wholesome and effective. If you do that, you will earn respect and be a powerful influence.

Your behavior influences others through a ripple effect. A ripple effect works because everyone influences everyone else. Powerful people are powerful influences.

If your life works, you influence your family.

If your family works, your family influences the community.

If your community works, your community influences the nation.

If your nation works, your nation influences the world.

If your world works, the ripple effect spreads throughout the cosmos.

What do you think?

Source: John Heider, *The Tao of Leadership: Leadership Strategies for a New Age* (New York: Bantam Books, 1985), p. 107. Copyright 1985 Humanic Ltd., Atlanta, GA. Used with permission.

Remember This:

- **Power** is the potential ability to influence others to reach desired outcomes, whereas **influence** is the effect a person's actions have on the attitudes, values, beliefs, or actions of others.
- Power can be characterized as either *hard power* or *soft power.* Hard power includes legitimate, reward, and coercive power, which are associated with a leader's formal position of authority. Soft power includes expert and referent power, which are based on the leader's knowledge, expertise, and personal qualities.
- **Legitimate power** is based on the authority granted from a formal position. Power that stems from the authority to bestow rewards is **reward power**. The authority to punish or recommend punishment is called **coercive power**.
- **Expert power** results from a leader's special knowledge or skill. **Referent power** is based on personality characteristics that command followers' attention, respect, and admiration so that they want to emulate the leader.
- Three distinct outcomes may result from the use of power: compliance, resistance, and commitment.
- The effective use of hard, position power generally leads to follower **compliance**, which means people follow the directions of the person with power regardless of how much agreement there is with that person's directions.
- The excessive use of position power—particularly coercive power—may result in follower **resistance**, which is the act of disobeying orders or deliberately avoiding carrying out instructions.
- The follower response most often generated by personal (soft) power is **commitment**, which means people adopt the leader's viewpoint and enthusiastically carry out instructions.

> ❝Power based on love is a thousand times more effective and permanent than the one derived from fear of punishment.❞
>
> Mahatma Gandhi

12-3 Increasing Power Through Political Activity

Politics
activities to acquire, develop, and use power and other resources to obtain desired future outcomes when there is uncertainty or disagreement about choices

Acquiring and using power is largely a political process. **Politics** involves activities to acquire, develop, and use power and other resources to obtain desired future outcomes when there is uncertainty or disagreement about choices.[47] Politically skillful leaders strive to understand others' viewpoints, needs, desires, and goals, and use their understanding to influence people to act in ways that help the leader accomplish their goals for the team or organization.[48]

For example, leaders at most organizations engage in some degree of political activity aimed at influencing government policies and decisions because government choices represent a critical source of uncertainty for businesses as well as nonprofit organizations.[49] As one illustration of this, the American Hotel and Lodging Association, which counts some of the largest hotel chains among its members, has forcefully lobbied local, state, and federal officials to control Airbnb. The group has been able to get bills signed to impose steep fines on Airbnb hosts who break local housing rules, for instance. Airbnb is a significant threat to the hotel industry, so its trade group has implemented a long-term "multipronged, national campaign" to fight back.[50]

Individuals also engage in political activity within organizations. Although some people have a negative view of politics, the appropriate use of political behavior serves organizational goals. Politics is a natural process for resolving differences among organizational interest groups.[51] Political behavior can be either a positive or a negative force. Uncertainty and conflict are natural in organizations, and politics is the mechanism for accomplishing things that can't be handled purely through formal policies or position power.

12-3a Leader Frames of Reference

Frame
a perspective from which a leader views the world; influences how the leader interacts with followers, makes decisions, and exercises power

The appropriate use of power and politics to get things done is an important aspect of leadership. Before exploring political tactics, let's consider leadership frames of reference and how a political approach combines with other leadership philosophies.

A **frame** is a perspective from which a leader views the world, and it influences how the leader interacts with followers, makes decisions, and exercises power. Four leader frames of reference illustrated in Exhibit 12.5 are structural, human resource, political, and symbolic.[52] Leaders often begin with a limited structural perspective and develop the other frames as they mature and climb higher in their leadership development, thus achieving a more balanced mindset and approach.

Structural frame
a leader frame of reference that places emphasis on planning, setting goals, and clarifying expectations as a way to provide order, efficiency, and stability

The Structural Frame The organization as a machine is the dominant image in the structural frame of reference. Leaders strive for machine-like efficiency and value hard data and analysis for decision making. The **structural frame** places emphasis on plans, goal setting, and clarifying expectations as a way to provide order, efficiency, and stability. Leaders rely heavily on the power and authority granted through their organizational position to influence others (position power), and they emphasize clear job descriptions, rules and procedures, and administrative systems. This frame views the organization as a rational system and strives for clarity of direction and control of results.

Human resource frame
a leader frame of reference that defines problems and issues in interpersonal terms and looks for ways to adjust the organization to meet human needs

The Human Resource Frame According to the **human resource frame**, people are the organization's most valuable resource. This frame defines problems and issues in interpersonal terms and looks for ways to adjust the organization to meet

Exhibit 12.5

Four Leader Frames of Reference

1. Structural

Mindset: Sees organization as machine, economics, plans

Emphasis: Goals, systems, efficiency, formal authority

2. Human Resource

Mindset: Sees organization as family, belonging, clan

Emphasis: People, relationships, engagement

3. Political

Mindset: Sees organization as jungle, power, schemes

Emphasis: Resource allocation, negotiation, coalition building

4. Symbolic

Mindset: Sees organization as theater, spiritual meaning, dreams

Emphasis: Vision, culture & values, inspiration

Sources: Based on Lee G. Bolman and Terrence E. Deal, *Reframing Organizations* (San Francisco: Jossey-Bass, 1991); and L. G. Bolman and T. E. Deal, "Leadership and Management Effectiveness: A Multi-Frame, Multi-Sector Analysis," *Human Resource Management* 30, no. 4 (Winter 1991), pp. 509–534. Thanks to Roy Williams for suggesting the stair sequence.

human needs. Leaders do not rely solely on their position power to exert influence. Instead, they focus on relationships and often lead through empowerment and engagement. Leaders use the human resource perspective to involve followers and give them opportunities for personal and professional development. The images in this view are a sense of family, belonging, and the organization as a clan.

The Political Frame The **political frame** views organizations as arenas of ongoing conflict or tension over the allocation of scarce resources. Leaders spend their time networking and building coalitions to influence decisions and actions. As with the coalitional leadership style we discussed earlier in this chapter, leaders with this frame of reference strive to build a power base, and they use both position and personal power to achieve desired results. The mindset in the political frame is to be aware of the organization as a jungle. Power and politics are considered a natural and healthy part of organizational life.

The Symbolic Frame To use full leadership potential requires that leaders also develop a fourth frame of reference—the **symbolic frame**—in which leaders perceive the organization as a system of shared meaning and values. Rather than relying only on the use of formal power or the use of political tactics, leaders focus on shared vision, culture, and values to influence others. The dominant image is to see the organization as theater. Leaders are concerned with spirit and meaning, and they focus on harnessing followers' dreams and emotions for the benefit of the organization and all of its people. Charismatic leaders, for example, often are engaged in this frame.

Each of the four frames of reference provides significant possibilities for enhancing leadership effectiveness, but each is incomplete. Many new leaders have

Put It Into Practice 12.5

Imagine using the political frame more at work or school. Make notes about how your behavior would change and your feelings about engaging in those behaviors.

Political frame a leader frame of reference that views the organization as an arena of conflict or tension over the allocation of scarce resources

Symbolic frame a leader frame of reference that perceives the organization as a system of shared meaning and focuses on shared vision, culture, and values to influence others

not yet developed a political frame. Leaders can first understand their own natural frame, recognize its limitations, and then learn to integrate multiple frames to achieve their full leadership potential. Complete the questionnaire in Leadership Practice: Know Yourself 12.3 to understand your dominant frame of reference.

12-3b Political Tactics for Asserting Leader Influence

A leader's power is useless unless it is applied to influence others to implement decisions, facilitate change, and accomplish goals, which requires both skill and willingness. Not all attempts to use power result in actual influence. Some power moves are rejected by followers, particularly if they are seen to be self-serving. Leaders have to determine the best approach for using their power—that is, the approach that is most likely to influence others—by considering the individuals, groups, and situations involved.[53] In addition, they understand the basic principles that can cause people to change their behavior or attitudes.

Leaders often use a combination of influence strategies, and people who use a wider variety of tactics are typically perceived as having greater power and influence. One survey of a few hundred leaders identified more than 4,000 different techniques by which these people were able to influence others to do what the leader wanted.[54] However, the myriad successful influence tactics used by leaders fall into basic categories of influence actions. Exhibit 12.6 lists six principles for asserting leader influence. Notice that most of these involve the use of soft, personal power rather than relying solely on hard, position power or the use of rewards and punishments.

1. *Appeal to a vision or higher purpose.* One effective way to attract people to new behaviors or to make significant changes is to frame the request in a way that emphasizes the vision or higher purpose of the change.[55] Providing people with

Exhibit 12.6

Six Principles for Asserting Leader Influence
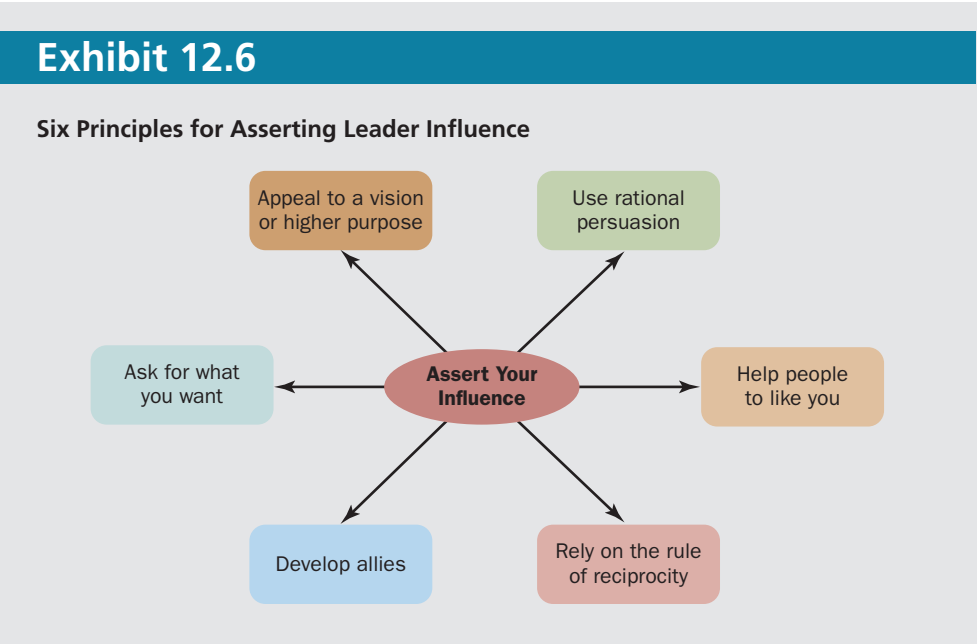
Leadership Practice: Know Yourself 12.3

Your Leadership Orientation

Instructions: This questionnaire asks you to describe yourself as a leader. For each of the following items, give the number 4 to the phrase that best describes you, 3 to the item that is next best, and on down to 1 for the item that is least like you.

1. My strongest skills are:
   - _____ a. Analytical skills
   - _____ b. Interpersonal skills
   - _____ c. Political skills
   - _____ d. Flair for drama
2. The best way to describe me is:
   - _____ a. Technical expert
   - _____ b. Good listener
   - _____ c. Skilled negotiator
   - _____ d. Inspirational leader
3. What has helped me the most to be successful is my ability to:
   - _____ a. Make good decisions
   - _____ b. Coach and develop people
   - _____ c. Build strong alliances and a power base
   - _____ d. Inspire and excite others
4. What people are most likely to notice about me is my:
   - _____ a. Attention to detail
   - _____ b. Concern for people
   - _____ c. Ability to succeed in the face of conflict and opposition
   - _____ d. Charisma
5. My most important leadership trait is:
   - _____ a. Clear, logical thinking
   - _____ b. Caring and support for others
   - _____ c. Toughness and aggressiveness
   - _____ d. Imagination and creativity
6. I am best described as:
   - _____ a. An analyst
   - _____ b. A humanist
   - _____ c. A politician
   - _____ d. A visionary

Scoring and Interpretation

Compute your scores as follows:

Structural = 1a + 2a + 3a + 4a + 5a + 6a = _____

Human Resource = 1b + 2b + 3b + 4b + 5b + 6b = _____

Political = 1c + 2c + 3c + 4c + 5c + 6c = _____

Symbolic = 1d + 2d + 3d + 4d + 5d + 6d = _____

Your answers reveal your preference for four distinct leader orientations or frames of reference. The higher your score, the greater your preference. A low score may mean a blind spot. "Structural" means to view the organization as a machine that operates with efficiency to be successful. "Human Resource" means to view the organization primarily as people and to treat the family well to succeed. "Political" means to view the organization as a competition for resources and the need to build alliances to succeed. "Symbolic" means to view the organization as a system of shared meaning and values and to succeed by shaping the culture.

Do you view politics in a positive or negative light? Most new leaders succeed first by using either or both of the structural or people orientations. New leaders often have a blind spot about politics. As managers move up the hierarchy, they learn to be more political or they miss out on key decisions. The symbolic view usually comes last in a leader's development. Compare your scores to those of other students and see which orientations are more widely held.

Source: *Reframing Organizations: Artistry, Choice, and Leadership*, 5e, Bolman. Copyright © 2013 Lee G. Bolman. Reproduced with permission of John Wiley & Sons, Inc.

meaning can help them see that the effort of doing what you ask is worthwhile. For example, when he was president of Spectrum Health Hospital Group, Matt Van Vranken needed a way to influence 10,000 overworked, stressed-out health care professionals to go beyond their job descriptions and provide exceptional patient service. One key approach he used to influence people to make the right decisions was to connect their daily tasks to the welfare of individual patients. Every so often, Van Vranken would bring groups of employees together

to hear former patients talk about their experiences and how the actions of individual workers affected their health and well-being.[56]

2. *Use rational persuasion.* Perhaps the most frequently used influence tactic is rational persuasion, which means using facts, data, and logical arguments to persuade others that a proposed idea or request is the best way to complete a task or accomplish a desired goal. Indeed, a recent analysis of 11 frequently used influence tactics showed that rational persuasion is the one tactic that was consistently effective for all leaders.[57] It can be effective whether the influence attempt is directed upward toward superiors, downward toward direct reports, or horizontally, because most people have faith in facts and analysis. Rational persuasion is most effective when a leader has technical knowledge and expertise related to the issue (expert power), although referent power is also used. Frequently, some parts of a rational argument cannot be backed up with facts and figures, so people have to believe in the leader's credibility to accept their argument.

3. *Help people to like you.* We all know it's easier to say yes to someone we like than to someone we don't like.[58] One author of a book on influence tells a story about an American working in Saudi Arabia, who learned that getting information or action from government offices was easy when he'd drop by, drink tea, and chat for a while.[59] Cultural values in Saudi Arabia put great emphasis on personal relationships, but people in all cultures respond to friendliness and consideration. When a leader listens, shows concern for what others want and need, finds common ground, demonstrates respect, and treats people fairly, people are more likely to provide help and support by doing what the leader asks. In addition, most people will like a leader who makes them feel good about themselves. Leaders never underestimate the importance of praise.

4. *Rely on the rule of reciprocity.* A primary way to turn power into influence is to share what you have—whether it be time, resources, services, or emotional support. There is much research indicating that most people feel a sense of obligation to give something back in return for favors others do for them.[60] This is one reason that organizations like Northrup Grumman, Kraft Heinz Foods, and Pfizer make donations to the favorite charities of House and Senate members. Leaders attempt to curry favor with lawmakers whose decisions can significantly affect their business.[61] The "unwritten law of reciprocity" means that leaders who do favors for others can expect others to do favors for them in return. Leaders also elicit the cooperative and sharing behavior they want from others by first demonstrating it with their own actions.[62] Some researchers argue that the concept of exchange—trading something of value for what you want—is the basis of all other influence tactics. For example, rational persuasion works because the other person sees a benefit from going along with the plan, and making people like you is successful because the other person receives liking and attention in return.[63]

5. *Develop allies.* Reciprocity also plays an important role in developing networks of allies, people who can help the leader accomplish their goals. Leaders can influence others by taking the time to talk with followers and other leaders outside of formal meetings to understand their needs and concerns, as well as to explain problems and describe the leader's point of view.[64] Leaders consult with one another and reach a meeting of minds about a proposed decision, change,

or strategy.[65] One study found that political skill, particularly network building, has a positive impact both on followers' perceptions of a leader's abilities and performance and on the actual, objective performance of the work unit.[66]

Leaders also actively work to build bridges and win over potential opponents. Gary Loveman, who left a position as associate professor at Harvard Business School to be the chief operating officer (COO) of casino company Harrah's (now Caesar's Entertainment), provides a good example. Some Harrah's executives, including the CFO, resented Loveman's appointment and could have derailed his plans for the company. Because he knew the CFO's information, knowledge, and support would be critical for accomplishing his plans, Loveman made building a positive relationship with the CFO a priority. He stopped by his office frequently to talk, kept him informed about what he was doing and why, and took care to involve him in important meetings and decisions. Building positive relationships enabled Loveman to accomplish goals that eventually led to him being named CEO in 2003, and he continued to serve as CEO of Caesar's until 2015.[67] Some leaders also expand their networks through the hiring, transfer, and promotion process. Identifying and placing in key positions people who are sympathetic to the desired outcomes of the leader can help achieve the leader's goals.

6. *Ask for what you want.* Another technique for influencing people is to be clear about what you want and openly ask for it. An example comes from Drugstore.com, where Jessica Morrison used direct appeal to get a new title and a salary increase. Morrison researched pay scales on PayScale.com and approached her boss armed with that and other pertinent information. Her direct appeal, backed up with research, won her the promotion.[68] Leaders must be willing to sometimes argue forcefully to persuade others to their point of view. If leaders are not willing to ask and persuade, they seldom get the results they want. Political activity is effective only when the leader's vision, goals, and desired changes are made explicit so the organization can respond. Leaders can use their courage to be assertive, saying what they believe to persuade others. In addition, leaders can use techniques of persuasion such as listening, building goals on common ground, and appealing to people's emotions, as described in Chapter 9, to get what they want. Machiavellian-style leaders may even manipulate people's emotions, such as activating peer pressure or phrasing a request in a way that emphasizes the potential loss rather than the potential gain. People will often go along with the request because people respond more strongly to a potential loss (loss aversion) than to a gain, as described in Chapter 8.

Leaders can use an understanding of these tactics to assert influence and get things done. When leaders ignore political tactics, they may find themselves failing without understanding why. For example, former U.S. deputy secretary of defense Paul Wolfowitz doomed his career as president of the World Bank by trying to wield power without building the necessary relationships he needed to assert influence. Most World Bank leaders had been in their positions for many years when Wolfowitz arrived, and they were accustomed to "promoting each other's interests and scratching each other's backs," as one board member put it.

Wolfowitz came in and tried to assert his own ideas, goals, and formal authority without considering the interests, ideas, and goals of others, quickly alienating much of the World Bank leadership team and board. Several high-level officers

> **Put It Into Practice 12.7**
>
> Think of a time when you did a favor for someone and when someone did a favor for you. Write down the effect of these behaviors on both you and the other party.

resigned following disputes with the new president. Eventually, the board asked for Wolfowitz's resignation. "What Paul didn't understand is that the World Bank presidency is not inherently a powerful job," said one former colleague. "A bank president is successful only if he can form alliances with the bank's many fiefdoms. Wolfowitz didn't ally with those fiefdoms. He alienated them."[69]

Wolfowitz realized too late that he needed to use a political approach rather than trying to force his own agenda. Even when a leader has a great deal of power, political tactics are more effective than force for turning power into influence.

Remember This:

- **Politics** involves activities to acquire, develop, and use power and other resources to obtain desired future outcomes when there is uncertainty or disagreement about choices. Having a political perspective on the organization is important because leaders need to use politics to accomplish important goals.

- A **frame** is a perspective from which a leader views the world; it influences how the leader interacts with followers, makes decisions, and exercises power. Four leader frames of reference are structural, human resource, political, and symbolic.

- A leader with a primarily **structural frame** places emphasis on planning, setting goals, and clarifying expectations as a way to provide order, efficiency, and stability.

- The **human resource frame** defines problems and issues in interpersonal terms and looks for ways to adjust the organization to meet human needs.

- The **political frame** is a leader frame of reference that views the organization as an arena of conflict or tension over the allocation of scarce resources.

- To use full leadership potential requires that leaders also develop a fourth frame of reference, the **symbolic frame**, which perceives the organization as a system of shared meaning and focuses on shared vision, culture, and values to influence others.

- Leaders typically begin with a structural frame and develop other frames of reference as they mature in their leadership responsibilities and understanding.

- Leaders use a wide variety of influence tactics, but they fall within some broad categories based on general principles for asserting influence. Six principles for asserting leader influence are appeal to a higher vision, rational persuasion, liking and friendliness, reciprocity, developing allies, and direct appeal.

12-4 Don't Abuse Leadership Power

Harry Truman once said that leadership is the ability to get people to do what they don't want to do and like it.[70] His statement raises an important issue: Leadership is an opportunity to use power and influence to accomplish important organizational goals, but power can also be abused. People and organizations get hurt

when leaders fall into the temptation to use power for their own benefit rather than for the good of the whole.

One consideration is the difference between *personalized* leaders and *socialized* leaders.[71] This distinction refers primarily to the leader's approach to the use of power.[72] Personalized leaders are typically selfish, impulsive, and exercise power for their own self-centered needs and interests rather than for the good of the organization. Socialized leaders exercise power in the service of higher goals that will benefit others and the organization as a whole. Personalized leaders are characterized as self-aggrandizing, nonegalitarian, and exploitative, whereas socialized leaders are empowering, egalitarian, and supportive. Personalized behavior is based on caring about self; socialized behavior is based on valuing others.

A specific area in which the irresponsible and unethical use of power is of increasing concern for organizations is sexual harassment. People in organizations depend on one another—and especially on leaders—for many resources, including information, cooperation, and even their jobs. When access to resources seems to depend on granting sexual favors or putting up with sexually intimidating or threatening comments, the person in a dependent position is being personally violated, whether or not the leader actually withholds the resources. There have been numerous examples of sexual harassment and misconduct in the entertainment industry in recent years. Articles published in *The New York Times* and *The New Yorker* revealed that Hollywood producer Harvey Weinstein had allegedly engaged in egregious sexual misconduct for decades. At CBS, the CEO and two other high-ranking men were fired after dozens of women came forward with allegations of sexual harassment, and the company paid actress Eliza Dushku a $9.5 million settlement after the actress says she was written off the show "Bull" after confronting the show's star about harassing behavior toward her, including references to her appearance and jokes about rape.[73]

Sexual harassment and sexual abuse are not just irresponsible and unethical; they are illegal and represent a clear abuse of power. However, there are many other situations in organizations that are not as clear-cut, and leaders under stress may sometimes have difficulty maintaining a positive and responsible approach to using power and politics. For example, Away CEO Steph Korey stepped down after an investigative article quoted former employees saying she created a toxic work environment where employees were expected to always be signed on and to never take time off. The article reported some of Korey's messages on chat service Slack, including one in which she called an employee "brain dead," and another announcing that employees would not be allowed to take any more paid time off in order to learn "accountability." Korey later gave a statement to reporters apologizing and posted an apology on Twitter, saying, "Starting and growing a company is incredibly hard, and I've made mistakes. . . . I can imagine how people felt reading those messages; I was appalled and embarrassed reading them myself."[74]

Leaders should always take care to use their power in a responsible manner. Exhibit 12.7 summarizes some criteria that can guide leaders in deciding whether an intended action is a responsible use of leadership power or whether it is irresponsible and possibly unethical. First and foremost is the question of whether the action is motivated by self-interest or whether it is consistent with the organization's goals. Once a leader answers this primary question, there are several other questions that can help determine whether a potential influence action is

Put It Into Practice 12.8

Think back to a time when you behaved in a way that hurt or took advantage of someone. Write down what you were thinking at the time and your current evaluation of that behavior.

Exhibit 12.7

Guidelines for the Responsible Use of Power

| Is the action consistent with the organization's goals, rather than being motivated purely by self-interest? | Does the action respect the rights of individuals and groups affected by it? | Does the action meet the standards of fairness and equity? | Would you wish others to behave in the same way if the action affected you? | Responsible and Ethical Action |

Sources: Based on Annebel H. B. De Hoogh and Deanne N. Den Hartog, "Ethical Leadership: The Socially Responsible Use of Power," in Dean Tjosvold and Barbara Wisse, eds., *Power and Interdependence in Organizations* 2009 (Cambridge: Cambridge University Press, 2009), pp. 338–354; G. F. Cavanaugh, D. J. Mobert, and M. Valasques, "The Ethics of Organizational Politics," *Academy of Management Journal* (June 1981), pp. 363–374; and Stephen P. Robbins, *Organizational Behavior,* 8th ed. (Upper Saddle River, NJ: Prentice Hall, 1998), p. 422.

responsible, including whether it respects the rights of individuals and groups affected by it, whether it meets the standards of fairness, and whether the leader would want others to behave in the same way. If a leader answers these questions honestly, they can serve as a guide to whether an intended act is a responsible and ethical use of leadership power.

In the complex world of organizations, there will always be situations that are difficult to interpret. The most important point is for leaders to be aware of the responsibilities of having power and take care to use their power to help rather than harm others. Leaders should think not in terms of getting their own way but rather in terms of building long-term productive relationships that can achieve goals and benefit the entire organization.

Remember This:

- An important issue for leaders is how to use power and politics ethically and responsibly.
- One consideration is the difference between *personalized* leaders and *socialized* leaders. Personalized leaders are typically selfish, impulsive, and exercise power for their own self-centered needs and interests rather than for the good of the organization. Socialized leaders exercise power in the service of higher goals that will benefit others and the organization as a whole.
- One area in which the unethical use of power is of increasing concern for organizations is sexual harassment and misconduct.
- There have been numerous examples of sexual harassment and misconduct in the entertainment industry in recent years. At CBS, the CEO and two other high-ranking men were fired after dozens of women came forward with allegations of sexual harassment.
- Ethical leaders use their power to serve the organization's goals, respect the rights of individuals and groups, and strive to be fair in their dealings with others.

Discussion Questions

1. Lord Acton, a British historian of the late nineteenth century, said that "power tends to corrupt; absolute power corrupts absolutely," suggesting that a person's sense of morality lessens as their power increases. Do you agree? Considering this idea, is it ethical for leaders to try to increase their power? Discuss.

2. How do you feel about personally using Machiavellian-style leadership? What do you see as some positive and negative aspects of Machiavellian-style leadership?

3. What do you consider the most important difference between transformational leadership and transactional leadership? Between transformational and charismatic leadership? How is transformational leadership similar to charismatic leadership?

4. Assume you are on a search committee to replace the CEO of a large financial services firm that is dealing with problems related to a cutthroat, dog-eat-dog culture. Which do you think would be most valuable for a new top leader trying to solve the problems within the organization—charismatic, transformational, coalitional, or Machiavellian-style leadership? Discuss.

5. Which of the four organizational frames of reference do you most admire? How do you think this frame of reference could be beneficial or detrimental to your leadership capability?

6. A recent magazine article suggested that young college graduates from Gen Z are reluctant to "play the political game." Why might this be the case? If politics is important for getting things done, can these people succeed as leaders? Discuss.

7. Which types of power would you rely on to implement an important decision quickly? Which types would you consider most valuable for sustaining power over the long term?

8. Describe ways in which you might increase your personal power.

9. Which of the six influence tactics would you be most comfortable with as leader of a study group? Of a work team? Discuss.

10. A leadership observer said in an interview that most women leaders view power differently than men do and prefer a collaborative, relationship-oriented use of power. If this is the case, what does it suggest about women leaders' ability to accomplish goals? What does it suggest about women's ability to rise to higher organizational levels? Discuss.

Leadership Skill-Building Exercises

Circle of Influence

How do you personally try to influence others? Think carefully about how you get others to agree with you or do something you want. Watch the way you influence

others in a team, at home, or during your work. Make a list of your influence tactics:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Of the influence and political tactics discussed in the chapter, which ones do you typically not use?

_____
_____

During the next two days, your assignment is to (1) monitor the influence tactics you typically use and (2) try one new tactic that you don't normally use. The new influence tactic you will try is:

_____
_____

Another important concept is called the *circle of influence.* Think carefully about the people who have influence *over you.* These people are your circle of influence. You may have one circle of influence at work, another at home, and others for your social life or career. Write down the people who would have some influence over you at work or school:

_____
_____

This is your circle of influence.

A person's circle of influence can be important when you really want to influence that person. If someone doesn't respond to your normal influence attempts, think about identifying the individual's circle of influence—the people who have influence over them. You can then influence people in the "circle" as an indirect way to influence the person you want to change. For example, think about when you copied people on an e-mail as a way to influence the person to whom you are writing.

How can you use your knowledge of the person's circle to have influence over them? What are the possible disadvantages of using this approach to influence someone?

In Class or Online (optional as indicated by your instructor): The instructor can ask students to meet in small groups of three to five people and share the circles of influence they identified for themselves. After listing the circle of influence at work or school, students can also talk about the circles of people who might influence them in their professional, social, or family activities. Key questions for this discussion are: What are the common themes in the students' circles of influence? When and how could the circle idea be applied to influence someone? How might it be misapplied and backfire on your effort to influence another?

What Power Signals Do You Send?

For each of the following pairs of communication behaviors, circle the one that is more descriptive of you. Even if both qualities describe you, you must choose one.

1. More formal dress —*or*— More informal dress
2. Respect others' personal space —*or*— Maintain your personal space
3. Interrupt others —*or*— Take conversational turns
4. Acceptance gestures (head-nodding) —*or*— Assertive gestures (finger-pointing)
5. No note taking —*or*— Much note taking
6. Lean forward —*or*— Lean backward
7. Eye contact when speaking --*or*-- Eye contact when listening
8. Happy expression —*or*— Serious expression
9. Louder speech volume —*or*— Softer speech volume
10. Ask questions —*or*— Use declarative statements
11. Fewer verbal qualifiers —*or*— More verbal qualifiers
    ("I guess," "My perspective")
12. Inclusive language (we, our) —*or*— Self-oriented language (I, me, my)

The listed words represent two markers or signals of power. Hard power markers are associated with expressions of confidence and competence but can also come across as arrogant and abrasive. Soft power markers are related to expressions of agreeableness and likability but may also signal submissiveness or lack of confidence. People with hard power styles may view soft power colleagues as weak. People with soft power styles tend to view hard power colleagues as rude.

Hard power communication behaviors are represented by the first phrase in the odd-numbered rows and the second phrase in the even-numbered rows. Soft power communication markers are represented by the first phrase in the even-numbered rows and the second phrase in the odd-numbered rows. Add the number of phrases circled that represent each value and record the number below:

Hard Power score: _____
Soft Power score: _____

In Class or Online (optional as indicated by your instructor): Divide into small groups of three to four students, encouraging groups to form that include students who have worked together if possible.

Each member in turn should share scores with the group and explain their own perspective on the accuracy of the scores, followed by other group members providing feedback based on their personal observations of the member's power signaling behavior. What is the average score in your group? For the class as a whole? Discuss whether the behaviors represent true indicators of hard and soft power styles.

Everyone has the potential for both hard and soft power ways of communicating and acting. If you want to come across as signaling a more hard power style, you could, for example, use more declarative statements, speak more, dress more formally, lean back more, and use a more serious expression. Likewise, to communicate a more soft power style, you could listen more, ask questions, shift topics respectfully, dress more informally, and use language that is more inclusive.

Source: Based on Suzanne J. Peterson, Robin Abramson, and R. K. Stutman, "How to Develop Your Leadership Style: Concrete Advice for a Squishy Challenge," *Harvard Business Review* (November–December 2020), pp. 69–77.

Leadership Skills Application: Cases for Analysis

The I.T. Choice—With or Without Politics

Pat Talley stood and watched, with grudging admiration, as Carmelita Moreno worked the room. Sharp, charming, and armed with a personality that left an indelible memory, Carmelita at one moment had the ear of CEO Chris Blount and the next could be observed smiling and studying something on her iPad with the executive assistant of a major board member.

"She's amazing," Kent Schlain whispered to Pat as he handed him a cocktail. "I like to observe and learn. She's a real education in office politics."

"We're not in politics," Pat answered somewhat defensively. "We're in I.T."

"Come on, Pat." Kent teased. "Tell me she doesn't worry you. Everyone knows she's your main competition for the CIO job."

Pat smirked, took a sip from his scotch and water, and said sarcastically, "I'm *worried.* Satisfied?"

Walking away from Kent's mischievous goading, Pat's usual confidence suffered a fleeting twinge of fear. *No. I'm OK. I'm OK,* he thought. *I have more expertise than anyone, including Carmelita, and I'm not afraid to lay down the law to get projects completed.*

After weeks of speculation, interviews, on-site visits by top execs, and endless waiting, a decision on the new CIO was to be made and announced by CEO Blount this week during the annual meeting. Although Mansfield, Inc. boasted an extraordinarily talented I.T. group, company insiders and industry watchers agreed that the decision would come down to a choice between Carmelita Moreno and Pat Talley.

To this point, Pat carried the confidence of a sterling 20-year record with Mansfield. Technically gifted, he was one of the team members that designed and implemented the company's original I.T. system and had been a major player throughout the years in guiding its growth and expansion. Task oriented almost to a fault, Pat built a reputation as a guy who relentlessly analyzed needs and then charged ahead until the job was completed—usually under budget. His special strength lay in the twin areas of digital security and risk management.

Pat considered technical expertise and competence to be *the* qualifications for the position as CIO, as he explained during a recent interview with executives and board members. "Our work and reputation should be the *only* considerations," Pat emphasized. "My job is not to schmooze and glad hand. I'm not running for public office. I'm running an I.T. division."

Over the years, Pat maintained strictly defined areas of work and friendship and, in fact, could count on one hand the number of casual, work-related friendships he had developed over 20 years. He was proud of his ability to compartmentalize these areas so that personal relationships had no bearing on management decisions. He considered this an important part of his reputation as a fair but tough leader. He demanded excellence and could be unforgiving in his attitude toward those with less technology interest or expertise.

The word *politics* was odious to Pat Talley, and he considered office politics a waste of time. However, at company gatherings such as this, he also carried a slight chip on his shoulder, aware that, despite his importance to the company, he was only on the periphery of this group—not *excluded*, but not really *included* either. The significance of this particular meeting—and now watching Moreno

put on a clinic in office politics—only increased those feelings for Pat, making him defensive and uncharacteristically concerned about his future.

Could office politics really be the deciding factor, he suddenly wondered. *Carmelita knows her stuff. She does her research and stays on top of the latest trends and products in I.T. She can handle any situation, particularly those sticky people problems that arise within teams or with suppliers.* Pat smiled ruefully. *Heck, I've even brought her in a time or two.*

Now, as he stood and observed the activity in the room, he watched as his rival moved effortlessly among individuals and various groups. *I feel like I'm watching "Survivor." Does the guy who trusts his own abilities win, or is it the one who builds coalitions and alliances?* He shook his head as if to shake off the imagery. *That was stupid. This is not a reality television show. This is corporate America. Do your job. I've built my reputation on that, and I'll stand by that.*

His attention snapped back as Carmelita handed him a fresh scotch and water. "You could use a fresh one," she said, smiling and pointing to his empty glass. "I guess tomorrow's the big day and I wanted to come by and wish you well. These are exciting days for the company and for I.T., and whichever way it goes tomorrow I look forward to working together. Cheers."

"Same here," he answered. Their glasses clinked together in a toast. *Dang, she's good,* Pat thought.

Questions

1. Who do you think the CEO should appoint as CIO? Why?

2. Is Pat sabotaging his career by thinking of relationship building as "office politics" that takes the focus away from day-to-day work? What advice would you give Pat, who is not a natural relationship builder?

3. What sources of power and influence do Pat and Carmelita seem to use in the company? Which person do you believe will be more influential as CIO? Explain.

Foundation Pharmaceuticals

Anita Clarke is chief information officer at Foundation Pharmaceuticals, a large California-based company. In an industry where it generally takes $500 million and 10 to 12 years to bring a new drug to market, companies such as Foundation are always looking for ways to increase productivity and speed things up. After about eight months on the job, Clarke suggested to company president James Wu that Foundation implement a new global knowledge-sharing application that promises to cut development time and costs in half. She has done extensive research on knowledge-sharing systems and has talked closely with an I.T. director at global powerhouse Pfizer, a company that developed its COVID-19 vaccine with BioNTech in about one year. The Pfizer director believes the knowledge-sharing system plays an important role in that company's competitiveness.

Wu presented the idea to the board of directors, and everyone agreed to pursue the project. He has asked Clarke to investigate firms that could assist Foundation's I.T. department in developing and implementing a global knowledge-sharing application that would be compatible with Foundation's existing systems. Wu explained that he wants to present the information to the board of directors for a decision next month.

Clarke identified three major firms that she believed could handle the work and took a summary of her findings to Wu's office, where she was greeted by Lucy Lee, a young, petite, attractive woman who served as a sort of executive assistant to Wu. Word was that the relationship between Lee and Wu was totally proper, but besides the value of her good looks, no one in the company could understand why she was working there. Her lack of talent and experience made her a liability more than a help. She was very deferential to Wu but condescending to everyone else. Lee was a constant source of irritation and ill will among managers throughout the company, but there was no doubt that the only way to get to Wu was through Lucy Lee. Lee took the information from Clarke and promised the president would review it within two days.

The next afternoon, Wu called Clarke to his office and asked why Standard Systems, a small local consulting firm, was not being considered as a potential provider. Clarke was surprised—Standard was known primarily for helping small companies computerize their accounting systems. She was not aware that they had done any work related to knowledge-sharing applications, particularly on a global basis. Upon further investigation into the company, she learned that Standard was owned by an uncle of Lucy Lee's, and things began to fall into place. Fortunately, she also learned that the firm did have some limited experience in more complex applications. She tried to talk privately with Wu about his reasons for wanting to consider Standard, but Wu insisted that Lee participate in all his internal meetings. At their most recent meeting, Wu insisted that Standard be included for possible consideration by the board.

During the next two weeks, representatives from each company met with Wu, his two top executives, and the I.T. staff to explain their services and give demonstrations. Clarke had suggested that the board of directors attend these presentations, but Wu said they wouldn't have the time and he would need to evaluate everything and make a recommendation to the board. At the end of these meetings, Clarke prepared a final report evaluating the pros and cons of going with each firm and making her first- and second-choice recommendations. Standard was dead last on her list. Although the firm had some excellent people and a good reputation, it was simply not capable of handling such a large and complex project.

Clarke offered to present her findings to the board, but again, Wu declined her offer in the interest of time. "It's best if I present them with a final recommendation; that way, we can move on to other matters without getting bogged down with a lot of questions and discussion. These are busy people." The board meeting was held the following week. Clarke was shocked when the president returned from the meeting and informed her that the board had decided to go with Standard Systems as the consulting firm for the knowledge-sharing application.

Questions

1. How would you explain the board's selection of Standard Systems?

2. Discuss the types, sources, and relative amount of power for the three main characters in this story.

3. How might Clarke have increased her power and influence over this decision? If you were in her position, what would you do now?

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The Leader as Social Architect

Chapter

13

Setting the Stage for Followership

Chapter Outline

Your Leadership Challenge

After reading this chapter, you should be able to:

13-1 Explain the leader's highest duty to followers.

13-2 Describe the importance of managing both up and down the hierarchy.

13-3 Summarize what your organizational leader will want from you.

13-4 Identify your followership style and take steps to become a more effective follower.

13-5 Implement appropriate and specific strategies for effective followership at school or work.

13-6 Apply the principles of harnessing power and courage for effective followership.

13-7 Explain the leader's role in developing effective followers, including how to use feedback and leadership coaching to help followers grow and achieve their potential.

*D*isappointed hardly begins to describe what Billy Grogan felt when the decision was announced. He had been working for the Marietta, Georgia, police department for 25 years and had been inspired by retiring Chief of Police Bobby Moody to aim for the top job someday. Now that day was here. Grogan was among the finalists and believed he was the best person for the job. So, when he learned that the selection committee had chosen Dan Flynn to be Marietta's next chief of police, Grogan was bitter and frustrated. Yet, he had always felt that serving the community as a police officer was a calling, not just a job, and he knew his support of the new leader would be critical to Flynn's effectiveness—and in turn, the effectiveness of the entire police department. As deputy chief, Grogan introduced Chief Flynn at the first full supervisory staff meeting a few days after he started the job, saying, "I intend to support Chief Flynn to the best of my ability because I know when he succeeds, our department succeeds. I ask that each of you do the same."

Grogan, who was later hired as the first chief of police for the newly created city of Dunwoody, Georgia, said of that time in Marietta: "For the next year and a half, I walked the talk. I supported Chief Flynn, followed him, and learned a lot about good leadership from him in the process."[1]

Billy Grogan was doing what good followers do. He worked to build a positive relationship with the boss that enabled him to do his best job as a follower and help the leader meet his goals for the organization. In addition to his current job as police chief of Dunwoody, Georgia, Grogan runs an organization and Web site called Top Cop Leadership, which aims to inspire and support law enforcement leaders. In one of his blog posts, Grogan writes, "Have you ever thought about how important a follower is to a leader? If everyone in the organization acted only as a leader, the progress of the organization would come to a screeching halt."[2]

In this chapter, we examine the important role of followership, including the nature of the follower's role, what leaders want from followers, and the different styles of followership that individuals express. The chapter explores how effective followers behave, discusses strategies for managing up, and looks at the sources of power and courage for managing up. Finally, we look at what followers want from leaders and examine the leader's role in developing and supporting followers.

13-1 The Leader's Higher Duty to Followers

Many leaders in business, government, and nonprofit organizations want to contribute to a better society and a better world. Researchers at the consulting firm McKinsey & Company argue that the place where leaders can contribute broader social value, paradoxically, lies inside the organization in the form of job satisfaction for followers. Today's best leaders recognize that employees who are happy and feel a sense of well-being are better for both the organization and the community than those who are stressed out and filled with anxiety.[3] Countless studies show a link between employee satisfaction, customer loyalty, and organizational profitability, and employee satisfaction has been shown to contribute directly to shareholder value. Relationships with superiors are the top factor influencing job satisfaction, which in turn is the second most important factor determining an employee's overall well-being (mental health being the top factor). In a survey, 74 percent of people who described relationships between leaders and employees

as very good in their workplace reported being very satisfied with their jobs, compared to only 15 percent of those who described leader–employee relationships as quite bad or very bad.[4]

The McKinsey researchers suggest that the most important question a leader should ask is: "How do I make my [followers'] lives easier—physically, cognitively, and emotionally?" Many leaders focus on what followers can do for them, but a more critical issue is what leaders can do for followers. Leaders should remember that, as Harvard's John F. Kennedy School of Government professor Barbara Kellerman has said, "Followers are more important to leaders than leaders are to followers."[5] Particularly today, followers have access to the information and connections that enable them to influence how effectively a leader accomplishes goals. Followers can thoughtlessly go along with the system, doing just what they need to do to keep their jobs; they can sabotage a leader's best-laid plans and strategies; or followers can throw their energy, talent, and support into accomplishing great things. The success of any activity, project, or organization depends to a great extent on the actions and behaviors of followers, so understanding and appreciating the crucial role of followership is essential to being a good leader. Recall from Chapter 8 that a primary reason people leave organizations is a lack of appreciation.[6] People don't quit jobs; they quit bad bosses. Indeed, 65 percent of employees in one survey said they would choose a new boss over a pay raise.[7] Leaders should remember that they have a dramatic impact on followers' well-being—and hence the organization and the broader community—through their everyday behavior and strive to consistently cultivate positive relationships with followers.

Remember This:

- For leaders who want to create a better society and better world, the best place to start may be inside the organization, providing job satisfaction for followers.

- Relationships with superiors are the top factor influencing job satisfaction, which in turn is the second most important factor determining an employee's overall well-being. Sadly, in one survey, 65 percent of employees said they would choose a new boss over a pay raise.

- Studies show that employee satisfaction contributes to customer loyalty, organizational profitability, and shareholder value.

- Understanding the crucial role of followership and helping followers feel valued and appreciated for their contributions to the organization is essential to being a good leader.

13-2 The Art of Followership

Everyone—leaders included—is a follower at some times or in some situations. Considering leadership the sole basis for the success of the organization is a flawed assumption, and it limits the opportunity for people throughout the organization to accept responsibility and make active, valuable contributions. For any group or organization to succeed, there must be people who willingly and effectively follow just as there must be those who willingly and effectively lead.[8]

A **follower** can be defined as an individual who voluntarily accepts a leader's goals and influence and actively participates in pursuing goals.[9] The word *voluntary* is key because to freely accept the influence of someone means trusting that person. Whether in a medical office, an automobile factory, a religious organization, or an Internet team, people voluntarily follow someone only if they trust that the leader is acting for the good of those they are leading.

Consultant Adam Kahane's experience facilitating a health policy project with a team of First Nations leaders from the province of Manitoba, Canada, illustrates the importance of trusting the leader. As Kahane was making his presentation, George Muswaggon, a leader of Cross Lake First Nation, spoke up and said, "I don't trust you." Kahane realized that he had been so confident in his expertise that he failed to build the trust that is a necessary foundation for a leader–follower relationship. He shifted his approach, becoming less directive and more collaborative. He focused on supporting his First Nations facilitator colleagues and began deferring to them on more matters. Over time, as trust grew, the team made significant progress. Kahane says the First Nations team "became more willing to follow me, but only on certain matters and in certain domains; in other matters and domains, they followed other people, or no one."[10]

Kahane's observation is a reminder that leadership is not a given, based on a title or a formal position of authority. Leadership and followership are fundamental roles that individuals shift into and out of under various conditions. Despite the focus on leadership, most of us are more often followers than leaders.[11] Therefore, it is important for people to learn to manage both up and down the hierarchy, as illustrated in Exhibit 13.1.

Follower
an individual who voluntarily accepts a leader's goals and influence and actively participates in pursuing goals

Exhibit 13.1

Good Leaders Manage Both Up and Down the Hierarchy
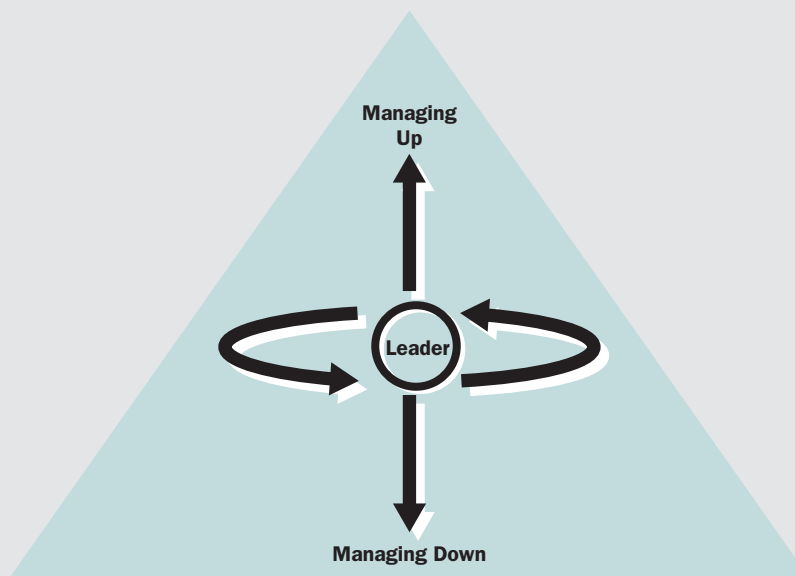
Source: Based on Mark Hurwitz and Samantha Hurwitz, "The Romance of the Follower: Part 2," *Industrial and Commercial Training* 41, no. 4 (2009), pp. 199–206.

13-2a Learn to Manage Up as Well as Down

Managing up is a skill that helps people consciously and deliberately develop a highly effective relationship with their direct superior to obtain the best possible outcome for themselves, their boss, their colleagues, and the organization.[12] Being a leader is more about influence than about position and formal authority, so it is crucial that leaders learn to appreciate and adapt to working effectively with people who may have different perspectives, personalities, and work styles, and that includes their bosses. Leaders who get trapped in their own viewpoints, needs, and wants cannot exert the same influence as those who consider the perspectives, needs, and goals of their superiors as well as their direct reports.

People who effectively manage both up and down the hierarchy are more successful. Leaders at higher organizational levels depend on their direct reports for information, support, and assistance in accomplishing the organization's goals, so your boss needs you to manage up. In addition, your followers depend on you to help them get the information, resources, support, and recognition they need and deserve from higher levels. People like working for leaders who have influence with their superiors because it enhances their own status in the organization and helps them get what they need to do their jobs well.[13] You can't be a really good leader unless you manage the boss as skillfully as you manage employees.

13-2b Managing Up Presents Unique Challenges

Many new leaders are uncomfortable with the idea of managing their boss. Their overriding concern may be keeping the boss happy, so they hesitate to pass along any information that might not be welcome, and they avoid questioning any of their superior's assumptions, ideas, or decisions.[14] A person's pattern of thoughts and actions toward authority figures may be partly conditioned by their childhood relationships with parents or other caregivers. Hence, they might find themselves being highly critical or deferential or oppositional toward a leader because of old habit patterns. In the long run, these self-protective habits may hurt the employee, the boss, and the organization. Conscious and objective strategies for dealing with a boss have a better chance of being helpful to everyone.

Another reason we may have difficulty managing upward is that we're not "in control" in this relationship as we are in our relationships with direct reports. It is natural that we try to protect ourselves in a relationship where we feel we have little control and little power.[15] Yet in reality we have more power than we know. Bosses need our support—our talent, information, ideas, and honesty—in order to do their jobs well, just as we need their support to do our best work. Everyone benefits when leaders learn to effectively manage relationships with superiors as well as direct reports. Consider the following examples.

Irvin D. Yalom, emeritus professor of psychiatry at Stanford University, tells a story of a woman who ranted at length in a group therapy session about her boss, who never listened and refused to pay her any respect. As her work with Yalom continued, her complaints about her terrible boss persisted through three different jobs with three different supervisors. It is likely that not only she but also her supervisors, colleagues, and the companies where she worked suffered due to her unproductive relationships with her superiors.

Contrast this woman's attitude and approach to that of Marcia Raimondo, who once worked for a micromanaging boss who was always nitpicking and correcting

> **Put It Into Practice 13.1**
>
> Reflect on and write down one way in which your reactions toward a leader at work or a professor at school might be similar to your reaction pattern from your upbringing.

her work. Raimondo decided to stop resenting her micromanaging and instead give the boss what she wanted. She began working late so she could send her boss cheerful e-mails twice a day with complete updates of all her projects. After three months of this practice, Raimondo's boss began giving her more autonomy because she now trusted that the follower was doing things the way she wanted them. As her boss increasingly trusted Raimondo, her micromanaging continued to abate, their relationship continued to improve, and both were happier and more productive.[16]

Marcia Raimondo improved her relationship with her boss by understanding that being supportive and helpful was more productive than being resentful. To effectively manage up requires understanding what leaders want and need.

Remember This:

- A **follower** can be defined as an individual who voluntarily accepts a leader's goals and influence and actively participates in pursuing goals. People voluntarily follow someone only if they trust that the leader is acting for the good of those they are leading.

- Leadership and followership are interdependent, and people are followers more often than leaders.

- People who effectively manage both up and down the hierarchy are more successful, but managing up can be difficult for new leaders.

- **Managing up** is a skill that helps people consciously and deliberately develop a highly effective relationship with their direct superior to obtain the best possible outcome for themselves, their boss, their colleagues, and the organization.

- To manage up with a micromanaging boss, Marcia Raimondo began sending the boss cheerful e-mails twice a day with complete updates of all her projects. After three months, the boss's micromanaging tendencies had lessened considerably because the boss trusted that Raimondo was doing things the way the boss wanted them.

13-3 What Your Leader Wants from You

Leaders and organizational situations vary, but there are some qualities and behaviors that every good leader wants from followers. The following are ones that have been shown to contribute to productive and rewarding leader–follower relationships.[17]

1. *A Make-It-Happen Attitude.* Leaders don't want excuses. They want results. A leader's job becomes smoother when followers are positive and self-motivated, get things done, accept responsibility, and excel at required tasks. Leaders value those people who propose ideas, show initiative, and take responsibility when they see something that needs to be done or a problem that needs to be solved. For example, when the night janitor at FAVI, a French copper-alloy foundry, was cleaning one night, the phone rang and she answered it to discover that an important visitor to the company had been delayed and was

now waiting at the airport without the promised ride to his hotel. (FAVI's CEO had left the airport when the visitor didn't arrive as expected.) The janitor took the keys to one of the company cars, drove 90 minutes to pick up the visitor and deliver him to his hotel, then went back to finish the cleaning she had interrupted three hours earlier. Although this was nowhere close to being within her official job duties, the employee knew that leaders in the company valued and rewarded people who had the gumption to take responsibility for getting things done.[18]

2. *A Willingness to Collaborate.* Leaders are responsible for much more in the organization than any individual follower's concerns, feelings, and performance. Each follower is a part of the leader's larger system and should realize that their actions affect the whole. Larry Bossidy, former chairman and CEO of AlliedSignal and of Honeywell, tells about a conflict between the heads of manufacturing and marketing at one organization. The two managers didn't communicate with one another, so inventories were always out of whack. The CEO finally had to fire them both because their refusal to cooperate was hurting the organization. They got their jobs back when they jointly called and said they got the point and would change their behavior.[19]

3. *The Motivation to Stay Up-to-Date.* Bosses want followers to know what is happening in the organization's industry or field of endeavor. In addition, they want people to understand their customers, their competition, and how changes in technology or world events might affect the organization. Most people try to learn all they can in order to get a job, but they sometimes grow complacent and fail to stay current with what's going on outside the narrow confines of their day-to-day work.

4. *The Passion to Drive Your Own Growth.* Similarly, leaders want followers who seek to enhance their own growth and development rather than depending solely on the leader to do it. Anything that exposes an individual to new people and ideas can enhance personal and professional development. One example is when followers actively network with others inside and outside the organization. Another is when followers take on difficult assignments, which demonstrates a willingness to face challenges, stretch their limits, and learn.

Remember This:

- There are some qualities and behaviors that every good leader wants from followers.

- Leaders want followers with a make-it-happen attitude. They value followers who are positive and self-motivated, get things done, accept responsibility, and excel at required tasks.

- Leaders also want followers to demonstrate a willingness to collaborate, stay up to date in their industry or field of endeavor, and seek to enhance their own growth and development rather than depending solely on the leader to do it.

13-4 Styles of Followership

Despite the importance of followership and the crucial role that followers play in the success of any endeavor, research on the topic is limited. One theory of followership was proposed by Robert E. Kelley, who conducted extensive interviews with leaders and followers and came up with five styles of followership, as shown in Exhibit 13.2.[20]

These followership styles are categorized according to two dimensions, as illustrated in the exhibit. The first dimension is the quality of independent, **critical thinking** versus dependent, **uncritical thinking**. Critical thinking means approaching subjects, situations, and problems with thoughtful questions and in an unbiased way, gathering and assessing ideas and information objectively, and mentally exploring the underlying implications of various alternatives. This recalls our discussion of mindfulness in Chapter 5; independent critical thinkers are mindful of the effects of their and other people's behavior on achieving organizational goals. They are aware of the significance of their own actions and the actions of others. They can weigh the impact of decisions on the vision set forth by a leader and offer constructive criticism, creativity, and innovation. Conversely, dependent, uncritical thinkers do not consider possibilities beyond what they are told, do not contribute to the cultivation of the organization, and accept the leader's ideas without assessing or evaluating them.

According to Kelley, the second dimension of followership style is *active versus passive behavior.* An active individual participates fully in the organization, engages in behavior that is beyond the limits of the job, demonstrates a sense of

Critical thinking thinking independently and being mindful of the effects of one's own and other people's behavior on achieving the organization's vision

Uncritical thinking failing to consider possibilities beyond what one is told; accepting the leader's ideas without thinking

Exhibit 13.2

Followership Styles
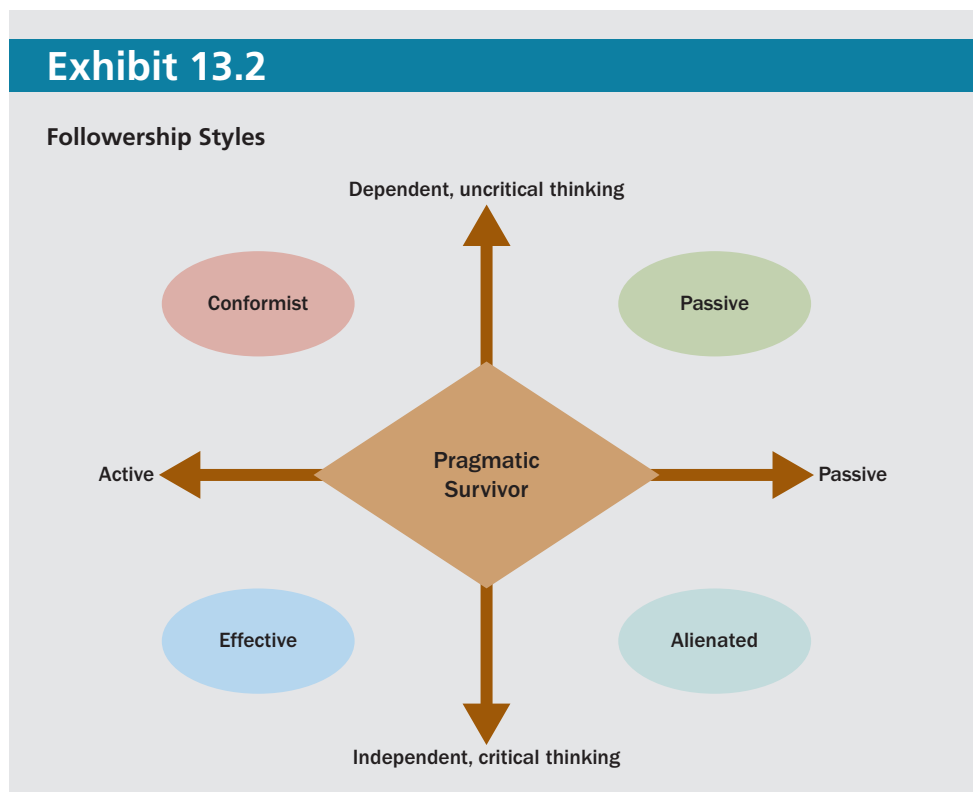
Source: Based on information in Robert E. Kelley, *The Power of Followership* (New York: Doubleday, 1992).

ownership, and initiates problem solving and decision making. A passive individual is characterized by a need for constant supervision and prodding by superiors. Passivity is often regarded as laziness; a passive person does nothing that is not required and avoids added responsibility.

13-4a The Five Follower Styles

The extent to which one is active or passive and is a critical, independent thinker or a dependent, uncritical thinker determines whether they are an alienated follower, a passive follower, a conformist, a pragmatic survivor, or an effective follower, as shown in Exhibit 13.2.

The **alienated follower** is an independent, critical thinker but is passive in the organization. Thus, they are capable, but they focus exclusively on the shortcomings of the organization and other people. Often cynical, alienated followers are able to think independently, but they do not participate in developing solutions to the problems or deficiencies they see. For example, Barry Paris spent more than 10 years writing on and off for the *Pittsburgh Post-Gazette*, where he was known for his bad attitude and lack of enthusiasm and teamwork. Eventually Paris realized that he wasted that time ruminating over what he perceived as the hypocrisy of journalistic objectivity. "I could never resign myself to it," says Paris. Thus, rather than doing his best and trying to help others maintain standards of integrity and objectivity, he allowed hostility and cynicism to permeate his work.[21]

The **conformist** participates actively in the organization but does not use critical thinking skills in their task behavior. In other words, a conformist typically carries out any and all orders regardless of the nature of those tasks. Conformists participate willingly but without considering the consequences of what they are being asked to do—even at the risk of contributing to a harmful endeavor. For example, the thousands of people who lost their homes to foreclosure during the crisis in the mortgage industry can blame not only top executives in firms like Countrywide, Fannie Mae, and IndyMac Bank who embraced the rampant sale of subprime mortgages (sometimes called *liars' loans*) but also many conformist managers and employees who blindly went along with the strategy. In his book *The Foreclosure of America*, former Countrywide executive Adam Michaelson writes of the groupthink and blind conformity that squelched resistance and led people to go along with company actions even if they thought they were wrong.[22] A conformist is concerned only with avoiding conflict.

The **pragmatic survivor** has qualities of all four extremes—depending on which style fits with the prevalent situation. This type of follower uses whatever style best benefits their own position and minimizes risk. Within any given company, some 25 to 35 percent of followers tend to be pragmatic survivors, avoiding risks and fostering the status quo, often for political reasons. Government appointees often demonstrate this followership style because they have their own agendas and a short period of time in which to implement them. They may appeal to the necessary individuals, who themselves have a limited time to accomplish goals and are therefore willing to do whatever is necessary to survive in the short run. Pragmatic survivors also may emerge when an organization is going through desperate times, and followers find themselves doing whatever is needed to get themselves through the difficulty.[23]

The **passive follower** exhibits neither critical, independent thinking nor active participation. Being passive and uncritical, these followers display neither initiative nor a sense of responsibility. Their activity is limited to what they are told to do, and they accomplish things only with a great deal of supervision. The assistant

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Alienated follower
a person who is an independent, critical thinker but is passive in the organization

Put It Into Practice 13.2

Think about a time in your life when you felt alienated from a person in an authority relationship over you. Write down the cause of that alienation.

Conformist
a follower who participates actively in the organization but does not use critical thinking skills in their task behavior

Pragmatic survivor
a follower who has qualities of all four extremes (alienated, effective, passive, conformist), depending on which style fits with the prevalent situation

Passive follower
a person in an organization who exhibits neither critical, independent thinking nor active participation

---

manager at one large hotel found herself having to supervise her boss's daughter, who failed to follow procedures, had to be told over and over when and how to perform tasks, and showed little interest in the job, reflecting the characteristics of a passive follower.[24] Passive followers leave the thinking to their leaders.

Leadership Practice: Know Yourself 13.1

The Power of Followership

Instructions: For each of the following statements, think of a specific situation in which you worked for a boss in an organization. Then answer whether each item is Mostly False or Mostly True for you in that follower situation.

	Mostly False	Mostly True
1. I often commented to my manager on the broader importance of data or events.	_____	_____
2. I thought carefully and then expressed my opinion about critical issues.	_____	_____
3. I frequently suggested ways of improving my and others' ways of doing things.	_____	_____
4. I challenged my manager to think about an old problem in a new way.	_____	_____
5. Rather than wait to be told, I would figure out the critical activities for achieving my unit's goals.	_____	_____
6. I independently thought up and championed new ideas to my boss.	_____	_____
7. I tried to solve the tough problems rather than expect my leader to do it.	_____	_____
8. I played devil's advocate if needed to demonstrate the upside and downside of initiatives.	_____	_____
9. My work fulfilled a higher personal goal for me.	_____	_____
10. I was enthusiastic about my job.	_____	_____
11. I understood my leader's goals and worked hard to meet them.	_____	_____
12. The work I did was significant to me.	_____	_____
13. I felt emotionally engaged throughout a typical day.	_____	_____
14. I had the opportunity to do what I do best each day.	_____	_____
15. I understood how my role contributed to the company's success.	_____	_____
16. I was willing to put in a great deal of effort beyond what was normally expected.	_____	_____

Scoring and Interpretation

Questions 1–8 measure independent thinking. Sum the number of Mostly True answers checked and write your score below.

Questions 9–16 measure active engagement. Sum the number of Mostly True answers checked and write your score below.

> Independent Thinking Total Score _____
> Active Engagement Total Score _____

These two scores indicate how you carried out your followership role. A score of 2 or below is considered low. A score of 6 or higher is considered high. A score of 3–5 is in the middle. Based on whether your score is high, middle, or low, assess your followership style below.

Followership Style	Independent Thinking Score	Active Engagement Score
Effective	High	High
Alienated	High	Low
Conformist	Low	High
Pragmatist	Middle	Middle
Passive	Low	Low

How do you feel about your followership style? Compare your style with that of others in your class. What might you do to be more effective as a follower?

Sources: Based on Douglas R. May, Richard L. Gilson, and Lynn M. Harter, "The Psychological Conditions of Meaningfulness, Safety, and Availability and the Engagement of the Human Spirit at Work," *Journal of Occupational and Organizational Psychology* 77 (March 2004), pp. 11–38; Robert E. Kelley, *The Power of Followership: How to Create Leaders People Want to Follow and Followers Who Lead Themselves* (New York: Doubleday, 1992); and Towers Perrin HR Services, "Working Today: Understanding What Drives Employee Engagement," (2003), www.towersperrin.com

The **effective follower** is both a critical, independent thinker and active in the organization. Effective followers behave the same toward everyone regardless of their position in the organization. They do not try to avoid risk or conflict. Rather, effective followers have the courage to initiate change and put themselves at risk or in conflict with others, even their leaders, to serve the best interests of the organization. A group of staff members at *The Wall Street Journal* acted as effective followers when they sent a letter to newsroom leaders pushing for fundamental changes in how the newspaper covers race, ethnicity, and inequality, asking for more diversity in the newsroom and leadership, and proposing the appointment of editors and journalists specializing in diversity issues. Similarly, some followers at Facebook have been encouraging the social media giant to make changes to de-crease sensationalism and polarization. "Our algorithms exploit the human brain's attraction to divisiveness," read one slide from a presentation to senior executives. "If left unchecked," the presenters warned, this trend would cause Facebook to serve its users "more and more divisive content in an effort to gain user attention and increase time on the platform."[25]

Characterized by both mindfulness and a willingness to act, effective followers are essential for an organization to be effective. They are capable of self-manage-ment, discern strengths and weaknesses in themselves and in the organization, are committed to something bigger than themselves, and work toward competency, solutions, and a positive impact.

Effective followers are far from powerless—and they know it. There-fore, they do not despair in their positions, nor do they resent or manipulate others. This chapter's *Think on This* describes one writer's meaning of effective followership.

Think on This: Our Deepest Fear

Our deepest fear is not that we are inadequate. Our deepest fear is that we are powerful beyond measure.

It is our light, not our darkness, that most frightens us.

We ask ourselves, who am I to be brilliant, gorgeous, talented and fabulous?

Actually, who are you NOT to be? You are a child of God.

Your playing small doesn't serve the world.

There's nothing enlightened about shrinking so that other people won't feel insecure around you.

We were born to make manifest the glory . . . that is within us. It's not just in some of us; it's in everyone.

And as we let our own light shine, we unconsciously give other people permis-sion to do the same.

As we are liberated from our own fear, our presence automatically liberates others.

What do you think?

Source: From *A Return to Love: Reflections on the Principles of a Course in Miracles,* by Marianne Williamson, published by HarperCollins.

13-4b Leader Style Influences Follower Style

Leaders have a lot to do with whether employees are alienated followers, conformists, pragmatic survivors, passive followers, or effective followers. For example, one way leaders help followers be more effective is by pushing responsibility to lower levels, which makes people responsible for their own decisions and for thinking critically and independently about their work. The department store chain Nordstrom gives each salesclerk the responsibility for serving and satisfying the customer, including the authority to make refunds without supervisor approval.[26]

Alienated followers may have been effective followers who experienced setbacks and obstacles within the organization and perhaps promises broken by their leaders. The passive followership style can often result from leaders who are overcontrolling of others and who punish mistakes.[27] Followers learn that to show initiative, accept responsibility, or think creatively is not rewarded and may even be punished by the leader, so they grow increasingly passive. Conformists often result from rigid rules and authoritarian environments in which leaders consider recommendations from direct reports as a challenge or threat.[28] In general, highly authoritative or dominance-based leadership encourages passive and conformist— even submissive—followers.[29]

This can be particularly harmful for the organization if leaders are engaging in unethical practices. Conformist followers may engage in wrongdoing simply because they carry out orders without questioning whether the actions are right or wrong, as evidenced by the mortgage example in the previous section. Recall our discussion from Chapter 6 of *crimes of obedience*, which are actions performed in response to orders or pressure from superiors that are generally considered unethical or illegal by the larger community.[30] As another example, to meet goals for increased credit card sign-ups among small business owners, some salespeople at American Express allegedly misrepresented fees and rewards, checked credit reports without consent of the business owner, and even issued cards that were not requested, according to an article in *The Wall Street Journal*.[31]

Remember This:

- One model proposes five follower styles that are categorized according to two dimensions—critical thinking versus uncritical thinking and active versus passive behavior. The five follower styles are alienated, conformist, pragmatic survivor, passive, and effective.

- **Critical thinking** means thinking independently and being mindful of the effects of one's own and other people's behavior on achieving the organization's vision. In contrast, **uncritical thinking** means failing to consider possibilities beyond what one is told and accepting the leader's ideas without thinking.

- The **alienated follower** is an independent, critical thinker but is passive in the organization. The **conformist** follower participates actively in the organization but does not use critical thinking skills in their task behavior. The **passive follower** exhibits neither critical, independent thinking nor active participation.

- A **pragmatic survivor** is a follower who has qualities of all four extremes (alienated, effective, passive, conformist), depending on which style fits with the prevalent situation.
- An **effective follower** is a critical, independent thinker who actively participates in the organization. Effective followers have the courage to initiate change and put themselves at risk or in conflict with others, even their leaders, to serve the best interests of the organization.
- A group of followers at Facebook have functioned as effective followers by actively encouraging the social media giant to make changes to decrease sensationalism and polarization.
- Leader behaviors have a lot to do with whether employees are alienated followers, conformists, pragmatic survivors, passive followers, or effective followers.
- Leader style influences follower style. Highly authoritative or dominance-based leadership encourages passive and conformist—even submissive—followers.

13-5 Strategies for Managing Up

There is growing recognition that how followers manage their leaders is just as important as how their leaders manage them.[32] Two aspects of managing up are understanding the leader and using specific tactics to improve the leader–follower relationship.

13-5a Understand the Leader

We all spend time and energy trying to understand people who are important to us, so it only makes sense that you do the same with your boss if you want to have a productive working relationship. It is up to you to take the initiative to learn about your leader's goals, needs, strengths and weaknesses, and organizational constraints.

In addition, effective followers study their leader's preferred work style. No two individuals work alike or behave alike under the same circumstances. Effective followers learn their leader's preferences and adapt to them. Interviews with senior executives confirm that this strategy is both effective and appropriate for influencing the leader–follower relationship.[33] You can pay close attention to the leader's behavior in the following areas to know how to be a more effective follower:[34]

- Does the leader like to know all the details of your plans, projects, and problems, or do they just want the big picture?
- Is the leader controlling or empowering? Does your leader want to closely supervise and be in control of people's behavior or delegate freely and look for opportunities to help individuals grow and develop to their highest potential?
- Does the leader like to carefully analyze information and alternatives before making a decision, or are they more inclined to make quick decisions and take action?

- Is the leader a reader or a listener? Do they like to have materials presented in written form so they have time to study and analyze them first, or do they prefer an oral presentation where they can ask questions on the spot?
- Is the leader a numbers person or a word person? Do they want statistics and figures to back up your report or request?
- Is the leader an extrovert or an introvert? Do interactions with large groups of people energize or tire them? Do they like to be involved with people all day or need time alone to think and recharge?

Effective followers seek out all the information they can about their leader from talking to the boss, talking to others, and paying attention to clues in the leader's behavior, so that they are sensitive to the leader's work style and needs. For example, people working with U.S. President Joe Biden know that he is an extrovert who enjoys oral briefings and interacting with a lot of different people when considering decisions. In his wife Jill Biden's memoir published in 2019, she wrote that her husband "can do a rally with thousands of people and leave feeling energized and ready to take on the world." Biden likes going with the flow and getting things done, making relatively quick decisions.[35] In contrast, President Barack Obama, with whom Biden served as vice president, is an introvert who likes to have time to reflect. When he was in the Oval Office, Obama preferred to have decision memos, briefing materials, and other items in writing so he could carefully study them and think of questions he wanted to ask. Obama liked taking time to consider a lot of information and a variety of ideas and opinions before acting.[36]

13-5b Tactics for Managing Up

Most followers at some point complain about the leader's deficiencies, such as a failure to listen, to encourage, or to recognize followers' efforts.[37] Sometimes, though, we need to look in the mirror before blaming our leaders for an unsatisfying or unproductive relationship. The authors of one book on leadership and followership report that poor followership is cited as one of the top three reasons people get fired, and often the primary one. This provides solid evidence that it is just as important to build up one's followership skills as to develop leadership abilities. To be effective, followers develop a meaningful, task-related relationship with their bosses that enables them to add value to the organization even when their ideas differ from those of the leader.[38] The Leader's Bookshelf offers a look at how to work effectively with a difficult boss.

Followers should also be aware of behaviors that can annoy leaders and interfere with building a quality relationship. A business magazine interviewed powerful people about their pet peeves and identified more than two dozen misdemeanors that followers often commit without being aware of it.[39] Leadership Practice: Know Yourself 13.2 gives you a chance to see if you are guilty of being an annoying follower.

Most relationships between leaders and followers are characterized by some emotion and behavior based on authority and submission. Leaders are authority figures and may play a disproportionately large role in the mind of a follower.[40] Exhibit 13.3 illustrates four tactics that enable followers to overcome the authority-based relationship and develop an effective, respectful relationship with their leaders.

> **Put It Into Practice 13.4**
> Over the next week, pay careful attention to the behavior of the instructor of the course in which you are using this text. Write down what you discern about the instructor's communication and work style according to the bulleted list in this section of the chapter.

| Leader's Bookshelf | Managing Up: How to Move Up, Win at Work, and Succeed with Any Type of Boss | by Mary Abbajay |

Almost everyone will have a boss at some point. Many people will complain about them. Some will move from job to job looking for a better one. Mary Abbajay reminds us that "the odds of having a boss that isn't perfect, a boss that really doesn't understand how to lead people, are going to be pretty high," so rather than searching for the perfect boss, you will be more effective and successful by learning how to manage the not-so-perfect ones.

Types of Bosses
Abbajay begins by offering advice for assessing the boss's broad interaction and communication style—such as whether they are an introvert or an extrovert and whether they focus more on goals and outcomes or on interpersonal relationships. Then, she provides tips for adapting your behavior to work well with different types of difficult bosses. Here are two of them:

- **The Micromanaging Boss.** The number one boss people complain about is the micromanager. You might know the type: they are always looking over your shoulder, examining everything

you do, specifying every detail of how to perform a task. Abbajay says a lot of micromanagers feel incompetent and insecure as leaders and constantly worry about mistakes and errors, so they handle their own fear by overcontrolling their direct reports. The best way to handle a micromanager is to keep them informed and earn their trust. It might mean working longer and harder in the short term to prove to the boss that you're a dependable worker who does well all the time, but once your boss trusts that you consistently meet expectations and make good choices, they will give you the autonomy you want.

- **The Workaholic.** Many bosses become bosses because they worked excessively hard to get there, so workaholic bosses are everywhere. These bosses "live to work" and they often expect everyone else to do the same. Working for this kind of boss can be stressful, exhausting, and even damaging to your physical, mental, and emotional well-being. To manage a workaholic boss,

you need to identify and be clear about where the boss is creating a problem for you—is it the amount of work, the number of hours required, the incessant urgency—and be clear in saying what you need to perform well, while also expressing your dedication to the job and your desire to meet your boss's expectations.

It's Okay to Quit
Abbajay's final category, "The Truly Terrible—Psychos, Tyrants, and Bullies," includes those bosses who thrive on intimidating, humiliating, and abusing their employees. No one can work effectively with this type of boss. There are other times a particular boss–follower relationship means you might need to leave the job. If you wake up miserable every day and dread going to work, if your stress level permeates your entire life, if you feel unsafe at work, or if you've tried and tried to make the relationship with your boss work, and nothing makes it work, it might be time to thoughtfully and respectfully leave the job.

Source: *Managing Up*, by Mary Abbajay, is published by John Wiley & Sons.

Be a Resource for the Leader Effective followers align themselves with the purpose and the vision of the organization. By understanding the vision and goals, followers can be a resource of strength and support for the leader. An effective follower can complement the leader's weaknesses with the follower's own strengths.[41] Similarly, effective followers indicate their personal goals and the resources and value they bring to the organization. They keep the leader in the loop rather than assuming their boss understands what they are working on and what problems they are facing. Effective followers inform their leaders about their own ideas, needs, and constraints. The more leaders and followers can know the day-to-day activities and problems of one another, the better resources they can be for each other. At one organization, a group of employees took advantage of a board meeting to issue rented wheelchairs to the members, who then tried to move around the factory in them. Realizing what workers with physical challenges faced, the board got the factory's ramps improved, and the employees became a better resource for the organization.[42]

Leadership Practice: Know Yourself 13.2

Are You an Annoying Follower?

1. If you think there might be a mistake in something you've done, what do you do?

   A. Fess up. It's better to share your concerns up front so your boss can see if there is a problem and get it corrected before it makes them look bad.
   B. Try to hide it for now. Maybe there isn't really a problem, so there's no use in making yourself look incompetent.

2. How do you handle a criticism from your boss?

   A. Poke your head in the leader's door or corner them in the cafeteria multiple times to make sure everything is okay between the two of you.
   B. Take the constructive criticism, make sure you understand what the boss wants from you, and get on with your job.

3. You're in a crowded elevator with your boss after an important meeting where you've just landed a million-dollar deal. You:

   A. Celebrate the victory by talking to your boss about the accomplishment and the details of the meeting.
   B. Keep your mouth shut or talk about non-business-related matters.

4. Your boss has an open-door policy and wants people to feel free to drop by the office any time to talk about anything. You pop in just after lunch and find your boss on the phone. What do you do?

   A. Leave and come back later.
   B. Wait. You know most of the boss's phone calls are quick, so there's no problem with waiting a few minutes.

5. You've been called to the boss's office and have no idea what they want to talk about.

   A. You show up on time, empty-handed, to concentrate on what the boss has to say.
   B. You show up on time with a pen, paper, and your calendar, iPad, or smartphone.

6. You've been trying to get some face time with your boss for weeks and luckily catch them in the bathroom. You:

   A. Take care of personal business and get out of there.
   B. Grab your chance to schmooze with the boss. Ask a question or tell a joke. You might not get another chance any time soon.

Here are the appropriate follower behaviors.

1. **A.** Honest self-assessment and fessing up to the boss builds mutual confidence and respect. Nothing destroys trust faster than incompetence exposed after the fact.

2. **B.** David Snow, former president and COO of Empire Blue Cross and Blue Shield, refers to insecure, thin-skinned people who have to check in frequently after a criticism as *door swingers.* Door swingers are annoying in both our personal and work lives. Just get on with things.

3. **B.** You have no idea who else is in the elevator. Keep your mouth shut. You can crow about the new deal later in private.

4. **A.** There's nothing worse than having someone hovering while you're trying to carry on a phone conversation. Leave a note with your boss's assistant or come back later.

5. **B.** You can usually be safe in assuming your boss hasn't called you in for idle chitchat. Never show up without a pen and paper, tablet, or smartphone to make notes.

6. **A.** At best, to use the bathroom as a place to try to impress the boss makes you look desperate. It also shows a lack of tact and judgment.

Most of these seem obvious, but based on interviews with leaders, direct reports commit these mistakes over and over in the workplace. Keep these missteps in mind so you don't become an annoying follower.

Source: Based on William Speed Weed, Alex Lash, and Constance Loizos, "30 Ways to Annoy Your Boss," *MBA Jungle* (March–April 2003), pp. 51–55.

Exhibit 13.3

Ways to Influence Your Leader

View the Leader Realistically
- Give up idealized expectations.
- Don't hide anything.
- Don't criticize leader to others.
- Disagree occasionally.

Build a Relationship
- Ask about leader at your level/position.
- Welcome feedback and criticism, such as "What experience led you to that opinion?"
- Ask leader to tell you company stories.

Help the Leader Be a Good Leader
- Own your mistakes.
- Offer solutions, not problems.
- Ask for advice.
- Tell leader what you think.
- Find things to thank leader for.

Be a Resource for the Leader
- Determine the leader's needs.
- Keep your leader in the loop.
- Zig where leader zags.
- Tell leader about you.
- Align self to team purpose/vision.

Put It Into Practice 13.5

Identify one specific way you can be a resource for a leader at school or work, and one specific way you can build or strengthen a positive, respectful relationship with that leader.

Help the Leader Be a Good Leader Followers' influence upon a leader can enhance the leader or accentuate the leader's shortcomings.[43] Good followers seek the leader's counsel and look for ways the leader can help improve their skills, abilities, and value to the organization. They help their leaders to be good leaders by simply saying what they need in order to be good followers. If a leader believes a follower values their advice, the leader is more likely to give constructive guidance rather than unsympathetic criticism. Effective followers request guidance rather than making complaints. For instance, instead of complaining that there is not enough time to finish a project, the effective follower asks the boss which parts of the project need to be done first and how to best accomplish all the necessary tasks.

Followers also help leaders be better leaders when they own their mistakes rather than trying to cover them up, and when they think up and propose solutions. Leaders want people to own up to mistakes, but they don't typically want problems dumped on them without some suggested solutions. Moreover, rather than focusing on the leader's shortcomings, effective followers sincerely compliment

the leader for behavior they appreciate, such as listening, rewarding followers' contributions, and sharing credit for accomplishments. A final way in which a follower can help the leader be a better leader is by providing enthusiastic support for the leader, but not to the extent that the follower fails to be candid with a leader who is unethical or threatens the values or objectives of the organization. It is in leaders' best interests when followers help them make needed changes or avoid ethical problems.

Build a Relationship with the Leader One simple but productive way effective followers build positive relationships with their leader is by knowing what behaviors irritate the leader and avoiding them. If you know your boss is frustrated when people are late for meetings, take care to show up for meetings on time. If you know a leader hates to be interrupted while speaking, make sure you hold your comments until the leader has finished theirs.[44] Effective followers also work toward an authentic, mutually respectful relationship with their leaders by developing trust and speaking honestly on the basis of that trust.[45] By building a relationship with the leader, a follower makes every interaction more meaningful to the organization. Furthermore, the relationship is imbued with mutual respect rather than authority and submission.

John Stroup, former CEO and executive chairman of Belden Inc., says he learned this when he was working at Danaher Corporation, where he saw some newly recruited senior managers get fired or transferred because they pushed for changes before they had built credibility with their superiors. Stroup took the lesson to heart and began building positive and respectful relationships with his immediate supervisor and other top executives. Eventually, he told them he wanted to make a change in his division by offering certain customers complete solutions for their specific needs. It was a departure from standard procedures, and it represented a risky strategic shift for the company. His supervisor disagreed with the decision, but after hearing Stroup's arguments, he eventually went along with it because "he recognized my strengths," Stroup says. "I felt comfortable enough to push my point of view," he adds, because the relationship was one based on trust and mutual respect.[46]

Other leaders have also learned that building a positive, respectful relationship with the boss is the best way to get important changes implemented. Followers can generate respect by asking questions about the leader's experiences in the follower's position, actively seeking feedback, and clarifying the basis for specific feedback and criticism from the leader. By doing so, followers are getting beyond submissive behavior by asking leaders to be accountable for their criticism, to have empathy for the followers' position, and to share history about something both parties have in common—the organization.

View the Leader Realistically Unrealistic follower expectations present one of the biggest barriers to effective leader–follower relationships.[47] Whereas it is reasonable to expect your superiors to be competent, it is naïve and unrealistic to expect them to be perfect. When we accept that leaders are fallible and will make many mistakes, we open the path to an equitable relationship. Followers should view leaders as they really are, not as followers think they should be.

Similarly, effective followers present realistic images of themselves. Followers do not try to hide their weaknesses or cover their mistakes, nor do they criticize

their leaders to others. Hiding mistakes is symptomatic of conforming or passive followers, and followers who waste their time trashing their superiors or the company intensify estrangement and reinforce the mindset of an alienated follower. These kinds of alienated and passive behaviors can have negative—and sometimes disastrous—consequences for leaders, followers, and the organization. Instead of criticizing a leader to others, it is far more constructive to directly disagree with a leader on matters relevant to the department's or organization's work.

13-5c Managing Up Remotely

Working remotely has become a fact of life for many people, and it can bring both rewards and challenges. Effective communication with the boss may be one of the major ordeals of remote work. Digital communication lacks the context cues that help us know how to interpret a message. So, if you get a text message from the boss saying, "I want to chat tomorrow," with nothing added about the purpose, you're more likely to assume the boss has something negative to say because you can't read their body language and facial expressions.[48] Moreover, a confusing assignment that could be cleared up quickly by dropping by the boss's office might turn into a nightmarish flurry of e-mails, text messages, or video chats. As discussed in Chapter 9, some things don't always translate easily through digital communication. When working remotely, you may have to try harder to build and maintain a good leader–follower relationship and help your boss learn how to lead remotely.

Mary Abbajay, the author of the book discussed in this chapter's Leader's Bookshelf, says adapting to how your boss prefers to communicate is even more important when working remotely. She suggests taking "the time to really assess how well the virtual engagement and communication is going. What's working well? What are the ways we're not communicating well?"[49] As a follower, you should be clear and direct in what you need from your boss, while also keeping in mind that the boss is dealing with multiple stressors and issues while managing remotely. "So there is a little bit of giving them the benefit of the doubt and depersonalizing it a little bit," said Mollie West Duffy, co-author of *No Hard Feelings*, a book examining how emotions affect people's work lives.[50]

People may also need to fight the "invisibility" that can result from working remotely. Remote workers say the best projects and promotions often go to in-office workers if you don't make sure to stay in the loop and prove your value to the organization.[51] At ButcherBox, a meat subscription service based in Boston, CEO Mike Salguero and other leaders are wrestling with the question of how to keep employees working in Texas, Pennsylvania, and other states from feeling like second-class citizens. For example, Paula Davis, a member support manager based in Dallas, was left out of an important meeting regarding call-center operations, a key part of her job. Her boss, Joe Kelly, has been making more of an effort to advocate for Davis and urge people to keep her in the loop, but Davis has also been proactive by pointing out when she is left out of important conversations, speaking up more during meetings, and insisting on receiving critical videoconference or dial-in links ahead of time so she doesn't miss meetings because of someone's last-minute oversight.[52]

Davis, like other remote workers, has learned that managing up remotely takes intentional and concerted effort. In addition to speaking up when you are left out

of meetings or conversations you think you should have been involved in, here are a few other tips:[53]

- *Check in.* Keep your boss updated more than ever regarding your progress on tasks or projects. Work with your boss to decide the best way to check in—does your boss prefer phone calls, video chats, or e-mail messages, for instance—and establish a schedule to check in on a regular basis. Make sure the boss knows as much about your accomplishments and successes as about your challenges. Occasionally, check in with the boss just to see if there's anything you can help them with. Suggest ways you can make your boss's job easier and help them be a better remote leader.
- *Be the first to respond.* Ensure that you are a responsive, dependable team member. One trick is to be the first to respond to your boss's e-mails. If necessary, have your boss's e-mails forwarded to you as a text message as soon as an e-mail message arrives. A fast response will mitigate any perception that you are less responsive while working from home.
- *Engage your colleagues.* In addition to participating in all group chats on Zoom, Slack, Microsoft Teams, or other technology, schedule random one-on-one calls to catch up with colleagues, including people not on your regular team. If possible, make occasional office visits for face-to-face communication.

Remember This:

- How followers manage their leaders is just as important as how their leaders manage them. Poor followership is cited as one of the top three reasons people get fired, and often the primary one.
- Effective followers take the initiative to learn about the leader's goals, needs, strengths and weaknesses, organizational constraints, and preferred communication and work style.
- Tactics for managing up include being a resource, helping the leader be a good leader, building a relationship with the leader, and viewing the leader realistically.
- Managing up remotely requires intentional and concerted effort to speak up, check in with the boss regularly, and stay in the flow of communication with colleagues across the organization.
- People sometimes have to fight the "invisibility" that can result from working remotely. At ButcherBox, which has headquarters in Boston, a member support manager based in Dallas was left out of an important meeting regarding call-center operations, a key part of her job.

13-6 The Power and Courage to Manage Up

There are followers in almost every organization who remind us "how hollow the *label of leadership* sometimes is—and how heroic followership can be."[54] But standing up to the boss is not easy. Finding the courage to effectively manage up comes easier when you realize how much leaders depend on followers.[55] It's a fact that our bosses typically have more power than we do. Yet followers have more power than many people realize.

Exhibit 13.4

Sources of Power for Managing Up

Personal Sources	Position Sources
• Knowledge, skills	• Visible position
• Expertise	• Flow of information
• Effort	• Central location
• Persuasion	• Collective activism

13-6a Sources of Power for Managing Up

Exhibit 13.4 outlines several sources of power that can be used by followers to manage up.

Personal Sources One personal source of upward influence is the follower's knowledge and skills that are valuable to the organization. A direct report with useful *knowledge* is of real benefit to the leader, and their departure would be a loss.

In addition, someone who has a demonstrated record of performance often develops *expertise* and in this way can influence the boss's decisions. A record of successes and a history of contributions can gain a follower expert status. When someone is recognized as an expert, that person often can influence activities because they become an indispensable resource to the leader. The power to influence is also associated with the *effort* followers put forth. By demonstrating a willingness to learn, to accept difficult or undesirable projects, and to initiate activities beyond the scope of expected effort, people can increase their power.[56]

Another way to influence up is with *persuasion*, which refers to the direct appeal to leaders for desired outcomes.[57] Rational persuasion—using facts and reason—is typically the most effective approach when trying to manage upward. By treating the issue in a businesslike manner, formulating a carefully crafted argument and supporting it with details, followers gain attention and respect.[58] However, followers can use a variety of influence tactics, depending on their own personalities and styles and the preferences and style of the leader.[59] Chapter 12 discussed influence tactics in detail.

Position Sources A follower's formal position also provides sources of power. For example, certain jobs or physical locations can render the follower *visible* to numerous individuals. A position that is key to the *flow of information* can establish that position and the person in it as critical—thus, influential—to those who need the information. A *central location* provides influence because the follower becomes known to many people and contributes to the work of many. Access to people and information in an organization provides a means to establish relationships with a broad range of people both inside and outside the organization. With *collective activism*, followers join together to have more clout with leaders and more opportunity to persuade and make significant contributions.

Collective activism among employees has been highly visible in recent years. A survey found that 82 percent of Millennial employees think it is right for people to speak up against their employers, compared to 79 percent of Generation X employees and 78 percent of Boomer employees.[60] Recall the example described previously in this chapter of the group of staff members at *The Wall Street Journal* who joined together to push for more diversity in leadership and changes in how the newspaper covers race and inequality. As other examples, in 2019, around 3,000 Amazon employees walked out to protest the company's climate policy, and an estimated 20,000 Google employees marched in 2018 to protest the company's generous severance payment to an executive accused of sexual misconduct.[61] Employees at fast food companies such as McDonald's, Wendy's, and Burger King have joined in protests around the United States to argue for an increase in the minimum wage. The collective activism has had an impact: McDonald's recently said it would no longer use company resources to oppose federal, state, or local minimum-wage increases. "Having a player like McDonald's say, 'We're not going to fight this anymore,' is a big deal," said a lawyer for the National Employment Law Project.[62]

13-6b Necessary Courage to Manage Up

Some people tend to think, "Who am I to challenge the CEO (or director, or team leader)?" Yet leaders depend on followers who are willing to step up and challenge them when it is in the interest of the organization. Good followers are not *yes people*. They are people who think for themselves and conduct their work lives with courage and integrity.[63] The discussion of courage and integrity in Chapter 6 applies to followers as well as leaders. To be effective, followers must know what they stand for and be willing to express their own ideas and opinions to their leaders, even though this might mean risking their jobs, being demeaned, or feeling inadequate.[64] Effective followers have the courage to accept responsibility, challenge authority, participate in change, serve the needs of the organization, and leave the organization when necessary.[65]

The Courage to Assume Responsibility The effective follower feels a sense of personal responsibility and ownership in the organization and its mission. Thus, the follower assumes responsibility for their own behavior and its impact on the organization. Effective followers do not presume that a leader or an organization will provide them with security, permission to act, or personal growth. Instead, they initiate the opportunities through which they can achieve personal fulfillment, exercise their potential, and provide the organization with the fullest extent of their capabilities.

The Courage to Challenge Effective followers do not sacrifice their personal integrity or the good of the organization in order to maintain harmony. If a leader's actions and decisions contradict the best interests of the organization, effective followers take a stand. Good leaders want followers who are willing to challenge them for the good of the organization. Obedience is considered a high virtue in military organizations, for example, but the U.S. Army teaches soldiers that they have a duty to disobey illegal or immoral orders.[66] At Tyco International, which was one of the few large corporations that got caught up in the accounting scandals of the early 2000s and managed to restore its reputation, "the only career-ending

move [today] is to not bring bad news forward," said Laurie Siegel, who was hired as part of a team charged with restoring Tyco's corporate name, financial strength, and governance practices. It is a guiding principle at Tyco for leaders to surround themselves with people who will speak up and hold them accountable. Managers' leadership behaviors are assessed annually and include an evaluation of whether they are willing to challenge their superiors when necessary.[67]

The Courage to Participate in Transformation Effective followers view the struggle of corporate change and transformation as a mutual experience shared by all members of the organization. When an organization undergoes a difficult transformation, effective followers support the leader and the organization. They are not afraid to confront the changes and to work toward reshaping the organization. David Chislett of Imperial Oil's Dartmouth, Nova Scotia, refinery was faced with this test of courage. The refinery was the least efficient in the industry and the board of directors gave management nine months to turn things around. Chislett's bosses asked him to give up his management position and return to the duties of a wage earner as part of an overall transformation strategy. He agreed to the request, thereby contributing to the success of the refinery's transformation.[68]

The Courage to Serve An effective follower discerns the needs of the organization and actively seeks to serve those needs. A follower can provide strength to the leader by supporting the leader and by contributing to the organization in areas that complement the leader's position. By displaying the will to serve others over themselves, followers act for the common mission of the organization with a passion that equals that of a leader.

One person who illustrates this aspect of follower courage is Laura Stein (currently executive vice president and general counsel for Mondelēz International), who proved herself to be an exceptional follower at The Clorox Company after the company hired an outside CEO. One expert estimates that managers have a 30 percent to 40 percent chance of being fired after a company hires an outside CEO. Stein, who was general counsel of Clorox at the time, decided to enthusiastically serve the new leader and help him succeed. Before Donald Knauss (now retired) even took the CEO job, Stein did extensive research on his communication and work style to help her know how to work with the leader most effectively. In addition, even if she disagreed with new strategic changes he wanted to make, Stein believed it was her job to support them. Knauss appreciated Stein's proactive, service-oriented approach. Within months of taking the CEO job, Knauss had broadened Stein's duties and power and she was eventually promoted to executive vice president-general counsel.[69]

The Courage to Leave Sometimes organizational or personal changes create a situation in which a follower must withdraw from a particular leader–follower relationship. People might know they need new challenges, for example, even though it is hard to leave a job where they have many friends and valued colleagues. If followers are faced with a leader or an organization unwilling to make necessary changes, it is time to take their support elsewhere. In addition, a follower and leader may have such strong differences of opinion that the follower can no longer support the leader's decisions and feels a moral obligation to leave. For example, some years ago, U.S. major general John Batiste turned down a promotion to

three-star general and resigned because he felt he could no longer support civilian leaders' decisions regarding the war in Iraq. The role of military officers is to advise civilian leaders and then carry out orders even when they disagree. General Batiste spent weeks torn between his sense of duty and respect for the chain of command and a feeling that he owed it to his soldiers to speak out against leaders' decisions. Ultimately, believing he could no longer serve his leaders as he should, the general had the courage to leave the job, even though it meant the end of a lifelong career he highly valued.[70]

Remember This:

- Effective followership is not always easy, but followers can recognize and rely on several personal and positional sources of power to gain the courage to manage up.
- Personal sources of power include knowledge and skills, expertise, effort, and persuasion. Position sources include a visible position, being in the flow of information, a central location in the organization, and collective activism.
- Collective activism means followers join together to have more clout with leaders and more opportunity to persuade and make significant contributions. One example comes from the fast-food industry, where employees have joined in protests around the United States to argue for an increase in the minimum wage.
- Effective followers have the courage to assume responsibility, to challenge their leaders, to participate in transformation, to serve others, and to leave the organization when necessary.
- U.S. major general John Batiste turned down a promotion to three-star general and resigned, even though it meant the end of a lifelong career he valued, when he felt he could no longer support civilian leaders' decisions regarding the war in Iraq.

13-7 What Followers Want from Leaders

Throughout much of this chapter, we've talked about demands on followers and how followers can become more effective and powerful in the organization. However, the full responsibility doesn't fall on the follower. Good followers are created partly by leaders who understand their requirements and obligations for developing people.[71]

Research indicates that followers have expectations about what constitutes a desirable leader.[72] Exhibit 13.5 shows the top four choices in rank order based on surveys of followers about what they desire in leaders and followers.

Followers want their leaders to be honest, competent, forward-looking, and inspiring. A leader must be worthy of trust, be capable and effective in matters that will affect the organization, envision the future of the organization, and inspire others to contribute and help achieve the vision.

Followers want their fellow followers to be honest and competent but also dependable and cooperative. The qualities of forward-looking and inspiring that were ranked third and fourth for leaders were ranked seventeenth and

Exhibit 13.5

Rank Order of Desirable Characteristics

Desirable Leaders Are	Desirable Followers Are
Honest	Honest
Competent	Competent
Forward-looking	Dependable
Inspiring	Cooperative

Source: Adapted from Augustine O. Agho, "Perspectives of Senior-Level Executives on Effective Followership and Leadership," *Journal of Leadership and Organizational Studies* 16, no. 2 (2009), pp. 159–166.

twentieth for followers. Thus, desired qualities of followers share two qualities with leaders—honesty and competence. However, followers themselves want other followers to be dependable and cooperative rather than forward-looking and inspiring. The hallmark that distinguishes the role of leadership from the role of followership, then, is not authority, knowledge, power, or other conventional notions of what a follower is not. Rather, the distinction lies in the clearly defined leadership activities of fostering a vision and inspiring others to achieve that vision. Chapter 7 of this text discusses vision in detail, and Chapter 14 describes how leaders shape cultural values that support achievement of the vision.

The results in Exhibit 13.5 also underscore the idea that behaviors of effective leaders and followers often overlap. Followers do not want to be subjected to leader behavior that denies them the opportunity to make valued contributions. Leaders have a responsibility to enable followers to fully contribute their ideas and abilities. Four specific ways leaders enhance the abilities and contributions of followers are by offering clarity of direction; providing opportunities for growth; giving honest, constructive feedback; and protecting followers from organizational roadblocks.

13-7a Clarity of Direction

It is the leader's job to clearly communicate where the group or organization is going and why.[73] Creating an inspiring vision is only one aspect of setting direction. Followers also need specific, unambiguous goals and objectives on both an individual and team level. Numerous studies have shown that clear, specific, challenging goals enhance people's motivation and performance, as described in Chapter 8. Having clear goals helps people know where to focus their attention and energy, enables them to track their own progress, and lets them feel a sense of pride and accomplishment when goals are achieved.

Another aspect of clarifying direction is helping followers see how their own individual jobs fit in the larger context of the team, department, and total enterprise. This is one reason many leaders use open-book management. When people can see the bigger financial picture, they have a perspective on where the organization stands and how they can contribute.

13-7b Opportunities for Growth

Leaders can act as coaches to help followers upgrade their skills and enhance their career development as managers and leaders. **Leadership coaching** is a method of directing or facilitating a follower with the aim of improving specific leadership skills or achieving a specific development goal, such as developing interpersonal skills, enhancing visionary thinking, or preparing for new responsibilities. Coaching doesn't mean trying to change people and make them something other than what they are. Instead, it means helping followers realize their potential.[74]

To understand what it means to be a leadership coach, consider the difference in mindset and behavior required for managing versus coaching:

Managing	**Coaching**[75]
Telling	Empowering
Judging	Facilitating, removing obstacles
Controlling	Developing

Rather than telling followers what to do, directing and controlling their behavior, and judging their performance, which is a traditional management role, leadership coaching involves empowering followers to explore, helping them understand and learn, providing support, and removing obstacles that stand in the way of their ability to grow and excel.

Exhibit 13.6 shows benefits that followers get from leadership coaching, including gaining a new perspective, getting advice on handling specific organizational situations,

> **Leadership coaching** a method of directing or facilitating a follower with the aim of improving specific leadership skills or achieving a specific development goal

> **Put It Into Practice 13.8**
> Identify one thing you most want and are not getting from an instructor at school or supervisor at work.

Exhibit 13.6

Follower Benefits from Leadership Coaching

Handling organizational politics—7%
General encouragement—7%
Understanding organizational objectives—7%
Advice on handling situations—20%
Clear, direct feedback—36%
A new perspective—23%
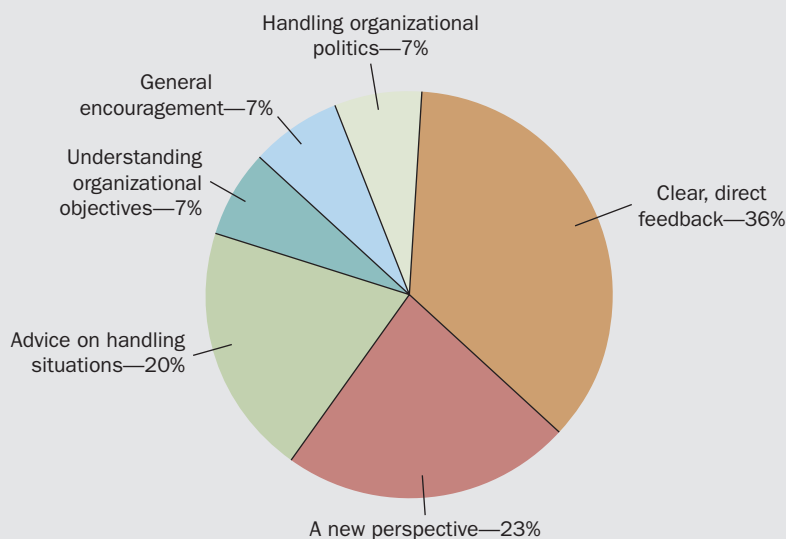
Source: "The Business Leader as Development Coach," *PDI Portfolio* (Winter 1996), p. 6; and Personnel Decisions International, http://www.personneldecisions.com.

dealing with organizational politics, and receiving encouragement and support. The biggest benefit that followers report, however, is getting clear, direct feedback on performance.[76]

13-7c Frequent, Specific, and Immediate Feedback

Candid feedback is one of the most important elements contributing to the growth and development of followers, but many leaders do not know how to give good feedback.[77] Effective leaders see feedback as a route to improvement and development, not as something to dread or fear. When a leader provides feedback, it signals that the leader cares about the follower's growth and career development and wants to help the person achieve their potential.[78]

Feedback
using evaluation and communication to help individuals and the organization learn and improve

Feedback occurs when a leader uses evaluation and communication to help individuals learn about themselves and improve.[79] Effective leaders provide both positive and negative constructive feedback on an ongoing basis. If someone handles a difficult task, for instance, the leader offers feedback on the spot rather than letting the person wonder how effective they were, perhaps imagining the worst. As former advertising account executive Ryan Broderick said, "hearing something is better than hearing nothing."[80]

Followers appreciate positive feedback, but they also want to know when they aren't doing what is expected of them, and they want the feedback to be specific enough to enable them to do better. Leaders who avoid giving any critical feedback "achieve kindness in the short term but heartlessness in the long run, dooming the problem employee to non-improvement."[81] Here are some ways leaders can provide feedback that benefits followers and takes less of an emotional toll on both leader and follower:[82]

1. *Make it timely.* People shouldn't have to wait for an annual review to know how they're doing or how they can improve. Leaders should give feedback as soon as possible after they observe a behavior or action they want to correct or reinforce. Often, this means immediately, such as when a leader says, "Great job on the presentation, Sal, and you used graphics very effectively. The only place I see it could have been better would be including some specifics like past sales figures. Do you know where to find that information, or would you like me to set up a meeting with our sales manager?" If leaders wait to offer feedback, it should be only long enough to gather necessary information or to marshal their thoughts and ideas.

2. *Focus on the performance, not the person.* Feedback should not be used simply to criticize a person or to point out faults. A person who feels like they are being attacked personally will not learn anything from the feedback. The focus should always be on how the follower can improve. Leaders have to point out work that is poorly done, but it is equally important to reinforce work that is done well. This helps people learn from what they do right and softens the impact of negative feedback.

3. *Make it specific.* Effective feedback describes the precise behavior and its consequences and explains why the leader either approves of the behavior or thinks there is a need for improvement. The leader might provide illustrations and examples to clarify what behavior is considered effective, and a good leader always checks for understanding rather than assuming the follower knows what actions the leader wants.

4. *Focus on the desired future, not the past.* Good leaders don't drag up the failures and mistakes of the past. In addition, if it is clear that a follower's mistake was a one-time occurrence and not likely to be repeated, the leader will let it go rather than offering negative feedback. Effective feedback looks toward the future, minimizes fault-finding, and describes the desired behaviors and outcomes.

13-7d Protection from Organizational Intrusions

Good followers want to do their jobs to the best of their abilities. They don't want to be continually interrupted by managers offering questions or suggestions, and they don't want to have to fight against organizational politics, leader uncertainties, or useless procedures. The best leaders "take pride in being human shields."[83] They stay out of the way so people can do their jobs, and they protect their followers from time wasters such as burdensome organizational practices (think routine reports that no one reads), pushy or critical higher executives, abusive or overly demanding customers or clients, and unnecessary meetings.

Good leaders take the heat so employees don't have to. One leader at Southwest Airlines interrupted a customer who was mistreating a gate agent, told the customer he wouldn't allow his employees to be treated that way, and accompanied the customer to another airline's counter to buy him a ticket. Will Wright, who was

Leadership Practice: Know Yourself 13.3

Ready for Coaching

Instructions: Think about your attitude toward personal growth and answer the following questions Mostly False or Mostly True.

	Mostly False	Mostly True
1. I have a strong desire to improve myself.	_____	_____
2. I welcome suggestions for better ways of behaving.	_____	_____
3. I am really honest with myself about my strengths and weaknesses.	_____	_____
4. I welcome negative feedback.	_____	_____
5. I follow through on commitments to change myself.	_____	_____
6. I am very open with my peers about any mistakes I make.	_____	_____
7. I draw my boss's attention to my successes.	_____	_____
8. After making a mistake, I immediately let the affected people know about it and propose a solution.	_____	_____

Scoring and Interpretation

Give yourself 1 point for each Mostly True answer. **Total Score** _____ . Leadership coaching is one way leaders provide valuable feedback that helps people achieve their potential. The attitude of the follower is equally important to that of the leader for a successful coaching relationship. Your score for this questionnaire pertains to your readiness to receive coaching and feedback from another person. If your score is 6 or above, you probably have the correct mindset to benefit from leadership coaching. If your score is 3 or below you may not be receptive to coaching. If you are not open to receiving coaching for yourself, do you think you would be a good coach to others? Would you like to change your coaching mindset? What is the first step you might take?

Source: Based on Susan Battley, *Coached to Lead: How to Achieve Extraordinary Results with an Executive Coach* (San Francisco: Jossey-Bass, 2006), pp. 20–40.

responsible for developing the video games The Sims and Spore, charged his designers a dollar every time they called an unnecessary meeting that wasted artists' time.[84] Leaders invest time and effort into helping their direct reports be good followers. And when people can't or won't learn and change, good leaders get rid of the "bad apples" rather than letting them infect the entire team.

Remember This:

- Followers want their leaders to be honest, competent, forward-looking, and inspiring. They want their fellow followers to be honest, competent, dependable, and cooperative.

- Four specific ways leaders enhance the abilities and contributions of followers are by offering clarity of direction, providing opportunities for growth, giving honest, constructive feedback, and protecting followers from organizational intrusions.

- The video game designer who was responsible for developing *The Sims* and *Spore* charged his designers a dollar every time they called an unnecessary meeting that wasted artists' time.

- **Leadership coaching** is a method of directing or facilitating a follower with the aim of improving specific skills or achieving a specific development goal.

- **Feedback** means using evaluation and communication to help individuals and the organization learn and improve.

- Followers want feedback that is timely and specific, focuses on performance rather than the person, and focuses on the future rather than dragging up mistakes of the past.

Discussion Questions

1. Discuss the role of a follower. Why do you think so little emphasis is given to followership compared to leadership in organizations?

2. As a leader, what would you want most from followers? As a follower, what would you want most from your leader? How do these differ? Why?

3. Compare the alienated follower with the passive follower. Can you give an example of each from your experience? Have you ever been either one? In what ways did the leader help cause that follower behavior?

4. Why is managing up important in organizations? Describe the strategy for managing up that you most prefer. Explain.

5. The chapter describes five ways in which followers need to use courage. Which do you feel is most important? Least important? How might a follower derive the courage to behave in new ways to be more effective? Discuss.

6. Do you think you would respond better to feedback that is presented using a traditional scheduled performance review format or feedback that is presented as a routine part of everyday work activities? How do you think leaders should frame negative feedback to achieve the best results?

7. Which type of follower courage is easiest for you to use? Hardest for you to use? Can you think of ways to expand your power for influencing up?

8. One organizational observer suggested that bosses who won't give negative feedback to followers who need it cause even more damage in the long run than those who fly off the handle when a follower makes a mistake. Do you agree? Discuss.

9. What does leadership coaching mean to you? How should leaders decide which followers they will provide with coaching?

10. What does it mean for a leader to act as a human shield? Do you believe this should be part of a leader's responsibility to followers?

Leadership Skill-Building Exercises

Discover Your Identity as a Follower

The purpose of this exercise is to help you discover your personal identity as a follower in contrast to your identity as a leader. The term "personal identity" refers to a person's self-image—to their beliefs about the sort of person they are and how they differ from others with respect to specific roles and relationships, including those of follower and leader. Your personal identity can restrict your potential when beliefs about yourself place unnecessarily small constraints on your potential. A limited personal identity could result in failure to realize your full potential.

This activity is a self-reflective process of identity discovery.

1. Review the ideas and examples in this chapter and your experiences as a follower in school, work, or as a child to refresh your awareness of yourself as a follower. Then, in the four quadrants of the chart, fill in your words that describe your self-perception as a follower.

2. Review key ideas and examples from this book and your personal experience as a leader or as you imagine yourself as a leader. After refreshing your awareness of leadership, fill in your words in the four quadrants of the chart that describe your self-perception as a leader.

Words that describe who I am	Words that describe what I do
As a follower:	As a follower:
As a leader:	As a leader:
Words that describe who other people would say I am	Words that describe how I define success
As a follower:	As a follower:
As a leader:	As a leader:

In Class or Online (optional as indicated by your instructor): Divide into small groups of two to four people, encouraging groups to form that include students who have worked together if possible.

Each group member in turn should share words written in each quadrant with the group and explain their perspective and thought process for the words chosen.

Follow each member's description with feedback provided by other group members based on their personal observations of the member's follower and leader behavior.

Everyone has the potential for both followership and leadership. Discuss the following questions to deepen your understanding of your personal identity.

1. What are key differences in the words chosen by group members to describe themselves as followers contrasted with leaders?

2. What are similarities and differences within each quadrant among people in your group? Be specific.

3. How might each member's perception of themselves as a follower enhance or limit their potential in a work organization?

Source: A. Erin Bass, "Identity Discovery and Verification in Artist-Entrepreneurs: An Active Learning Exercise," *Organization Management Journal* 14, no. 2 (2017), pp. 90–103.

Follower Role Play

You are a production supervisor at Hyperlink Systems. Your plant produces SIM cards that are used in Samsung cell phones. Hyperlink is caught in a competitive pricing squeeze, so senior management hired a consultant to study the production department. The plant manager, Sue Harris, asked that the consultant's recommendations be implemented immediately. She thought that total production would increase right away. Weekly production goals were set higher than ever. You don't think she took into account the time required to learn the new technology and procedures, and plant workers are under great pressure. A handful of workers have resisted the new work methods because they can produce more SIM cards using the old methods. Most workers have changed to the new methods, but their productivity has not increased. Even after a month, many workers think the old ways are more efficient, faster, and more productive.

You have a couple of other concerns with Harris. She asked you to attend an operations conference, and at the last minute sent another supervisor instead without any explanation. She has made other promises of supplies and equipment to your section and then has not followed through. You think she acts too quickly without adequate implementation and follow-up.

You report directly to Harris and are thinking about your responsibility as a follower. Write below specifically how you would handle this situation. Will you confront her with the knowledge you have? When and where will you meet with her? What will you say? How will you get her to hear you?

_____
_____

What style—effective, conformist, passive, alienated—best describes your response to this situation? Referring to Exhibit 13.3, which tactic would you like to use to assist Harris?

_____
_____

In Class: The instructor can ask students to volunteer to play the role of the plant manager and the production supervisor. A few students can take turns role-playing the production supervisor in front of the class to show different approaches to being a follower. Other students can be asked to provide feedback on each

production supervisor's effectiveness and on which approach seems more effective for this situation.

Leadership Skills Application: Cases for Analysis

Valencic Biometrics

He wanted the help, but CEO Tony Bussard apparently wanted to relinquish none of the power when he agreed with board members of Valencic Biometrics to maintain control over the financial and administrative side of the company while naming a COO to oversee day-to-day operations.

Everyone agreed that the job was too big for one executive. After months of assessments, interviews, and discussion, Juan Carlos De la Vega was hired as COO for the company.

De la Vega came to Valencic from a smaller rival company and was initially excited about his new position and the future of Valencic. De la Vega trained in military security investigations and became interested in the measuring and statistical analysis of biological data that included fingerprints, eye retinas and irises, voice patterns, and facial patterns that could be used in security systems. He had worked his way up through rival Bi-Tech to a position in middle management and jumped at the opportunity to guide a major company in the field about which he was so passionate. "That is *so cool,*" was a De la Vega trademark comment as he delighted in the giant leaps of each system's gadgetry.

But De la Vega's exciting new position came with its own set of frustrations as he tried to plunge into the rapidly changing technology while simultaneously fitting into the organization and tip-toeing around Tony Bussard's ego.

Bussard welcomed De la Vega with the gusto of an under-fire field officer who looks up to see reinforcements riding into the fray. He enthusiastically introduced the new COO to everyone and raved, almost to the point of embarrassment, about De la Vega's experience and level of expertise in the field of biometrics.

"You've made my job a whole lot easier," Bussard gushed. "We're all thrilled to have you."

Now, one year into the job, De la Vega was still wondering what was expected of him and where Bussard's duties ended and his duties began. Those things were never actually spelled out in an agreement, and the boundaries remained vague and confusing. Even during the initial job interviews, Bussard and board members showed great interest in De la Vega's background and talked endlessly about Bussard's vision for the future. But now, in retrospect, the COO realized that there was little or no discussion of *his* vision or any mention about how he would fit into the future being laid out for him.

With no clear agreement, De la Vega's earnest efforts to get guidance about his responsibilities seemed to be brushed aside by the CEO, who remained elusive and vague.

"If he tells me one more time, 'Yeah, yeah, we'll talk,' I think I will scream," De la Vega complained. "I want to feel like a COO, not a sidekick to the CEO. At the same time, I don't want to push so hard that Bussard and the board members become concerned that they made a mistake in selecting me."

The confusion about De la Vega's role also filtered down the ranks. Employees, expecting initiative from De la Vega, remained uncertain about his range of responsibilities. People looked almost exclusively to Bussard for direction, bypassing the new COO. Workers liked De la Vega and admired his industry experience. However, old habits die hard, and the habit of yielding to Bussard's leadership remained intact. Even one year later, employees were reluctant to take a chance on angering Bussard by shifting even a portion of their attention and allegiance to De la Vega.

For his part, De la Vega knew the time for clarity was now, but he hesitated, not knowing exactly how or when to approach the CEO from a position of strength.

Questions

1. If you were De la Vega, what would you do at this point? Do you think De la Vega has waited too long to make a substantial change in his relationship with Bussard? Why?

2. How would you characterize De la Vega's style as a follower at this point? What tactics might help improve his relationship with Bussard? Explain.

3. If you were in De la Vega's position, what would you have done from the beginning? Be specific about your actions and timing.

Mac's Pet Store

Adam Gerrit glanced up from the cash register as his first customers of the day walked into Mac's Pet Store, a neighborhood pet store that is part of a small, regional chain. A young boy, obviously distraught, reluctantly placed a shoebox on the counter. "We have a problem," whispered the boy's dad, "and I would like to get a refund." Cautiously, Adam lifted the lid of the shoebox and found an ebony-colored chinchilla hunched in the corner of the box, huddled in wood chips and barely breathing. Normally inquisitive and active, the chinchilla was obviously sick. The boy's father, a loyal customer for several years, handed Adam a receipt. Adam knew the refund policy by heart: "The health of exotic animals is guaranteed for seven days after purchase. No refunds are granted after seven days." The chinchilla had been purchased 10 days ago, but Adam, as a long-time employee, knew his manager would agree to bend the rules in this case and grant this customer a full refund. Putting the policy manual out of his mind, Adam handed the customer a full refund of $125, saying to the distraught boy, "I'm sorry your little buddy didn't make it. Would you like to look for another pet?" Although he had clearly stretched the return policy rules, Adam felt confident that his store manager, Phillip Jordan, would support his decision.

Jordan did support Adam's decision to bend company rules if it meant retaining a loyal customer. Although the store's thick policy manual called for strict adherence to established procedures, Jordan encouraged employees to think independently when meeting the needs of customers. Jordan also felt strongly about building camaraderie among his small staff, even if it meant straying outside the edicts in the policy manual. For example, Jordan bought the entire staff pizza and soft drinks as a reward for their cheerful attitude when asked to stay late to clean out the stockroom after the store closed. While they restocked shelves and

mopped the stockroom floor, his employees told stories, traded jokes, and enjoyed helping each other complete the job quickly. Jordan was proud of the productive yet friendly culture he had created, even if his district manager would frown on some of his decisions.

Without surprise, Jordan's store steadily increased revenue, up 5.4 percent from the previous year. Employees were motivated and enthusiastic. One factor contributing to the store's success was low employee turnover. Again setting company policy aside, Jordan retained his employees by offering slightly higher wages, granting small promotions with increased responsibilities, and rewarding "VIP" employees with free passes to a local theme park. Since all of the employees were pet owners, he also allowed employees to take home overstocked pet supplies and free samples of new pet foods. This loyalty to employees resulted in a successful store. But Jordan knew his district manager would abruptly end all of these practices if he knew about them, so Jordan learned to keep guarded secrets.

Trouble began when Jordan was transferred to another store, closer to his home, and a new manager with a completely different managerial style was brought in. Wedded to rules and procedures, Jan Whitall was driven by order and discipline. On Whitall's first day on the job, she set the tone for her tenure with this announcement: "The company's new compensation policy will be strictly followed in this store, and some of you will have your pay reduced to adhere to the new pay scales. This is uncomfortable for me, but it's the result of some questionable decisions by your previous manager." The morale of top performers, including Adam, plummeted. By the end of Whitall's first month, she had fired an employee for violating the store's return policy. The employee had granted a full refund for a ball python after the seven-day return period. Another employee was publicly reprimanded for giving a customer a sample of a new organic pet food to try before purchasing it. Stunned by these actions, employees became indignant and bristled under her tight authority. The friendly, warm culture had vanished. Adam Gerrit confided to his coworker, "I've applied for a position at the pet superstore down the road. Before I resign, I'm going to talk to Jan and see if she can lighten up on the rules."

Mustering his courage, Adam tapped on Whitall's office door and asked if he could talk with her. Putting down her reading glasses and pushing away the financial reports in front of her, Whitall motioned for him to sit down. "I'm worried about morale around here," Adam began. "Some of our best workers are leaving and I'm considering it, too. Under our previous manager, I loved coming to work and enjoyed the friendship of coworkers and customers. Now, everyone is in a sour mood and we've lost some customers." Taking a deep breath, he continued. "If you are willing to be more flexible with the company policies, I would be willing to stay." Unflustered, Whitall kept her firm stance. "Adam," she explained, "I'm responsible to the district manager, who long suspected that the previous manager wasn't adhering to company policies. It's my intention to do my job the way I've been instructed, and I'm sorry to hear you will be leaving."

As Adam left her office with his head down, Whitall mused to herself that the district manager would be proud of her ability to stand firm. In fact, he had recently complimented her on her approach. Neither realized that sales would take a surprising dip in the next quarter.

Questions

1. Which store manager—Phillip Jordan or Jan Whitall—would you prefer working for? How did each leader's style affect the culture and followership within the pet store? Explain.

2. What kind of follower was Adam Gerrit? In general, what characteristics of followers do you admire? What characteristics would you want followers to display when working for you?

3. If you were the district manager, which store manager would you prefer to have working for you? Why? In your opinion, which manager did a better job of managing up? Which manager did a better job of managing down? Explain.

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Shaping Culture and Values

Chapter Outline

Your Leadership Challenge

After reading this chapter, you should be able to:

14-1 Explain why shaping culture is a vital function of leadership.

14-2 Describe the characteristics of a healthy culture, as opposed to a toxic culture, and how to establish a high-performance culture.

14-3 Explain how leaders can shape culture and values through ceremonies, stories, symbols, slogans, selection and socialization, and daily actions.

14-4 Identify the cultural values associated with adaptability, achievement, involvement, and consistency cultures and the environmental conditions associated with each.

14-5 Describe the principles of workplace spirituality and spiritual leadership.

Dear "Ask a Career Coach": My friend, who loves his job in Amazon's corporate office, convinced me to leave my job at Google for a new position working with his team there. He says it's a great place to work, and they are giving me a very generous salary, but the long hours, constant pressure to achieve, and intense focus on performance improvement is starting to affect my health. Overall, I think Google is a much nicer place to work. Should I try to get my old job back? Signed, Sadder but Wiser.

People who have worked at both Google and Amazon understand what "Sadder but Wiser" is talking about. Brad Stone, who has studied Amazon for decades and written two books about the company, says "some people say it's the most productive work environment they've ever had, and other people kind of get one taste of the corporate culture and flee." Amazon has a very strong achievement-oriented culture, which can feel harsh to some people. If you don't achieve at Amazon, you're pushed out. The culture at Google, in contrast, provides employees with more freedom to explore and innovate without pressure from the top, and people typically feel a better work–life balance.[1]

Amazon and Google are both highly successful companies, and both have been ranked at or near the top of various "great places to work" lists, but the organizations have quite different corporate cultures. In Chapter 7, we talked about creating an inspiring vision and defining the strategies to help achieve it. Successful leaders recognize that culture is a core element in helping the organization meet strategic goals and attain the vision, and different goals may require different culture values. Leaders align people with the vision by influencing organizational culture and shaping the environment that determines morale and performance.

Most leaders understand that culture is an important mechanism for attracting, motivating, and retaining talented employees, a capability that may be the single best predictor of overall organizational excellence.[2] In a survey of Canada's top 500 companies, 82 percent of leaders said culture has a strong impact on their company's performance.[3] One long-term study discovered that organizations with strong cultures outperform those with weak cultures two to one on several primary measures of financial performance.[4] In another Canadian study, the three-year average revenue growth for the top 10 companies ranked as having positive cultures was 63 percent higher than that of the 60 largest public companies in Canada.[5]

This chapter explores the role of leaders in shaping organizational culture and values. The first section of the chapter describes the nature of corporate culture and the functions of culture in organizations. Then we turn to a consideration of how shared values can help the organization stay competitive and how leaders influence cultural values for high performance. We define the role of cultural leadership and describe different types of corporate cultures. The final section of the chapter briefly discusses spiritual values and how values-based leadership shapes an organization's cultural atmosphere.

14-1 Organizational Culture

Corporate culture is powerful because it affects a company's performance for better or worse. Thriving companies such as Netflix, Google, Southwest Airlines, and Apple have often attributed their success to the cultures their leaders helped create. This chapter's Leader's Bookshelf provides a glimpse into the culture at Netflix.

Dysfunctional cultures or the wrong cultural values have been blamed for many of the problems at companies like the now defunct financial firms Lehman Brothers and Bear Stearns, Research in Motion (maker of the once-ubiquitous Blackberry), and Kodak, the company whose little yellow packages of film once dominated photography. A shifting environment often calls for new values and fresh approaches to doing business. Most leaders now understand that when a company's culture fits the needs of its external environment and company strategy, employees can create an organization that is tough to beat.[6]

Leader's Bookshelf	No Rules Rules: Netflix and the Culture of Reinvention	by Reed Hastings and Erin Meyer

Almost everyone has heard of Netflix. It started in 1997 as a small company sending rented DVDs through the mail, and today creates, develops, licenses, and delivers entertainment across multiple genres and languages through various formats to more than 200 million people in 190 countries. In *No Rules Rules*, cofounder Reed Hastings and INSEAD professor Erin Meyer shine a light on the unique corporate culture that has guided the company through that transformation.

Three Pillars of Netflix Culture
As companies grow, they typically add more rules and controls, but Netflix went in the opposite direction, reducing controls and giving employees more freedom and flexibility. The core values that shape the Netflix culture can be summarized in three categories: Talent, Candor, and Loose Control.

- ***First, You Gotta Have Stunning Talent.*** The authors say it all starts with creating a workplace made up of "stunning colleagues," people who are creative, passionate, and productive. Netflix looks for high-caliber people who can be trusted to behave responsibly and act in the company's best interest. Leaders pay them top salaries and evaluate them based on performance. Netflix's

"Keeper Test" encourages leaders to ask themselves, "If a person on my team were to quit tomorrow, would I fight to keep them? Or would I accept their resignation, perhaps with a little relief?" If the answer is the latter, leaders should offer the person a generous severance package and look for a star, someone they would fight to keep. Hastings says, "For top performers, a great workplace isn't about a lavish office, a beautiful gym, or a free sushi lunch. It's about the joy of being surrounded by people who are both talented and cooperative. People who can help you be better."

- ***Increase Candor and Transparency.*** Netflix's culture of candor encourages frequent feedback sessions. Leaders coach people in how to effectively give and receive candid feedback, and employees can talk to their leaders about any topic without fear of retribution. Netflix inspires candor by opening the books and being transparent with employees about both the good and the bad aspects of the company. Every six to 12 months, people participate in what Netflix calls a circle of feedback, dedicated sessions in which team members sit in a circle and give candid

feedback on all facets of their team's performance.

- ***Lead with Culture, Not Control.*** Netflix gives people a great deal of autonomy to make their own decisions. Neither employees nor their leaders are expected to keep track of the number of vacation days people take. There are no requirements for travel and expense approvals. Netflix sets guidelines for spending up front and the finance department regularly audits a portion of receipts to adjust guidelines if necessary. Sometimes expenses increase, but Hastings says, "Many employees will respond . . . by spending less than they would in a system with rules. When you tell people you trust them, they'll show you how trustworthy they are."

A Culture of Freedom and Responsibility
"Once you have a workplace made up nearly exclusively of high performers, you can count on people to behave responsibly," Hastings writes. "The trust you offer will in turn instill feelings of responsibility in your workforce, leading everyone to have a greater sense of ownership."

Source: *No Rules Rules: Netflix and the Culture of Reinvention*, by Reed Hastings and Erin Meyer, is published by Penguin Press.

14-1a What Is Culture?

Some people think of culture as the character or personality of an organization. How an organization looks and "feels" when you enter it is a manifestation of the organizational culture. For example, if you visit headquarters at ExxonMobil, you will likely get a sense of formality the minute you walk in the door. Most employees are in conventional business attire, desks are neat and orderly, and the atmosphere is tinged with competitiveness and a rigorous, analytical approach to taking care of business. "They're not in the fun business," said one oil industry analyst. "They're in the profit business."[7] At a company such as Zappos, though, where fun is a core value, employees may be wearing jeans and sneakers, sport pierced lips or noses, and have empty pizza boxes, coffee cups, and drink bottles on their desks. Both of these companies are highly successful, but the underlying cultures are very different.

Culture
the set of key values, assumptions, understandings, and norms that is shared by members of an organization and taught to new members as correct

Culture can be defined as the set of key values, assumptions, understandings, and norms that is shared by members of an organization and taught to new members as correct.[8] *Norms* are shared standards that define what behaviors are acceptable and desirable within a group of people. At its most basic, culture is a pattern of shared assumptions and beliefs about how things are done in an organization. As organizational members cope with internal and external problems, they develop shared assumptions and norms of behavior that are taught to new members as the correct way to think, feel, and act in relation to those problems.[9]

Culture can be thought of as consisting of three levels, as illustrated in Exhibit 14.1, with each level becoming less obvious.[10] At the surface level are visible artifacts and audible behavior, such as manner of dress, patterns of behavior,

Exhibit 14.1

Levels of Corporate Culture

Culture that can be seen at the surface level

Visible
1. Artifacts, such as dress, office layout, symbols, slogans, ceremonies

Invisible
2. Expressed values, such as "The Penney Idea," "The HP Way"
3. Underlying assumptions and deep beliefs, such as "people here care about one another like a family"

Deeper values and shared understandings held by organization members
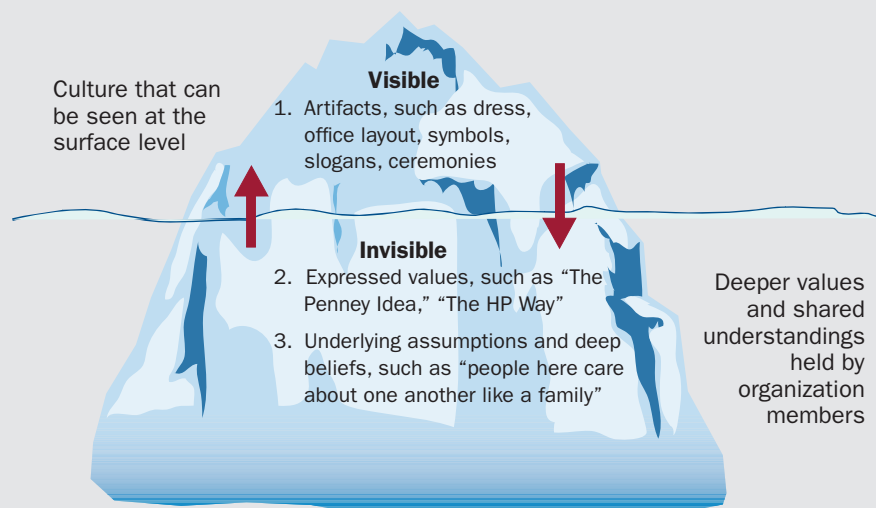
physical symbols, office sayings, organizational ceremonies, and office layout—all the things one can see, hear, and observe by watching members of the organization. Consider some observable aspects of culture at John Lewis & Partners, a successful retailer in Great Britain. People working in John Lewis stores are typically older than staff members at other retailers and are called partners, not employees. Everyone shares in company profits and has a say in how the business is run. The entrance to leaders' offices is small and functional rather than ostentatious, and stores exude an air of simplicity, calmness, and order.[11] At a deeper level of culture are the expressed values and beliefs, which are not observable but can be discerned from how people explain and justify what they do. These are values that members of the organization hold at a conscious level. For example, John Lewis partners consciously know that dependability, service, and quality are highly valued and rewarded in the company culture.

Some values become so deeply embedded in a culture that organizational members may not be consciously aware of them. These basic, underlying assumptions are the essence of the culture. At John Lewis, these assumptions might include (1) that the company cares about its employees as much as it expects them to care about customers, (2) that individual employees should think for themselves and do what they believe is right to provide exceptional customer service, and (3) that trust and honesty are an essential part of successful business relationships. Assumptions generally start out as expressed values, but over time they become more deeply embedded and less open to question—organization members take them for granted and often are not even aware of the assumptions that guide their behavior, language, and patterns of social interaction.

14-1b The Functions of Culture

When people are successful at what they undertake, the ideas and values that led to that success become institutionalized as part of the organization's culture.[12] Culture gives employees a sense of organizational identity and generates a commitment to particular values and ways of doing things. Culture serves two important functions in organizations: (1) it provides a foundation of shared values so that people know how to relate to one another, and (2) it helps the organization adapt to the external environment.

Foundation of Shared Values The values and norms of an organization's culture have a strong influence on shaping individual behavior. It is culture that guides day-to-day working relationships and determines how people communicate in the organization, what behavior is acceptable or not acceptable, and how power and status are allocated. Consider the culture at W. L. Gore & Associates, where self-direction, individual responsibility, collaboration, innovation, and informal leadership are key values. Founder Bill Gore described the organization as "one that involves direct transactions, self-commitment, natural leadership, and lacks assigned or assumed authority. We don't manage people here, people manage themselves." At Gore, people choose what to work on, and any individual feels free to reach out to any other individual—even the CEO or the chair of the board—to gather information, seek assistance, or test ideas. Leaders are not assigned; they emerge when followers trust their abilities and commitment to handle a specific project or issue in a way that benefits the entire organization.[13]

Culture can imprint a set of unwritten rules inside employees' minds, which can be very powerful in determining behavior, thus affecting organizational performance.[14] Many organizations, like W. L. Gore & Associates, want strong cultures that encourage teamwork, collaboration, and mutual trust. In an environment of trust, people are more likely to share ideas, be creative, and be generous with their knowledge and talents. As another example, Natarajan Chandrasekaran, chairman of Tata Sons, India's largest conglomerate, has always put strong emphasis on creating an organizational environment in which people learn from and collaborate with others. "Learning cannot be achieved by mandate," Chandrasekaran says. "It has to be achieved by culture."[15]

External Adaptation Culture also determines how the organization meets goals and deals with outsiders. The right cultural values can help the organization respond rapidly to customer needs or the moves of a competitor. Culture can encourage employee commitment to the core purpose of the organization, its specific goals, and the basic means used to accomplish goals.

The "right" culture is determined partly by what the organization needs to meet external challenges. This is one reason for the differing cultures at Amazon and Google, as described in the chapter opening example. Google, with profit margins at over 30 percent, can afford to have a more laid-back culture. Amazon, with much smaller margins of between 5 and 10 percent, needs a culture that

Think on This: Here Is Your Assignment

1. You will receive a body. You may like it or not, but it will be yours for the entire period this time around.

2. You will learn lessons. You are enrolled in a full-time, informal school called life. Each day in this school you will have the opportunity to learn lessons. You may like the lessons or think them irrelevant and stupid.

3. There are no mistakes, only lessons. Growth is a process of trial and error, experimentation. The "failed" experiments are as much a part of the process as the experiment that ultimately "works."

4. A lesson is repeated until it is learned. A lesson will be presented to you in various forms until you have learned it; then you can go on to the next lesson.

5. Learning lessons does not end. There is no part of life that does not contain its lessons. If you are alive, there are lessons to be learned.

6. "There" is no better than "here." When your "there" has become a "here," you will simply obtain another "there" that will, again, look better than "here."

7. Others are merely mirrors of you. You cannot love or hate something about another person unless it reflects to you something you love or hate about yourself.

8. What you make of your life is up to you. You have all the tools and resources you need; what you do with them is up to you. The choice is yours.

9. All you need to do is look, listen, and trust.

10. Whether you think you can or can't, in either case you'll be right.

What do you think?

impresses upon employees the need to be frugal and to continually push for business improvements. In addition, Amazon founder Jeff Bezos continually reinforced the value of customer focus. For example, in a meeting where someone mentioned something about what Walmart was doing, Bezos immediately stood up, interrupted the meeting, and emphasized that customer focus rather than competitor focus should underly all decision making.[16] An organization's culture should embody the values and assumptions needed by the organization to succeed in its environment.[17] If the competitive environment requires speed and flexibility, for example, the culture should embody values that support adaptability, collaboration across departments, and a fast response to customer needs or environmental changes.

All effective cultures encourage adaptation to the environment in order to keep the organization healthy and profitable. This chapter's *Think on This* highlights the importance of individual learning and adaptability. Just like people, effective organizational cultures grow and change to meet new challenges.

Remember This:

- Creating the right culture is one of the most important jobs of a leader. **Culture** is the set of key values, assumptions, understandings, and norms that is shared by members of an organization and taught to new members as correct.

- Culture serves two critically important functions—to provide a foundation of shared values so that people know how to relate to one another, and to help the organization adapt to the external environment.

- Culture can imprint a set of unwritten rules inside employees' minds, which can be very powerful in determining behavior.

- Natarajan Chandrasekaran, who helped create an organizational environment at Tata Sons in which people learn from and collaborate with others, says, "Learning cannot be achieved by mandate. It has to be achieved by culture."

14-2 Culture Strength and Performance

Culture strength refers to the degree of agreement among employees about the importance of specific values and ways of doing things. If widespread consensus exists, the culture is strong and cohesive; if little agreement exists, the culture is weak.[18] Some leaders worried that the extended period of remote working during the COVID-19 pandemic would weaken their corporate cultures. As restrictions eased, many leaders insisted that employees return to working in the office rather than continuing remote work because they believe their companies function best when employees interact in person. Mat Ishbia, president and CEO of United Wholesale Mortgage, said, "I have never wavered on this. We are better together. If you have an amazing culture, and great people that collaborate and work together, you want them in the office together."[19]

A strong culture increases employee cohesion and commitment to the values, goals, and strategies of the organization, but the effect of a strong culture is not always positive. Research at Harvard into some 200 corporate cultures found that a strong culture does not ensure success unless it also encourages a healthy response and adaptation to the external environment.[20] A strong culture that does not

Culture strength the degree of agreement among employees about the importance of specific values and ways of doing things

encourage responsiveness can be more damaging to an organization than a weak culture. To improve your understanding of a responsive culture, go Leadership Practice: Know Yourself 14.1.

In addition, a strong culture can sometimes encourage negative or unethical values and cause harm to the organization and its members. One example is Bear Stearns, which failed in 2008 as part of the global financial crisis. Bear Stearns had a strong, highly competitive corporate culture that supported pushing everything

Leadership Practice: Know Yourself 14.1

Working in a Responsive Culture

Instructions: Think of a specific full-time job you have held. Indicate whether each of the following items is Mostly False or Mostly True according to your perception of the managers above you when you held that job.

	Mostly False	Mostly True
1. Good ideas got serious consideration from management above me.	_____	_____
2. Management above me was interested in ideas and suggestions from people at my level in the organization.	_____	_____
3. When suggestions were made to management above me, they received fair evaluation.	_____	_____
4. Management did not expect me to challenge or change the status quo.	_____	_____
5. Management specifically encouraged me to bring about improvements in my workplace.	_____	_____
6. Management above me took action on recommendations made from people at my level.	_____	_____
7. Management rewarded me for correcting problems.	_____	_____
8. Management clearly expected me to improve work unit procedures and practices.	_____	_____
9. I felt free to make recommendations to management above me to change existing practices.	_____	_____
10. Good ideas did not get communicated upward because management above me was not very approachable.	_____	_____

Scoring and Interpretation

To compute your score: Give yourself one point for each Mostly True answer to questions 1, 2, 3, 5, 6, 7, 8, and 9 and for each Mostly False answer to questions 4 and 10. Total points:_____.

An adaptive culture is shaped by the values and actions of top and middle executives. When managers actively encourage and welcome change initiatives from below, the organization will be infused with values for responsiveness and change. These 10 questions measure your management's openness to change. A typical average score for management openness to change is about 4. If your average score was 5 or higher, you worked in an organization that expressed cultural values of responsiveness. If your average score was 3 or below, the culture was probably a resistant one.

Thinking back to your job, was the level of management openness to change correct for that organization? Why? Compare your score to that of another student, and take turns describing what it was like working for the *managers above you*. Do you sense that there is a relationship between job satisfaction and management's openness to change? What specific manager characteristics and corporate values accounted for the openness (or lack of) in the two jobs?

Source: Based on S. J. Ashford, N. P. Rothbard, S. K. Piderit, and J. E. Dutton, "Out on a Limb: The Role of Context and Impression Management in Issue Selling," *Administrative Science Quarterly* 43 (1998), pp. 23–57; and E. W. Morrison and C C. Phelps, "Taking Charge at Work: Extrarole Efforts to Initiate Workplace Change," *Academy of Management Journal* 42 (1999), pp. 403–419.

to the limits in the pursuit of wealth. As long as an employee was making money for the firm, leaders took a hands-off approach, which allowed increasingly risky and sometimes unethical behavior.[21]

14-2a Toxic versus Healthy Cultures

Although strong corporate cultures are important to organizations, they can sometimes promote or support negative values and behaviors. A **toxic culture** exists when persistent negative sentiments and infighting cause stress, unhappiness, and lowered productivity among subgroups of employees. Sometimes toxicity reveals itself in an emergent "bro" culture in which young males' values related to sports, partying, and sex become unhealthy or allow misogynistic behavior toward female employees. One current issue is when toxic male values lead to sexual harassment and misconduct.

In recent years, millions of women have come forward sharing their personal career stories online using the hashtag #MeToo. The MeToo furor sparked many organizations to begin looking more closely at their own handling of misconduct and its impact on culture. Andrew Cuomo resigned as governor of New York in August 2021 after New York's attorney general released the results of an investigation that found Cuomo sexually harassed several women, many of whom had worked for him or the state. Cuomo's resignation is "a testament to the growing power of women's voices since the beginning of the #MeToo movement," said Debra Katz, a lawyer for one of his accusers.[22]

Companies in various industries have been affected by toxic culture–related issues. For example, former employees of CrossFit say the owner and CEO created a culture in which vulgar talk about women and their bodies was rampant, top male managers pressured female employees to consider sharing hotel rooms with them, and male employees would rank female professional CrossFit athletes according to how much men wanted to have sex with them. In a quite different industry, former employees of the Willows Inn on Lummi Island off the coast of Washington State, a famed culinary destination, say the organization has a toxic culture that includes routine faking of "island" ingredients; physical and verbal intimidation, including racial, sexist, and homophobic slurs; and sexual harassment of female employees by male staff members.[23]

In contrast, a **healthy culture** is one that promotes positive values and creates an environment in which all people feel valued, commit themselves to the organization's goals, and can meet their needs for personal fulfilment and self-development. At Southwest Airlines, for example, the culture focuses on values of providing people "a stable work environment with equal opportunities for learning and personal growth." Leaders are expected to treat employees with the same care, concern, and respect that they are expected to provide to Southwest customers.[24] Four elements of a healthy culture are described in the following:[25]

1. *Leadership without ego.* We have talked about the importance of leader humility in various places throughout this text. In healthy cultures, leaders use their power and influence ethically and responsibly to serve followers and the organization rather than to serve their own egos or selfish needs.

2. *Freedom in the workplace.* People in healthy cultures feel safe to try things out, to learn, to experiment and possibly make mistakes. They don't fear that leaders will shame or punish them for failures.

3. *Control assets, not people.* Leaders can assert control over financial assets rather than people. Leaders help everyone understand the organization's vision and

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Put It Into Practice 14.2

Imagine yourself being part of a super strong organizational culture. Write down how you feel, such as, for example, being part of something larger than yourself or losing your individuality.

Toxic culture
a culture in which persistent negative sentiments and infighting cause stress, unhappiness, and lowered productivity among subgroups of employees

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Healthy culture
a culture that promotes positive values and creates an environment in which all people feel valued, commit themselves to the organization's goals, and can meet their needs for personal fulfilment and self-development

goals. They also make sure people have the resources and support they need to freely accomplish their daily responsibilities, to develop their potential, and to use their full capabilities.

4. *A philosophy of equal respect for all.* Every individual is treated with respect and has opportunities and support to grow, achieve, and advance. Moreover, there are no double standards or special privileges in healthy cultures.

Healthy culture values such as these encourage self-responsibility, accountability, trust, and a sense of community. Healthy cultures help companies achieve their goals and adapt to changes in the external environment.

An organization's culture may not always be in alignment with the needs of the external environment. The values and ways of doing things may reflect what worked in the past. The difference between desired and actual values and behaviors is called the **culture gap**.[26] Many organizations have some degree of culture gap, though leaders often fail to realize it. An important step toward shifting the culture toward more adaptive values is to recognize when people are adhering to the wrong values or when important values are not held strongly enough.[27]

Culture gaps can be immense, particularly in the case of mergers. Leaders at Alpha Natural Resources Inc. struggled to merge two distinct cultures after acquiring Massey Energy Company. Massey was in control of a mine in West Virginia at which an explosion killed 29 workers a decade ago. Alpha CEO Kevin Crutchfield makes safety a core value, and he scheduled 400 training sessions to train every Massey employee in the management system called Running Right. "There is no ton of coal worth an injury, an accident, or God forbid, a life," he says. "It's just a ton of coal. So, if we can't get it out the right way, we're not going to bother. I think that is a little different from what the Massey folks were used to."[28]

Despite the popularity of mergers and acquisitions as a corporate strategy, many fail. Studies by consulting firms such as McKinsey & Company, the Hay Group, and others suggest that performance declines in almost 20 percent of acquired companies after acquisition. Some experts claim that 90 percent of mergers never live up to expectations.[29] One reason for this is the difficulty of integrating cultures.

Culture gap
the difference between desired and actual values and behaviors

14-2b The High-Performance Culture

Creating and sustaining an adaptive, high-performance culture is one of the most important jobs for organizational leaders.[30] A number of studies have found a positive relationship between culture and performance.[31] In *Corporate Culture and Performance,* Kotter and Heskett provided evidence that companies in which leaders intentionally managed cultural values outperformed similar companies whose leaders did not.[32]

Companies that succeed have leaders who pay careful attention to both cultural values *and* business performance. Exhibit 14.2 illustrates four organizational outcomes based on the relative attention leaders pay to cultural values and business performance.[33] For example, leaders in Quadrant C of Exhibit 14.2 pay little attention to either cultural values or business results, and the company is unlikely to survive for long. Leaders in Quadrant D are highly focused on creating a strong culture, but they don't tie the values directly to goals and desired results.

When leaders don't connect cultural values to business performance, the values aren't likely to benefit the organization during hard times. For example, the

Exhibit 14.2

Combining Culture and Performance

	Quadrant A **High Performance** **Low Cultural Values** Leaders meet performance goals but fail to uphold cultural values.	**Quadrant B** **High Performance** **High Cultural Values** Leaders achieve performance goals and uphold desired cultural values.
	Quadrant C **Low Performance** **Low Cultural Values** Leaders do not meet performance goals or uphold cultural values.	**Quadrant D** **Low Performance** **High Cultural Values** Leaders do not meet performance goals but do uphold cultural values.

Attention to Business Performance: High ↔ Low

Attention to Values: Low ← → High

Source: Adapted from Jeff Rosenthal and Mary Ann Masarech, "High-Performance Cultures: How Values Can Drive Business Results," *Journal of Organizational Exellence* (Spring 2003), pp. 3–18; and Dave Ulrich, Steve Kerr, and Ron Ashkenas, Figure 11–2, GE Leadership Decision Matrix, *The GE Work-Out: How to Implement GE's Revolutionary Method for Busting Bureaucracy and Attacking Organizational Problems—Fast!* (New York: McGraw-Hill, 2002), p. 230.

corporate culture at The LEGO Group headquarters in Billund, Denmark, nearly doomed the toymaker when sales plummeted as children turned away from traditional toys to video games. At that time, LEGO leaders reflected the characteristics found in Quadrant D of Exhibit 14.2. Imagination and creativity, not business performance, were what guided LEGO. The attitude was, "We're doing great stuff for kids—don't bother us with financial goals." A new CEO, Jørgen Vig Knudstorp, transformed the culture with a new employee motto: "I am here to make money for the company." Shifting leader attitudes to incorporate bottom-line results as well as values had a profound effect, and LEGO has become one of the most successful companies in the toy industry.[34]

Quadrant A in Exhibit 14.2 represents organizations in which leaders focus primarily on bottom-line results and pay little attention to values. This approach may be profitable in the short run, but the success is difficult to sustain over the long term because the "glue" that holds the organization together—that is, shared positive cultural values—is missing. Consider how leaders at money management firm Pacific Investment Management (Pimco) are facing a need to pay more attention to building a positive culture as the environment has shifted. Pimco's cutthroat reputation has long attracted ambitious, hard-working people who were willing to endure the grueling hours, dog-eat-dog environment, and capricious management decisions in exchange for big paydays. The company seemed to pay little attention

to how employees felt about their working conditions or inequities in pay and promotions. Today, though, the excessive focus on performance over values is hurting the firm. Today's younger workers are less willing to accept unfair working conditions, and a wave of complaints and recent lawsuits alleging discrimination and harassment against women and people of color has pushed executives to take a hard look at the culture. Clients are paying attention too. "Culture matters, teamwork matters, inclusivity matters," said Elizabeth Burton, investment chief of the Hawaii Employees' Retirement System, a longtime client. Pimco has revised how employees are evaluated, trained, and promoted and now factors leadership, values, and other people skills into those decisions.[35]

Companies that maintain success over the long term have leaders who fit into Quadrant B of Exhibit 14.2. They put high emphasis on both culture and solid business performance as drivers of organizational success. Quadrant B organizations represent the **high-performance culture**, a culture that (1) is based on a solid organizational mission or purpose, (2) embodies shared responsive values that guide decisions and business practices, and (3) encourages individual employee ownership of both bottom-line results and the organization's cultural backbone.[36]

In Quadrant B companies, leaders align values with the company's day-to-day operations—hiring practices, performance management, budgeting, criteria for promotions and rewards, and so forth. For example, when he was CEO of General Electric, Jack Welch helped GE become one of the world's most successful and admired companies. He achieved this by evaluating and rewarding leaders throughout the company based on whether they honored important cultural values in addition to "making their numbers." As another example, managers at Amazon cannot advance unless they adhere to and promote the right cultural values because 50 percent of a leader's performance assessment is tied to core values.[37]

At companies with high-performance cultures, leaders care about both values and performance. A study of corporate values by Booz Allen Hamilton and the Aspen Institute found that leaders in companies that report superior financial results typically put a high emphasis on values and link them directly to the way they run the organization.[38]

High-performance culture
a culture that is based on a solid mission, embodies shared responsive values that guide decisions, and encourages individual ownership of both bottom-line results and cultural values

Remember This:

- **Culture strength** is the degree of agreement among employees about the importance of specific values and ways of doing things. The effect of a strong culture is not always positive. A strong culture that promotes or supports negative values and behaviors can damage the organization.

- A **toxic culture** exists when persistent negative sentiments and infighting cause stress, unhappiness, and lowered productivity among subgroups of employees.

- Former employees of CrossFit say the owner and CEO created a toxic culture in which vulgar talk about women and their bodies was rampant.

- A **healthy culture** is one that promotes positive values and creates an environment in which all people feel valued, commit themselves to the organization's goals, and can meet their needs for personal fulfilment and self-development.

- A strong, healthy culture can drive high performance. The difference between desired and actual values and behaviors is called the **culture gap**.

- A **high-performance culture** is based on a solid mission, embodies shared responsive values that guide decisions, and encourages individual ownership of both bottom-line results and cultural values.
- Leaders build high-performance cultures by emphasizing both values and solid business operations as the drivers of organizational success.
- Managers at Amazon cannot advance unless they adhere to and promote the right cultural values because 50 percent of a leader's performance assessment is tied to core values.

14-3 Cultural Leadership

An organization exists only because of the people who are a part of it, and those people both shape and interpret the character and culture of the organization. That is, an organization is not a slice of objective reality; different people may perceive the organization in different ways and relate to it in different ways. Leaders in particular formulate a viewpoint about the organization and the values that can help people achieve the organization's mission, vision, and strategic goals. Therefore, leaders enact a viewpoint and a set of values that they think are best for helping the organization succeed. A primary way in which leaders influence norms and values to build a high-performance culture is through *cultural leadership.*

A **cultural leader** defines and uses signals and symbols to influence corporate culture. Cultural leaders influence culture in two key areas:

Cultural leader
a leader who actively uses signals and symbols to influence corporate culture

1. *The cultural leader articulates a vision for the organizational culture that employees can believe in.* This means the leader defines and communicates central values that employees believe in and will rally around. Values are tied to a clear and compelling mission, or core purpose.

2. *The cultural leader heeds the day-to-day activities that reinforce the cultural vision.* The leader makes sure that work procedures and reward systems match and reinforce the values. Actions speak louder than words, so cultural leaders "walk their talk."[39]

For values to guide the organization, leaders model them every day. WestJet Airlines, which is consistently ranked as having one of Canada's most admired corporate cultures, provides an illustration. Employees (called West-Jetters) regularly see top leaders putting the values of equality, teamwork, participation, and customer service into action. At the end of a flight, for example, everyone on hand pitches in to pick up garbage—sometimes even the CEO. Customer-facing employees have "guidelines" rather than rules in terms of what they can do for customers, and no one is ever punished for well-intended errors of judgment. A new gate agent who gave free tickets to an entire flight for a minor inconvenience, for instance, was praised for her effort, even though leaders coached her through understanding the impact of her action on the company so she might make a less costly decision the next time.[40] Creating and maintaining a high-performance culture is not easy in today's turbulent environment and changing workplace, but through their words—and particularly their actions—cultural leaders let everyone in the organization know what really counts. Some of the mechanisms leaders use to enact cultural values are organizational rites and ceremonies, stories, symbols, and specialized language. In addition,

they emphasize careful selection and socialization of new employees to keep cultures strong. Perhaps most importantly, leaders signal the cultural values they want to instill in the organization through their day-to-day behavior. For example, Apple fired a prominent advertising-technology executive only a few weeks after hiring him because of complaints by employees about sexist and misogynistic comments the executive had previously made. The symbolic message was intended to communicate the standards of behavior and values expected of everyone. A spokesman said, "At Apple, we have always strived to create an inclusive, welcoming workplace. . . . Behavior that demeans or discriminates against people for who they are has no place here."[41]

14-3a Ceremonies

Ceremony
a planned activity that makes up a special event and is generally conducted for the benefit of an audience

A **ceremony** is a planned activity that makes up a special event and is generally conducted for the benefit of an audience. Leaders can schedule ceremonies to provide dramatic examples of what the company values. Ceremonies reinforce specific values, create a bond among employees by allowing them to share an important event, and anoint and celebrate employees who symbolize important achievements.[42]

A ceremony often includes the presentation of an award. Leaders at Mary Kay Cosmetics, one of the most effective companies in the world at using ceremonies, hold elaborate award ceremonies at an annual event called "Seminar," presenting jewelry, clothing, and luxury cars to high-achieving sales consultants. The most successful consultants are introduced by film clips like the ones used to present award nominees in the entertainment industry.[43] These ceremonies recognize and celebrate high-performing employees and help bind sales consultants together. Even when they know they will not personally be receiving awards, consultants look forward to Seminar all year because of the emotional bond it creates with others. In 2020 and 2021, Mary Kay held Seminar virtually because of COVID-19.

14-3b Stories

Story
a narrative based on true events that is repeated frequently and shared among employees

A **story** is a narrative based on true events that is repeated frequently and shared among employees. Leaders can use stories to illustrate the company's primary values.[44] At Huawei, the giant Chinese telecommunications and consumer electronics company that has rapidly expanded around the world, company stories celebrate heroes such as the employees who worked to keep telecommunication services running despite a terrorist attack in Mumbai and those who battled freezing cold, low oxygen levels, and sleeplessness to provide mobile phone service to climbers on Mount Everest. These stories reinforce the company's key values of tenacity, drive, determination, and aggressiveness.[45] Russell Goldsmith, chairman and former CEO of City National Bank, believes in the force of storytelling so much that he once brought in consultants to teach people how to share their stories about teamwork or customer service, which reinforces the company culture.[46]

14-3c Symbols

Symbol
an object, act, or event that conveys meaning to others

Another tool for conveying cultural values is the symbol. A **symbol** is an object, act, or event that conveys meaning to others. Even small, mundane things can be highly symbolic. When Suzanne Sitherwood (now CEO of energy company Spire Inc.) became CEO of public utility holding company Laclede Group Inc., one of her first acts was to move into a small office and turn her sprawling corner office

into a conference room with a round table where she held meetings and encouraged others to meet. To spur collaboration among managers who had been accustomed to working behind closed doors, she kept her office door open. These actions "sent the message that we were going to have an open, transparent, interactive culture," Sitherwood said.[47]

Leaders can also use physical artifacts to symbolize important values. After the national hotel chain Extended Stay America emerged from bankruptcy, employees remained fearful of losing their jobs if they made any decision that might cost the company money. To implement a new culture where people were not afraid to take risks to serve customers, the CEO began handing out lime green "Get Out of Jail, Free" cards. All people had to do, he told them, was call in the card when they took a big risk on behalf of the company—no questions asked.[48]

14-3d Slogans

Leaders sometimes use slogans or sayings to express key corporate values, such as LEGO's "Only the best is good enough" or Walmart's "Save Money, Live Better." A **slogan** is a phrase or sentence that succinctly expresses a key corporate value and can easily be picked up and repeated by employees. For example, at Averitt Express, the slogan "Our driving force is people" applies to customers and employees alike. The culture emphasizes that drivers and customers, not top executives, are the power that fuels the company's success.

Leaders also express and reinforce cultural values through written public statements, such as corporate mission statements or other formal statements that express the core values of the organization. When Sidney Taurel, former chairman and CEO of Eli Lilly and Company, wanted to create a more adaptive culture able to respond to the demands of the global marketplace, he worked with other leaders to develop a formal statement of how to put Lilly's core values (respect for all people, honesty and integrity, and striving for excellence) into action. The statement includes descriptions and mottos such as "Model the values: Show us what you're made of," "Implement with integrity, energy, and speed: Provide the powder and supply the spark," and "Get results through people: Set people up to succeed."[49]

14-3e Selection and Socialization

To maintain cultural values over time, leaders emphasize careful selection and socialization of new employees. Companies with strong, healthy cultures, such as Nordstrom, Southwest Airlines, Google, and Zappos, often have rigorous hiring practices. Amazon, described in the chapter opening example, uses a very structured hiring process that involves four to eight interviewers who ask behavioral questions based on the company's values statement and leadership principles.[50]

Once the right people are hired, the next step is socializing them into the culture. **Socialization** is the process by which people learn the values, norms, perspectives, and expected behaviors that enable them to successfully participate in the group or organization.[51] When people are effectively socialized, they "fit in" because they understand and adopt the norms and values of the group. Socialization is a key leadership tool for transmitting the culture and enabling it to survive over time. Leaders act as role models for the values they want new employees to adopt, and they implement formal training programs, which may include pairing the newcomer with a key employee who embodies the desired values.

Slogan
a phrase or sentence that succinctly expresses a key corporate value and can easily be picked up and repeated by employees

Put It Into Practice 14.3
Write down your favorite example of a symbol, story, slogan, or ceremony associated with your school or workplace. Identify the key value being illustrated.

Socialization
the process by which people learn the cultural values, norms, and behaviors that enable them to "fit in" with a group or organization

Good leaders don't leave employee socialization to chance. Formal socialization programs can be highly effective. One study of recruits into the British Army surveyed newcomers on their first day and then again eight weeks later. Researchers compared the findings to a sample of experienced "insider" soldiers and found that after eight weeks of training, the new recruits' norms and values had generally shifted toward those of the insiders.[52] Another field study of around 300 people from a variety of organizations found that formal socialization was associated with less stress for newcomers, less ambiguity about expected roles and behaviors, and greater job satisfaction, commitment, and identification with the organization.[53]

14-3f Daily Actions

One of the most important ways leaders build and maintain the cultures they want is by signaling and supporting important cultural values through their daily actions. Employees learn what is valued most in a company by watching what attitudes and behaviors leaders pay attention to and reward, how leaders react to organizational crises, and whether the leader's own behavior matches the espoused values.[54] Former AmerisourceBergen CEO Dave Yost supported values of frugality and egalitarianism by answering his own phone, flying coach, and doing without fancy perks and stylish office furniture.[55]

Good leaders understand how carefully they are watched by employees. As former GE CEO Jack Welch said, "Look, it's Management 101 to say that the best competitive weapon a company can possess is a strong culture. But the devil is in the details of execution." One sure route to destroying the culture is to let strong performers get away with not honoring the cultural values. People notice, and they conclude that the cultural values aren't important. Leaders make sure people are evaluated for both making their numbers and demonstrating the values, as described earlier in Exhibit 14.2, and they don't hesitate to fire people who refuse to uphold important values.[56]

Remember This:

- A **cultural leader** defines and uses signals and symbols to influence corporate culture. Some of the mechanisms leaders use to enact and support cultural values are organizational ceremonies, stories, symbols, and slogans.

- A **ceremony** is a planned activity that makes up a special event and is generally conducted for an audience. A **story** is a narrative based on true events that is repeated frequently and shared among employees. A **symbol** is an object, act, or event that conveys meaning to others. A **slogan** is a phrase or sentence that succinctly expresses a key corporate value and can easily be picked up and repeated by employees.

- Leaders also emphasize careful selection and socialization of new employees to keep cultures strong. **Socialization** is the process by which people learn the cultural values, norms, and behaviors that enable them to "fit in" with a group or organization.

- A study of people from a variety of organizations found that formal socialization was associated with less stress for newcomers, less ambiguity about expected roles and behaviors, and greater job satisfaction, commitment, and identification with the organization.

- Perhaps most importantly, leaders signal the cultural values they want to instill in the organization through their daily actions.
- Apple fired one executive only a few weeks after hiring him because of complaints by employees about sexist and misogynistic comments. The symbolic message was intended to communicate the standards of behavior and values expected of everyone.

14-4 The Competing Values Approach to Culture Types

Leaders often disagree about the goals and strategic values that will lead to organizational success. *Leader performance values* are the beliefs about what has worth, merit, and importance for the organization's success. Changes in the nature of work, globalization, increasing diversity in the workforce, and other shifts in the larger society have made the topic of how to achieve high performance one of considerable concern to leaders. They are faced with such questions as, "How can I determine which cultural values are important to achieve our goals? Are some values 'better' than others for meeting employee and customer needs? How can the organization's culture help us be more competitive?" Leaders often disagree about the answers to these questions.

Disagreement and discussions among leaders typically evolve into agreement about the dominant values that are best for their organization. Organizational culture performance values can be categorized into types based on two specific dimensions: (1) the extent to which the competitive environment requires flexibility or stability, and (2) the extent to which the organization's strategic focus and strength is internal or external. Four categories of culture associated with these differences, as illustrated in Exhibit 14.3, are adaptability, achievement, involvement, and consistency.[57] These four categories relate to the fit among cultural values, strategy, structure, and the environment, with each emphasizing specific values, as shown in the exhibit.

An organization may have cultural values that fall into more than one category, or even into all categories. However, successful organizations with strong cultures will lean more toward one particular culture category.

14-4a Adaptability Culture

The **adaptability culture** is characterized by strategic leaders encouraging values that support the organization's ability to interpret and translate signals from the environment into new behavioral responses. Employees have autonomy to make decisions and act freely to meet new needs, and responsiveness to customers is highly valued. Leaders also actively create change by encouraging and rewarding creativity, experimentation, and risk taking. The digital advertising firm TubeMogul (now part of Adobe) provides an illustration. From the beginning, founders Brett Wilson and John Hughes wanted values of being fast and flexible to guide the company. The first cultural value at TubeMogul is that people shouldn't be afraid to make mistakes. Leaders encourage people to take risks, be creative, make mistakes, and figure things out. The company also values people who have a high "do-to-say ratio," meaning they have a bias for action and follow through on what

Adaptability culture
culture characterized by values that support the organization's ability to interpret and translate signals from the environment into new behavior responses

Exhibit 14.3

Four Corporate Cultures

Flexibility

Involvement Culture

Values: Cooperation
         Consideration
         Agreement
         Fairness
         Social equality

Adaptability Culture

Values: Creativity
         Experimentation
         Risk-taking
         Autonomy
         Responsiveness

Internal focus

External focus

Consistency Culture

Values: Economy
         Formality
         Rationality
         Order
         Obedience

Achievement Culture

Values: Competitiveness
         Perfectionism
         Aggressiveness
         Diligence
         Personal initiative

Stability

Source: Based on Daniel R. Denison and Aneil K. Mishra, "Toward a Theory of Organizational Culture and Effectiveness," *Organizational Studies* 6, no. 2 (March–April 1995), pp. 204–223; Robert Hooijberg and Frank Petrock, "On Cultural Change: Using the Competing Values Framework to Help Leaders Execute a Transformational Strategy," *Human Resource Management* 32, no. 1 (1993), pp. 29–50; and R. E. Quinn, *Beyond Rational Management: Mastering the Paradoxes and Competing Demands of High Performance* (San Francisco: Jossey-Bass, 1998).

Achievement culture
culture characterized by a clear vision of the organization's goals and leaders' focus on the achievement of specific targets

they commit to doing. Everyone from the CEO on down is expected to acknowledge mistakes and make quick course corrections as needed.[58]

Many technology and Internet-based companies, like TubeMogul, use the adaptability type of culture, as do many companies in the marketing, electronics, and cosmetics industries, because they must move quickly to satisfy customers.

14-4b Achievement Culture

The **achievement culture** is characterized by a clear vision of the organization's goals, and leaders focus on the achievement of specific targets such as sales growth, profitability, or market share. An organization concerned with serving specific customers in the external environment but without the need for flexibility and rapid change is suited to the achievement culture. This is a results-oriented culture that values competitiveness, aggressiveness, personal initiative, and the willingness to work long and hard to achieve results. An emphasis on winning is the glue that holds the organization together.[59]

Chinese technology company Huawei, mentioned previously in this chapter, illustrates a radical version of the achievement culture. "We have a 'wolf' spirit in our company," says founder and CEO Ren Zhengfei. At Huawei, people are en-

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Put It Into Practice 14.5

Imagine you are the leader of a new team at school or work. Identify the single value you most want to imprint on that team. Select the culture (Exhibit 14.3) in which that value fits.

Leadership Practice: Know Yourself 14.2

Culture Preference Inventory

The following inventory consists of 14 sets of four responses that relate to typical values or situations facing leaders in organizations. Although each response to a question may appear equally desirable or undesirable, your assignment is to rank the four responses in each row according to your preference. Think of yourself as being in charge of a major department or division in an organization. Rank the responses in each row according to how much you would like each one to be a part of your department. There are no correct or incorrect answers; the scores simply reflect your preferences for different responses.

Rank each of the four in each row using the following scale. You must use all four numbers for each set of four responses.

1. Would not prefer at all
2. Would prefer on occasion
4. Would prefer often
8. Would prefer most of all

	I	II	III	IV
1. ___	Aggressiveness	Cost efficiency	Experimentation	Fairness
2. ___	Perfection	Obedience	Risk taking	Agreement
3. ___	Pursue goals	Solve problems	Be flexible	Develop people
4. ___	Apply careful analysis	Rely on proven approaches	Look for creative approaches	Build consensus
5. ___	Initiative	Rationality	Responsiveness	Collaboration
6. ___	Highly capable	Productive and accurate	Receptive to brainstorming	Committed to the team
7. ___	Be the best in our field	Have secure jobs	Recognition for innovations	Equal status
8. ___	Decide and act quickly	Follow plans and priorities	Refuse to be pressured	Provide guidance and support
9. ___	Realistic	Systematic	Broad and flexible	Sensitive to the needs of others
10. ___	Energetic and ambitious	Polite and formal	Open-minded	Agreeable and self-confident
11. ___	Use key facts	Use accurate and complete data	Use broad coverage of many options	Use limited data and personal opinion
12. ___	Competitive	Disciplined	Imaginative	Supportive
13. ___	Challenging assignments	Influence over others	Achieving creativity	Acceptance by the group
14. ___	Best solution	Good working environment	New approaches or ideas	Personal fulfillment

Scoring and Interpretation

Add the points in each of the four columns—I, II, III, IV. The sum of the point columns should be 210 points. If your sum does not equal 210 points, check your answers and your addition.

The scores represent your preference for I, achievement culture; II, consistency culture; III, adaptability culture; and IV, involvement culture. Your personal values are consistent with the culture for which you achieved the highest score, although all four sets of values exist within you just as they exist within an organization. The specific values you exert as a leader may depend on the group situation, particularly the needs of the external environment. Compare your scores with those of other students and discuss their meaning. Are you pleased with your preferences? Do you think your scores accurately describe your values?

Source: Adapted from Alan J. Rowe and Richard O. Mason, *Managing with Style: A Guide to Understanding, Assessing, and Improving Decision Making* (San Francisco: Jossey-Bass, 1987).

couraged to work grueling hours, to persevere under dangerous conditions to gain new business, and even to bend company rules. New employees undergo boot camp–style training that includes classes on the company's culture and performing skits that illustrate how they would persevere to serve customers in war zones. The hard-charging culture has helped Huawei grow, but it has also gotten the company into trouble. Workers have been accused of bribing government officials and copying a competitor's source code, among other misdeeds. Huawei previously evaluated employees solely according to how much business they won, but the CEO says Huawei is now paying more attention to internal rules and controls to prevent employee misconduct.[60]

14-4c Involvement Culture

Involvement culture
culture with an internal focus on the involvement and participation of employees to meet changing expectations from the external environment

The **involvement culture** has an internal focus on the involvement and participation of employees to meet changing expectations from the external environment. More than any other, this culture places value on meeting the needs of organization members. Companies with involvement cultures are generally friendly places to work, and employees may seem almost like a family. Leaders emphasize cooperation, consideration of both employees and customers, and avoiding status differences. Leaders put a premium on fairness and reaching agreement with others.

Grocery chain Wegmans is a good example of an involvement culture. Wegmans' culture is built on values of caring, respect, teamwork, high standards, empowerment, and making a difference in the community. Wegmans executive Kevin Stickles emphasizes that the first value, "caring," is the most important. Employees are paid well, have free access to financial and mental health counseling services, and can pursue advanced education with the assistance of company scholarships. "We care about the success of every employee," Stickles says. His own experience illustrates the company's commitment to developing people and promoting from within. Stickles started at Wegmans as a part-time grocery clerk in 1983 and steadily moved up the hierarchy, holding positions from night manager to store operations division manager before being promoted to senior vice president of human resources in 2016.[61]

14-4d Consistency Culture

Consistency culture
culture with an internal focus and consistency orientation for a stable environment

The **consistency culture** has an internal focus and a dependability orientation for a stable environment. The culture supports a methodical, rational, orderly way of doing business. Following the rules and being thrifty are valued. The organization succeeds by being highly integrated and efficient.

Safeco Insurance has functioned well with a consistency culture. Employees take their coffee breaks at an assigned time and must follow a professional dress code. However, employees like this culture—reliability is highly valued and extra work isn't required. The consistency culture works for the insurance company, and Safeco succeeds because it can be trusted to deliver on insurance policies as agreed.[62] In today's fast-changing world, very few organizations operate in a stable environment, and most leaders are shifting away from this type of culture because of a need for greater flexibility. However, even some software companies, such as SAS Institute, have used some elements of the consistency culture to keep projects on time and on budget and to ensure saner lives for employees. Emphasis on order and discipline means the formal workweek at SAS can be 35 hours, for instance.[63]

Each of the four cultures can be successful. The relative emphasis on various cultural values depends on the organization's strategic focus and the needs of the external environment. Leaders might have preferences for the values associated with one type of culture, but they learn to adjust the values they emulate and encourage, depending on the needs of the organization. It is the responsibility of leaders to ensure that organizations don't get stuck relying on cultural values that worked in the past but are no longer effective. As environmental conditions and strategy change, leaders work to instill new cultural values to help the organization meet new needs.

Remember This:

- Leaders consider the external environment and the company's vision and strategy in determining which performance values are important for the organization's success. *Leader performance values* are the beliefs about what has worth, merit, and importance for achieving organizational outcomes.

- Four types of culture that may exist in organizations are adaptability, achievement, involvement, and consistency. Each type emphasizes different values, although organizations may have values that fall into more than one category.

- The **adaptability culture** is characterized by values that support the organization's ability to interpret and translate signals from the environment into new behavior responses.

- An **achievement culture** is characterized by a clear vision of the organization's goals and leaders' focus on the achievement of specific targets.

- China's telecommunications firm Huawei has an extreme version on an achievement culture. Founder and CEO Ren Zhengfei says, "We have a 'wolf' spirit in our company."

- Wegmans Food Markets illustrates an **involvement culture**, which has an internal focus on the involvement and participation of employees to meet changing expectations from the external environment. Executive Kevin Stickles says, "We care about the success of every employee."

- The **consistency culture** has an internal focus and consistency orientation for a stable environment.

14-5 Values-Based Leadership

Social justice movements such as Black Lives Matter and #MeToo have brought values to the forefront for many companies and, as discussed previously, leaders are taking a hard look at unhealthy or toxic cultural values. Values in organizations are developed and strengthened primarily through **values-based leadership**, an influence relationship between leaders and followers that is based on shared, strongly internalized values that emphasize the common good and are consistently advocated and acted upon by the leader. Values-based leaders give meaning to activities and goals by connecting them to deeply held values.[64]

Leaders influence organizational culture by demonstrating their personal values and by practicing spiritual leadership.

Values-based leadership an influence relationship between leaders and followers that is based on shared, strongly internalized values that emphasize the common good and are consistently advocated and acted upon by the leader

14-5a Personal Values

Employees learn about values from watching leaders. Values-based leaders generate a high level of trust and respect from employees based not just on stated values but on the courage, determination, and self-sacrifice they demonstrate in upholding those values. Leaders have to discover their own personal values and the values they want to guide the team or organization, and actively communicate the values to others through both words and actions.[65] When faced with difficult decisions, values-based leaders know what they stand for, and they have the courage to act on their principles.

Pete Carroll, the head coach and executive vice president of the Seattle Seahawks, believes in leading based on his personal values of caring personally about each player; understanding their unique needs, background, and aspirations; and providing a strong sense of purpose and meaning. Carroll develops and nurtures strong connections with players and celebrates rather than suppresses their individuality. His values-based leadership has created a positive culture that attracts highly talented players who appreciate being treated as individuals.[66]

Several factors contribute to an individual leader's values. Every individual brings a set of personal beliefs, personality characteristics, and behavior traits to the job. The family backgrounds and spiritual beliefs of leaders often provide principles and values by which they conduct business, and these are sometimes incorporated into the organizational culture. In terms of ethical values, personality characteristics such as ego strength, self-confidence, and a strong sense of independence may enable leaders to make the right decisions even if those decisions might be unpopular.

14-5b Spiritual Values

Some leaders incorporate values that might be considered spiritual into their workplace practices and policies.[67] Managers who incorporate spiritual values in addition to the traditional mental and behavioral aspects of leadership tend to be successful as leaders.

Spirituality and Spiritual Leadership Workplace spirituality is a way of believing, behaving, and relating in the workplace in connection with an ultimate value or purpose (a higher power).[68] Leaders who build spirituality into the culture seek to connect to employees' minds and spirits as well as their physical labor and help them be part of a community and find purpose and meaning in their work. Values and practices considered as spiritual ideals include integrity, humility, respect, appreciation for the contributions of others, fair treatment, and personal reflection. This approach to leadership can be effective because many people struggle with how to combine their spiritual values and their work life.[69]

The women's fashion company Eileen Fisher Inc. consciously embraces spirituality and incorporates spiritual values into its practices and policies. Almost every meeting at the company begins with a moment of silence and meditation, with Tibetan singing bowls placed in every conference room to bring employees into and out of silence. Another practice that supports a culture of spirituality is the Circle Way, in which meetings are arranged in circles with no tables. Every person has an equal voice in the conversation. A Circle Way meeting begins with

Workplace spirituality
a way of believing, behaving, and relating in the workplace in connection with an ultimate value or purpose

Leadership Practice: Know Yourself 14.3

How Spiritual Are You?

Instructions: Think about your current life. Indicate whether each of the following items is Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. I often reflect on the meaning of life.	_____	_____
2. I want to find a community where I can grow spiritually.	_____	_____
3. I have made real personal sacrifices in order to make the world a better place.	_____	_____
4. Sometimes when I look at an ordinary thing I feel that I am seeing it fresh for the first time.	_____	_____
5. I sometimes have unexpected flashes of insight or understanding while relaxing.	_____	_____
6. It is important to me to find meaning and mission in the world.	_____	_____
7. I often feel a strong sense of unity or connection with all the people around me.	_____	_____
8. I have had experiences that made my role in life clear to me.	_____	_____
9. After reflecting on something for a long time, I have learned to trust my feelings rather than logical reasons.	_____	_____
10. I am often transfixed by loveliness in nature.	_____	_____

Scoring and Interpretation

Spiritual leadership engages people in higher values and missions and tries to create a corporate culture based on love and community rather than fear and separation. Spiritual leadership is not for everyone, but when spiritual ideals guide a leader's behavior, an excellent culture can be created.

Add the number of Mostly True answers for your score:_____. A score of 7 or above indicates that you are highly spiritual and will likely become a values-based or spiritual leader. A score of 4–6 would suggest that you are spiritually average. A score of 0–3 means that you may be skeptical about developing spiritual awareness.

Source: Based on Kirsi Tirri, Petri Nokelainen, and Martin Ubani, "Conceptual Definition and Empirical Validation of the Spiritual Sensitivity Scale," *Journal of Empirical Theology* 19, no. 1 (2006), pp. 37–62; and Jeffrey Kluger, "Is God in Our Genes?" *Time* (October 25, 2004), pp. 62–72.

a check-in, where each participant shares how they feel coming into the meeting, and ends with a check-out, where people describe how the meeting went and how they feel leaving the conversation.[70]

Spiritual leadership is the display of values, attitudes, and behaviors necessary to intrinsically motivate oneself and others toward a sense of spiritual expression through calling and membership.[71] As illustrated in Exhibit 14.4, spiritual leaders start by creating a vision through which organization participants experience a sense of calling that gives meaning to their work. An appropriate vision would have broad appeal, reflect high ideals, and establish a standard of excellence. Second, spiritual leaders establish a corporate culture based on altruistic love. Altruistic love includes forgiveness, genuine caring, compassion, kindness, honesty, patience, courage, and appreciation, which enables people to experience a sense of membership and feel understood. "You're at work 8 to 10 hours a day," said Tim Embry, previous owner and president of American Lube Fast (recently acquired by FullSpeed Automotive). "Work is where people are at and where they need to be cared for."[72]

Spiritual leadership the display of values, attitudes, and behaviors necessary to intrinsically motivate oneself and others toward a sense of spiritual expression through calling and membership

Exhibit 14.4

Model of Spiritual Leadership

Leader Values, Attitudes, and Behaviors → **Follower Needs for Spiritual Survival** → **Organizational Outcomes**

- **Performance** (Vision)
- **Effort** (Hope/Faith) Works
- **Reward** (Altruistic Love)
- **Calling** Make a Difference Life Has Meaning
- **Membership** Be Understood Be Appreciated
- **Organizational Commitment and Productivity**
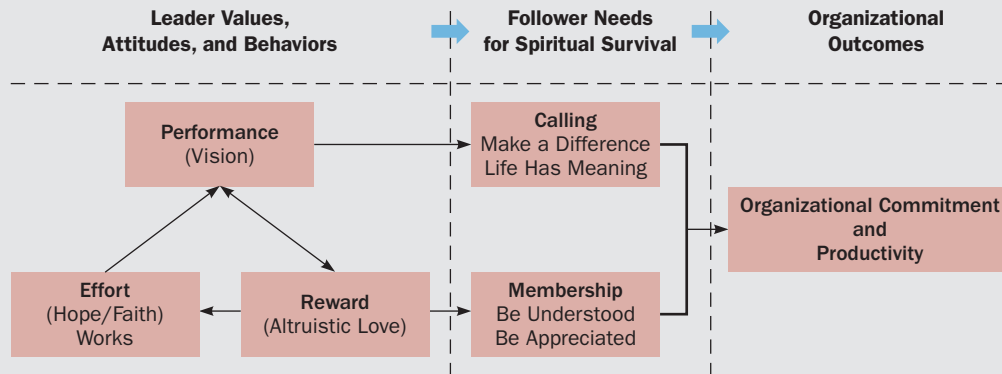
Source: Based on Louis W. Fry, Sean T. Hannah, Michael Noel, and Fred O. Walumbwa, "Impact of Spiritual Leadership on Unit Performance," *The Leadership Quarterly* 22 (2011), pp. 259–270; and Louis W. Fry, "Toward a Theory of Spiritual Leadership," *The Leadership Quarterly* 14 (2003), pp. 693–727. Used with permission.

Spiritual leaders also engage hope and faith to help the organization achieve desired outcomes. Faith is demonstrated through action. Faith means believing in the ability to excel, exercising self-control, and striving for excellence to achieve a personal best. A leader's hope/faith includes perseverance, endurance, stretch goals, and a clear expectation of victory through effort.[73] As illustrated in Exhibit 14.4, spiritual leadership behaviors enable employees to have a sense of calling that provides deeper life meaning through work. Spiritual leadership provides a sense of membership through a work community in which people feel understood and appreciated. The outcome for the organization is improved commitment and productivity.

India-born Sanjiv Das says his leadership approach is based in the spiritual values he learned growing up in Delhi—such as maintaining purpose and integrity during difficult times and helping others rather than trying to acquire more materials goods for oneself. Das was CEO of CitiMortgage from 2008 to 2013, taking over the job in the midst of the demoralizing U.S. mortgage crisis. Das approached the job with goals of keeping people in their homes and keeping employees focused on the help they could offer to alleviate the financial pressure of those caught in economic turmoil. By doing so, he helped demoralized employees find purpose, meaning, and self-respect again.[74]

Workplace Spirituality Outcomes Polls indicate that American managers as well as employees would like deeper fulfillment on the job, and evidence suggests that workplace spirituality provides people with better mental and physical health, an enhanced sense of self-worth, and greater personal growth, while organizations benefit from increased productivity along with a greater sense of loyalty and commitment among employees and reduced absenteeism and turnover.[75] For example, one study of teams found that workplace spirituality increased respect, creativity,

and trust within the organization and had a positive effect on team performance, conflict resolution, and member satisfaction and commitment.[76]

Workplace spirituality and spiritual leadership can decrease or eliminate negative emotions and conflicts in the workplace and provide a stronger foundation for personal well-being.[77] The four main types of destructive emotions are (1) fear, including anxiety and worry; (2) anger, including hostility, resentment, and jealousy; (3) sense of failure, including discouragement and depressed mood; and (4) pride, including prejudice, selfishness, and conceit. These destructive emotions typically arise from fear of losing something important or not getting something one desires.

Spiritual leadership is related to ideas discussed in Chapter 8 on motivation and Chapter 6 on moral leadership. The spiritual leader addresses followers' higher-order needs for membership and self-actualization. This is intrinsic motivation at its best because work provides interest and enjoyment for its own sake. People are actively engaged in tasks they find meaningful, interesting, or fun. Intrinsic motivation is typically associated with better learning, higher performance, and enhanced well-being. Spiritual leadership often provides substantial autonomy and self-management, for example, through participation in empowered teams that direct activities and do work that is significant and meaningful. An employee's task involvement is under the control of the individual or team, thereby providing feedback and satisfaction through achievement, performance, and problem solving. The spiritual leader, like the servant leader described in Chapter 6, engages people in work that provides both service and meaning and creates a positive impact on employees and the community.

Remember This:

- Leaders shape cultural values through **values-based leadership**, an influence relationship between leaders and followers that is based on shared, strongly internalized values that emphasize the common good and are consistently advocated and acted upon by the leader.

- Good leaders know their own personal values and the values they want to guide the team or organization. Pete Carroll, head coach of the Seattle Seahawks, leads based on his personal values of caring personally about each player; understanding their unique needs, background, and aspirations; and providing a strong sense of purpose.

- Some leaders incorporate values that might be considered spiritual into their workplace practices and policies. **Workplace spirituality** is a way of believing, behaving, and relating in the workplace in connection with an ultimate value or purpose.

- Many good leaders practice **spiritual leadership**, which means displaying values, attitudes, and behaviors that motivate people toward a sense of spiritual expression through calling and membership.

- At Eileen Fisher Inc., meetings begin with a moment of silence and meditation, and Tibetan singing bowls are placed in every conference room.

- The principles of workplace spirituality and spiritual leadership can improve both organizational performance and employee well-being.

Discussion Questions

1. How difficult would it be for you as a leader to fire someone who is bringing in big sales and profits for the company but not living up to the cultural values? Explain.

2. How might leaders use symbolic acts to strengthen a cultural value of teamwork and collaboration? How about a value of customer care and responsiveness?

3. Describe the culture for an organization you are familiar with. Identify some physical artifacts—such as logo, mascot, building, advertising images—associated with the company and discuss what underlying values these suggest. What did you learn?

4. Name one or two companies in the news that seem to have strong corporate cultures, and describe whether the results have been positive or negative. Discuss how a strong culture could have either positive or negative consequences for an organization.

5. As a leader, how might you recognize a culture gap? What techniques might you use to influence and change cultural values when necessary?

6. Compare and contrast the achievement culture with the involvement culture. What are some possible *disadvantages* of having a strong involvement culture? A strong achievement culture?

7. If you were the leader of a small technology firm, how might you imprint in people's minds the values found in an adaptability culture (shown in Exhibit 14.3) in order to create a high-performance culture? Be specific with your ideas.

8. Discuss the meaning of *calling* and *membership*, as related to spiritual leadership. Identify an organization or leader that uses these concepts. To what extent were these concepts present where you have worked?

9. If a leader directs her health-care company to reward hospital managers strictly on hospital profits, what kind of values is she encouraging within the company culture? Discuss.

10. Some people believe that all good leadership is spiritual in nature. Others think spiritual values have no place at work. Discuss these two opposing viewpoints.

Leadership Skill-Building Exercises

Walk the Talk

Often in an organization the culture is characterized both by what people say (talk) and by what people actually do (walk). When this happens, there is a gap between organizational leaders' espoused values and the values in action within the company. One example would be an espoused value of "a balanced life for employees," whereas managers and employees are actually expected to work nights and weekends to meet demanding performance goals. This is the difference between the "walk" and the "talk" in an organization.

Your assignment for this exercise is to think of one example in your own student or work experience where the walk and talk in an organization's culture did not align. Why do you think the gap occurred?

My example (and why):

_____

_____

In Class or Online (optional as indicated by your instructor): Divide into small groups of three to four people. Each person in the group should give an example from school or work experiences of an organization's walk not fitting its talk and explain why they think the gap occurred. Then, group members can address the following questions: What patterns and themes do you see in the responses? Is there a common type of walk/talk gap? What is the most common reason why these gaps occur? Which is the real culture—the leader's espoused values or the values in action?

The instructor can help students probe into this issue by writing good examples from students on the board and asking students to help identify key underlying themes. Students can be engaged to discuss the walk versus talk phenomenon via key questions, such as: What does it mean to you when you discover a walk/talk gap in your organization? Are espoused values or values in action more indicative of an organization's culture? Are walk/talk gaps likely to be associated more with an involvement culture or an achievement culture? A strong culture? Do symbols, stories, ceremonies, and other signals of corporate culture mean what they imply?

In Which Leader Archetype Do You Belong?

An archetype means a typical pattern or configuration of features or behaviors that appear naturally within a larger collective. A leader archetype represents common meanings and attributes that people hold about leadership and leaders. Leadership styles and approaches fall into natural archetypical categories that can be identified by scholars. One study of leader archetypes identified four core archetypes. To identify the archetype category in which you belong, complete the following four steps.

Step 1: Circle all characteristics below that you feel describe you.

Challenger (A)	Checker (B)	Coach (C)	Competitor (A)
Consultant (C)	Controller (B)	Coordinator (B)	Crisis Handler (A)
Director (A)	Energizer (D)	Enforcer (B)	Exemplar (A)
Facilitator (C)	Finisher (B)	Hero (A)	Ideator (D)
Influencer (A)	Innovator (D)	Manager (B)	Mentor (C)
Motivator (C)	Networker (D)	Pioneer (D)	Ruler (B)
Strategist (D)	Supporter (C)	Task-master (B)	Teacher (C)
Team-builder (C)	Transformer (D)	Visionary (D)	Winner (A)

Step 2: Out of all circled responses, select the top seven characteristics that BEST describe you.

Step 3: My top seven characteristics and the letter associated with each are:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____

Step 4: Using the letters next to your top seven characteristics, add up the total of each letter:

_____A   _____B   _____C   _____D

The letter with the highest number may be the leader archetype that describes you. Four or more words with the same letter indicate a fit within a single archetype. If your letters are dispersed rather equally among two or more archetypes, your leader type may embrace elements of those archetypes. The nature of each archetype is described below.

Do not read the following until after you have completed steps 1–4 of this exercise.

Description of Four Leader Archetypes: The words in the table represent four archetypes indicated by the letters. Letter A represents the Achiever leader archetype, letter B the Administrator, letter C the Guide, and letter D the Catalyst leader archetype.

The Achiever is on a mission to achieve high milestone goals that are clear, tangible, and rewarding. The objective of the Achiever is victory and success. The impact on followers is drive and achievement.

The Administrator is more of a preserver, keeping things running smoothly and creating stability and order. The Administrator's objective is maintenance and functioning. The leader's impact on followers is stability and security.

The Guide is the enabler who develops others and helps them grow with shared values and bonds. The Guide's objective is humanistic growth and support for others. The leader's impact on followers is affiliation and bonding.

The Catalyst is an agent of change, focusing on the exchange of new ideas. The Catalyst's objective is innovation and transformation. The leader's impact on followers is inspiration and engagement.

In Class or Online (optional as indicated by your instructor): Divide into small groups of two to four students. Each member in turn should share scores with the group and explain their own perspective on the accuracy of the scores. Other group members may provide feedback based on their personal observations of the member's behavior relevant to the archetype scores. Which archetypes appear in your group?

Questions to discuss in your group or in class:

1. Do you agree with your leader archetype? Explain.

2. Look at Exhibit 14.3 in the chapter. To what extent do you see similarities between those four culture types and the four archetypes described here?

3. How important is it to have a fit between corporate culture and your archetype to enjoy your career and thrive as a leader? Why?

Source: Shirshendu Pandey, "The Archetypal Images of Leadership," *Journal of Organization & Human Behaviour* 7, no. 1 (2018), pp. 27–36.

Leadership Skills Application: Cases for Analysis

Heavy-Duty Culture

CEO Jane Lachman has some hard decisions to make with regard to some of the company's older hands, and even on the eve of that decision, I believe she is wavering about what she should do. I will be in that meeting, assisting with that decision, and I'm not certain which way to go, either. And so here I am, sorting through and writing down my thoughts.

When Jim Lachman started manufacturing heavy-duty construction equipment here in Alaska 40 years ago, his personal management style reflected the ruggedness of Alaska and the construction business. He understood that he was producing tough equipment for tough men working in an unforgiving environment. At 6′ 5″ and over 300 pounds, Lachman personified the bigger-than-life image of Alaskan workers. He had a no-nonsense management style. He coddled no one. Jim Lachman expected and got results. He chewed—not smoked—a cigar. I swear that in the 30 years I worked for him, I never saw that thing lit up as he barked—yes, *barked*—orders.

I'd have to say that Jim Lachman gained respect because he always delivered, and his word was his bond. But he never achieved admiration. There was no finesse. A new HR director once mentioned to me that Jim should create bonds with his workers through techniques such as management by walking around. I said, "Believe me, you do *not* want him walking around—that simply means he's stressed and he's mad." You could actually *feel* him and hear him before you saw him, and as one employee said, "When he barked your name, your heart stopped, because until that moment you were certain that he did not *know* your name." We all figured that his temper would explode one day and he would die on the shop floor from a heart attack. Then suddenly, he did.

Following his death, we were certain that the company would have to be sold in order to continue operations. However, Jim's one true friend and confidante was his wife Jane, and with unanimous board approval, she moved in to take his place as the head of the company. The initial concerns and fears of employees were soon calmed. Jane knew the company to a degree that surprised employees. But her management style, developed over 20 years as head of marketing for a regional health-care organization, was in stark contrast to that of her husband.

While Jane shared her husband's goals and high standards for quality and on-time delivery, she also believed in the importance of demonstrating to employees their value to the company. She not only communicated her vision, but

she took the time to listen to the employees, to give them opportunities to voice opinions, express concerns, and submit ideas. She met regularly with individual departments and assisted line workers in the movement toward self-managed teams. The reaction from employees was positive. And a year later we can see a huge change. Production is up slightly, but the real change can be seen in people's attitudes and pride in their jobs. Communication and the overall level of civility among employees have improved dramatically. But while these cultural changes have been embraced by the majority of workers and supervisors, there are two glaring exceptions.

Supervisors Curtis Willett and Morgan Elder were among the first people hired by Jim Lachman. Their long service to the organization and their consistency in meeting all production goals and deadlines is impressive. They take pride in their ability to push themselves and their crews relentlessly. However, their management styles are a throw-back to the old culture. They succeed by intimidation. The civility and cooperation that characterizes other parts of the plant are shoved aside or drowned out in a barrage of yelling. "Shock and Awe," the joint nickname briefly given to the two men by employees following the 2003 U.S. aerial assault on Iraq, has been revived. If these men are aware of the label, they are probably proud.

So here's our dilemma: They are too old to change. Curtis and Morgan not only do not fit the new culture, but through tactics of control and intimidation they also encourage workers to ignore the new cultural initiatives. Everyone is on board except the employees in these two adjoining areas of the plant. So we cannot reach the full potential of the new culture while the old culture pulls us back. Fire them? Demote them? I don't think so. They've done nothing wrong. Their crews are meeting their production and quality targets. Furthermore, these two guys have been with the company for 40 years. A move on our part that appears unjustified opens us to an age discrimination suit. But I also don't see how we can change the culture unless they leave.

So, we meet tomorrow to determine what we can do. Writing about a problem usually helps me to sort things out. When I finish, I generally have an answer or at least an idea about how to proceed. I've finished writing. And I haven't got a clue.

Questions

1. What options do you think Jane and her management team should consider with regard to these two long-time supervisors? Discuss the positives and negatives of each option.

2. Do you think it is appropriate for Jane to remove two long-time, high-performing managers in order to create a new culture for everyone else? Why? Consider the material in Exhibit 14.2 in your answer.

3. What do you recommend that Jane do? Explain why.

Top-Flight and Amtech

Top-Flight Electronics and Amtech Electronics both manufacture integrated circuits and other electronic parts as subcontractors for large manufacturers. Both Top-Flight and Amtech are located in Ohio and often bid on contracts as

competitors. As subcontractors, both firms benefited from the electronics boom of the 1990s, and both looked forward to growth and expansion. Top-Flight has annual sales of about $100 million and employs 950 people. Amtech has annual sales of $80 million and employs about 800 people. Top-Flight typically reports greater net profits than Amtech.

The president of Top-Flight, John Tyler, believed that Top-Flight was the far superior company. Tyler credited his firm's greater effectiveness to his managers' ability to run a "tight ship." Top-Flight had detailed organization charts and job descriptions. Tyler believed that everyone should have clear responsibilities and narrowly defined jobs, which generates efficient performance and high company profits. Employees were generally satisfied with their jobs at Top-Flight, although some managers wished for more empowerment opportunities.

Amtech's president, Jim Rawls, did not believe in organization charts. He believed organization charts just put artificial barriers between specialists who should be working together. He encouraged people to communicate face to face rather than with written memos. The head of mechanical engineering said, "Jim spends too much time making sure everyone understands what we're doing and listening to suggestions." Rawls was concerned with employee satisfaction and wanted everyone to feel part of the organization. Employees were often rotated among departments so they would be familiar with activities throughout the company. Although Amtech wasn't as profitable as Top-Flight, they were able to bring new products on line more quickly, work bugs out of new designs more accurately, and achieve higher quality because of superb employee commitment and collaboration.

It is the end of May, and John Tyler, president of Top-Flight, has just announced the acquisition of Amtech Electronics. Both management teams are proud of their cultures and have unflattering opinions of the other's. Each company's customers are rather loyal, and their technologies are compatible, so Tyler believes a combined company will be even more effective, particularly in a time of rapid change in both technology and products.

The Amtech managers resisted the idea of an acquisition, but the Top-Flight president is determined to unify the two companies quickly, increase the new firm's marketing position, and revitalize product lines—all by year end.

Questions

1. Using the competing values model in Exhibit 14.3, what type of culture (adaptability, achievement, involvement, consistency) would you say is dominant at Top-Flight? At Amtech? What is your evidence?

2. Which type of culture do you think is most appropriate for the newly merged company? Why?

3. If you were John Tyler, would you leave Amtech as an independent division or apply Top-Flight's culture to it? What techniques would you use to shape the culture of the entire company?

Source: Adapted from John F. Veiga, "The Paradoxical Twins: Acme and Omega Electronics," in John F. Veiga and John N. Yanouzas, *The Dynamics of Organization Theory* (St. Paul: West Publishing, 1984), pp. 132–138; and "Alpha and Amtech," Harvard Business School Case 9-488-003, published by the President and Fellows of Harvard College, 1988.

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Leading Change

Chapter Outline

Your Leadership Challenge

After reading this chapter, you should be able to:

15-1 Describe the environmental forces creating a need for change in an organization and how leaders can serve as role models for change.

15-2 Summarize the eight-stage model of planned change.

15-3 Describe how appreciative inquiry can engage people in creating change by focusing on the positive and learning from success.

15-4 Describe the five techniques for expanding your own and others' creativity for innovation.

15-5 Explain the seven techniques to overcome resistance and help people change.

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When former Apple executive Ron Johnson was hired as CEO of JCPenney, hopes were high that he could breathe new life into the struggling retailer. Penney needed radical change, but Johnson's approach to implementing changes doomed them almost from the start. He began poking fun at the company's traditional way of doing business practically from the moment he took the job. The new CEO failed to listen to long-established leaders, customers, or employees and even shunned suggestions made by board members. Employees felt that the new managers Johnson brought in ridiculed them and made them feel dumb and uninteresting.

Johnson got rid of many of Penney's long-standing processes and systems, radically redesigned many stores, and eliminated hundreds of brands, even running an Oscars ad telling customers they "deserved to look better." Customers decided they deserved to shop at a store that respected them instead. Johnson was fired after only 17 months and new leaders began repairing the damage that had been done by his ill-planned and poorly implemented turnaround strategy.[1]

As the example of JCPenney illustrates, change—especially radical change—is tough to accomplish. Johnson made mistakes, but major turnarounds are exceedingly difficult for any leader. This chapter explores how leaders can effectively facilitate change, creativity, and innovation. We first look briefly at the role of leader as change agent and examine a step-by-step framework for leading change. We explore the appreciative inquiry technique and how it can be used to lead both major changes and ongoing, everyday change. Next, the chapter examines how leaders instill the conditions that nurture creativity within people and organizations. The final sections of the chapter consider why people resist change and how leaders can overcome resistance and help people successfully make needed changes.

15-1 Leadership Means Leading Change

It is the job of the leader to make sure organizations change as needed to respond to threats, opportunities, or shifts in the environment. Recall from our definition used throughout this book that leadership is about change rather than stability. Leaders have to help people see the need for change and buy into a new way of doing things.

Change is necessary if organizations are to survive and thrive, and rapid environmental shifts have forced leaders in all industries to take a fresh look at how they do business. For example, to address growing concerns over damage to the natural environment, leaders at BlackRock recently announced that the giant firm is fundamentally shifting its investment policy by making investment decisions with environmental sustainability as a core goal. BlackRock, the largest investment management corporation, will begin to exit investments in companies that "present a high sustainability-related risk," such as those in coal producers, and intends to put pressure on management teams and companies in all industries to disclose their sustainability efforts. In a quite different industry, leaders at NASCAR are addressing another significant shift in the environment. The auto racing company's leaders were already working to expand the sport's fan base, made up of mostly older and mostly White people, when national unrest over the killing of Black men and women by police exploded in the summer of 2020. The obvious expression of a changing environment accelerated the changes at NASCAR, and leaders realized that an

important step was to get rid of a symbol that many people considered hostile to Black people. President Steve Phelps says, "banning the Confederate flag at all NASCAR races was something that was critical" to the organization's change efforts.[2]

Exhibit 15.1 shows some of the environmental forces, such as rapidly changing technologies, shifting social attitudes, globalization, increasing government regulation, changing markets, the growth of e-commerce, and the swift spread of information via the Internet, that are creating a greater need for change leadership within organizations.[3]

15-1a Resistance Is Real

Leaders initiate many changes, but most of these don't meet expectations. Consider that among leaders in 166 U.S. and European companies making major changes, only about one-third reported success in most types of their changes. Some studies have estimated that 90 percent of strategies fail to achieve intended objectives and that 70 percent of all change initiatives in organizations fail.[4]

There are many reasons why change programs don't produce the intended results. One significant problem is that most people have a natural tendency to resist change—even when the changes are ones that could make their lives better. At Rio Tinto, the world's second largest metals and mining corporation, for example, leaders wanted to make changes to create a more egalitarian workplace with less separation between management and workers. They did away with all the separate uniforms for electricians, fitters, operators, foremen, and so forth; eliminated the time clock for hourly workers; and got rid of the separate parking lot for managers. Each change was resisted. Employees said they liked the uniforms because they were less costly and identified who they were compared to

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Exhibit 15.1

Forces Driving the Need for Change Leadership
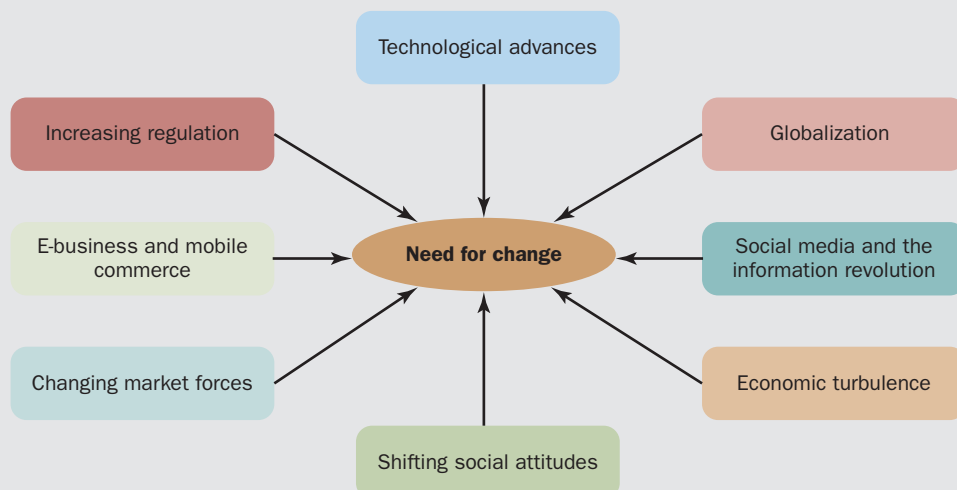
wearing different clothes every day. Workers were strongly opposed to elimination of the time clock because, they said, "We won't be able to prove we've been to work, so they'll be able to cheat us on our pay." They were suspicious that doing away with the managers' car parking was so employees couldn't see that managers could afford a new car every year.[5] If people resist changes designed to add value to their lives, imagine what it is like trying to implement changes that significantly shift their job responsibilities, task procedures, or work interactions!

Leaders should be prepared for resistance and should find ways to enable people to see the value in changes that are needed for the organization to succeed. Later in this chapter, we will talk about how leaders can overcome resistance and help people successfully change.

15-1b The Leader as Change Agent

Change does not happen easily, but good leaders can facilitate needed changes to help the organization adapt to external threats and new opportunities. For people throughout the organization to view change as positive and natural, they need leaders who serve as role models for change and provide the motivation and

Leadership Practice: Know Yourself 15.1

Resistance to Change

Instructions: Please respond to each of the following items based on how you handle day-to-day issues in your life. Think carefully in order to be as accurate as possible.

	Mostly False	Mostly True
1. I generally consider changes in my life to be a negative thing.	_____	_____
2. When I am told of a change of plans, I may tense up a bit.	_____	_____
3. Once I have made plans, I am not likely to change them.	_____	_____
4. I often change my mind.	_____	_____
5. Whenever my life fits a stable routine, I look for ways to change it.	_____	_____
6. I feel less stress when things go according to plan.	_____	_____
7. I sometimes avoid making personal changes even when the change would be good for me.	_____	_____
8. My views are very consistent over time.	_____	_____
9. I prefer a routine day to a day full of unexpected surprises.	_____	_____
10. If I were informed of a significant change in my work, I would tighten up.	_____	_____
11. When someone pressures me to change something, I tend to resist it.	_____	_____
12. Once I have come to a conclusion, I stick to it.	_____	_____

Scoring and Interpretation

Give yourself one point for each Mostly True answer to items 1 to 3 and 6 to 12 and for each Mostly False to items 4 and 5. Everyone feels some resistance to change, but people do differ in their tolerance for frequent change. A higher score of 8 or above on this scale means you probably prefer a predictable and routine life. Frequent or dramatic changes at work may be difficult for you, probably creating feelings of resistance, stress, and tension. If you received a score of 5 or lower, your resistance to change may be low, so you probably find surprises and changes to be somewhat stimulating.

Source: Based on Shaul Oreg, "Resistance to Change: Developing an Individual Differences Measure," *Journal of Applied Psychology* 88, no. 4 (2003), pp. 680–693. Used with permission.

communication to keep change efforts moving forward. Research has identified some key characteristics of leaders who can accomplish successful change projects:[6]

- They define themselves as change leaders rather than as people who want to maintain the status quo.
- They demonstrate courage.
- They believe in employees' capacity to assume responsibility.
- They can assimilate and articulate values that promote adaptability.
- They recognize and learn from their own mistakes.
- They are capable of managing complexity, uncertainty, and ambiguity.
- They have vision and can describe their vision for the future in vivid terms.

Michelle Rhee, former chancellor of the Washington, D.C., public school system and founder of StudentsFirst, provides a good example of the characteristics of a change leader. Rhee is one of the most controversial figures in U.S. education, but love her or hate her, you can't say she's afraid of change. As chancellor of the D.C. public schools, Rhee attacked the dysfunctional culture that rewarded teachers for seniority rather than performance, revised systems and structures to slash bureaucracy, held school principals accountable for improving student performance, and focused people on a mission of putting the best interests of students first.

Her vision of making D.C. schools "the highest-performing urban school district in the nation" brought new energy and movement to a long-stagnant system. She didn't hesitate to cut administrative positions that weren't contributing value, fire teachers and principals who didn't meet performance standards, and close underperforming schools. She instituted new procedures to handsomely reward high-performing teachers and give principals more control over hiring, promoting, and firing. New evaluation procedures put people on alert that low performance and complacency would not be tolerated.[7] "Some people think she is a transformative leader, and some people think she is a controversial figure, but everyone agrees she gets people talking," said the organizer of a teacher's conference in Michigan.[8]

Remember This:

- Part of a leader's job is to make sure organizations change as needed to respond to threats, opportunities, or shifts in the environment, but change is sometimes tough to accomplish.
- The increased pace of change in today's global environment has led to even greater problems for leaders struggling to help their organizations adapt.
- To address growing concerns over threats to the natural environment, Black-Rock announced that it will make investment decisions with environmental sustainability as a core goal.
- Many people have a natural resistance to change, but leaders can serve as role models to facilitate change.
- Leaders who can successfully accomplish change typically define themselves as change leaders, describe a vision for the future in vivid terms, and articulate values that promote change and adaptability.
- Michelle Rhee, former chancellor of the Washington, D.C., public school system and founder of StudentsFirst, is one good example of a change leader.

15-2 A Framework for Change

When leading a major change project, it is important for leaders to recognize that the change process goes through stages, each stage is important, and each may require a significant amount of time. Exhibit 15.2 shows a model developed by John Kotter that can help leaders navigate the change process.[9]

1. *Light a fire for change.* People have to believe that change is really needed. Leaders communicate the urgency for change in a way that touches people's emotions—in other words, they help people *feel* the need for change rather than just giving them facts and figures. The profusion of innovations in the health care industry unleashed by the COVID-19 crisis illustrates how a sense of urgency can spur change. Fearing a shortage of ventilators to help critically ill patients breathe, health care workers began experimenting with other options, ranging from simply flipping patients onto their stomachs to transforming hooded hair salon dryers into personal negative-pressure chambers. As one example, at Northwell Health, New York's largest health care provider, pulmonologist Dr. Hugh Cassiere and his colleagues spent several days figuring out how to convert the hundreds of continuous positive airway pressure

Exhibit 15.2

The Eight-Stage Model of Planned Organizational Change
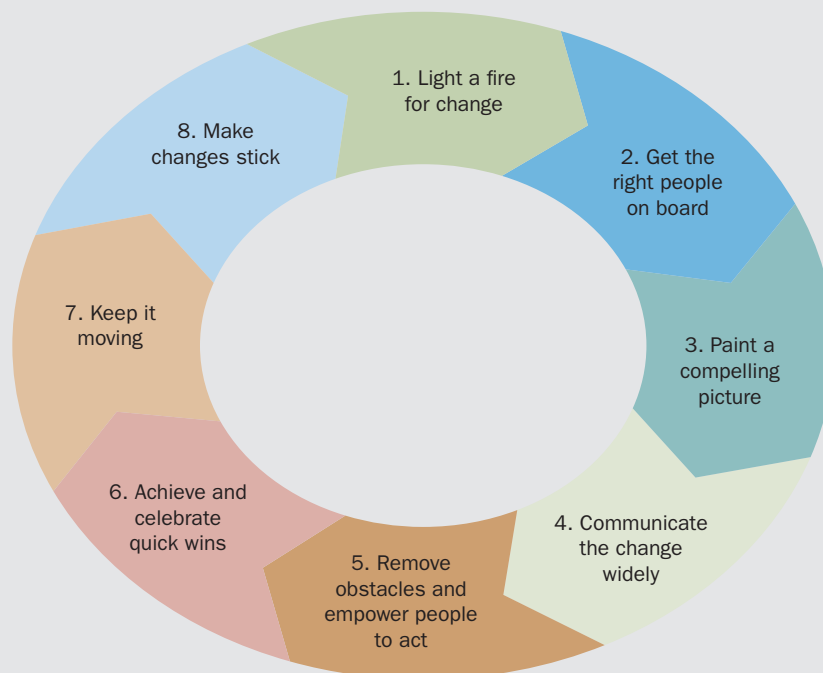
Sources: Based on John P. Kotter, *Leading Change* (Boston: Harvard Business School Press, 1996), p. 21.

(CPAP) and bilevel positive airway pressure (BiPAP) devices that were gathering dust in hospital storage rooms into makeshift ventilators.[10]

2. *Get the right people on board.* Considering the complexities of change, no single person can implement a change, especially a major one, alone. For successful change, leaders build a strong coalition of people with a shared commitment to the need for and possibility of change. They include people with enough power to make sure the change happens, as well as people who can make the change more acceptable to end users.

3. *Paint a compelling picture.* People need a clear vision and strategy to inspire them to believe that a better future is possible, and that they can achieve it through their actions. The energy for true change comes from seeing how the change can be positive for individuals and the organization. Leaders create a picture that helps people understand why the organization is undertaking the effort and how the change will help it to achieve long-term goals. It's also important to develop a strategy for achieving the vision and let people know how they fit into the big picture.

4. *Communicate, communicate, communicate.* Leaders tell the message not just once but over and over again. Change throws everyone into doubt and uncertainty, and people don't listen well when they feel anxious. Another point to remember is that actions speak louder than words. Change leaders model the new behaviors needed from employees. When Peter Löscher was CEO of Siemens, he mapped the amount of time the company's top executives spent with customers and presented it at the annual leadership conference. Löscher was number 1, having spent 50 percent of his time with customers. He told people that he expected everyone to start spending more time focused on customer contact and said the rankings would be presented each year to see if people running the businesses were honoring the new values.[11]

5. *Get rid of obstacles and empower people to act.* Leaders give people the time, knowledge, resources, and discretion to take steps and make the change happen. This might mean revising structures, systems, or procedures that hinder or undermine the change effort. For example, after setting a vision and broad outline for change, Bill Glavin, former CEO of OppenheimerFunds, Inc., gave his team members leeway to move forward with their own ideas for implementing desired changes. Glavin said his approach was to meet with direct reports regularly and to "try to keep a light hand on the tiller."[12]

6. *Achieve and celebrate quick wins.* Energy and motivation can wane during a major change project unless people see positive results of their efforts. To keep the momentum going, leaders identify some short-term accomplishments that people can recognize and celebrate. A highly visible and successful short-term accomplishment boosts the credibility of the change process and renews everyone's enthusiasm and commitment.

7. *Keep it moving.* Don't get stuck on short-term wins. One study suggests that nearly 50 percent of all change initiatives crumble simply from lack of attention.[13] It's important for leaders to build on the credibility of early accomplishments and keep the change process moving forward. At this stage, they confront and change any remaining issues, structures, or systems that are getting in the way of achieving the vision.

8. *Find ways to make the changes stick.* At this stage, leaders look for ways to institutionalize the new approach, striving to integrate the new values and pat-terns into everyone's work habits. At Del-Air, a Florida heating, ventilation, and air conditioning contractor, managers linked a new GPS-enabled time-tracking system with the company's bonus system. Employees who are more efficient with their time get rewarded for it. By integrating the change with the incen-tive system, managers made the new time-tracking system an accepted, inte-gral part of everyone's daily work.[14]

Stages in the change process generally overlap, but each of these stages is import-ant for successful change to occur. When dealing with a major change effort, leaders can use the eight-stage change process to provide a strong foundation for success.

Remember This:

- Major changes can be particularly difficult to implement, and leaders should recognize that the change process goes through stages, each stage is important, and each may require a significant amount of time.

- Leaders can help to ensure a successful change effort by following the eight-stage model of planned change—light a fire for change; get the right people on board; develop a compelling vision and strategy; go overboard on com-munication; empower employees to act; generate short-term wins; keep up the energy and commitment to tackle bigger problems; and institutionalize the change in the organizational culture.

- At heating and air conditioning contractor Del-Air, leaders linked a new GPS-enabled time-tracking system with the company's bonus system so that employees who are more efficient with their time get rewarded for it.

15-3 Using Appreciative Inquiry

One of the most exciting approaches to leading change is a process known as appre-ciative inquiry. **Appreciative inquiry** (AI) engages individuals, teams, or the entire organization in creating change by reinforcing positive messages and focusing on learning from success.[15] Rather than looking at a situation from the viewpoint of what is wrong and who is to blame for it, AI takes a positive, affirming approach by asking, "What is possible? What do we want to achieve?" For example, rather than looking at a problem such as decreasing sales, AI would investigate what makes sales increase. Appropriately framing a topic—to investigate what is right rather than what is wrong—is critical to the success of AI because it gets people away from blame, defensiveness, and denial and sets a positive framework for change. As David Cooperrider, cocreator of the AI methodology, puts it, "the more you study the true, the good, the better, the possible within living human systems, the more the capacity for positive transformation."[16] AI can be applied on either a large or a small scale.

Appreciative inquiry
a technique for leading change that engages individuals, teams, or the entire organization by reinforcing positive messages and focusing on learning from success

15-3a Applying Appreciative Inquiry on a Large Scale

AI can accelerate large-scale organizational change by positively engaging a large group of people in the change process, including leaders and employees, as well as people from outside the organization, such as customers or clients, partners, and other stakeholders.

Leadership Practice: Know Yourself 15.2

Are You a Change Leader?

Think specifically of your current or a recent full-time job. Please answer the following 10 questions according to *your perspective and behaviors in that job*. Indicate whether each item is Mostly False or Mostly True for you.

	Mostly False	Mostly True
1. I often tried to adopt improved procedures for doing my job.	_____	_____
2. I often tried to change how my job was executed in order to be more effective.	_____	_____
3. I often tried to bring about improved procedures for the work unit or department.	_____	_____
4. I often tried to institute new work methods that were more effective for the company.	_____	_____
5. I often tried to change organizational rules or policies that were nonproductive or counterproductive.	_____	_____
6. I often made constructive suggestions for improving how things operate within the organization.	_____	_____
7. I often tried to correct a faulty procedure or practice.	_____	_____
8. I often tried to eliminate redundant or unnecessary procedures.	_____	_____
9. I often tried to implement solutions to pressing organizational problems.	_____	_____
10. I often tried to introduce new structures, technologies, or approaches to improve efficiency.	_____	_____

Scoring and Interpretation

Please add the number of items for which you marked Mostly True, which is your score: _____. This instrument measures the extent to which people take charge of change in the workplace. Change leaders are seen as change initiators. A score of 7 or above indicates a strong take-charge attitude toward change. A score of 3 or below indicates an attitude of letting someone else worry about change.

Before change leaders can champion large planned change projects via the model in Exhibit 15.2, they often begin by taking charge of change in their workplace area of responsibility. To what extent do you take charge of change in your work or personal life? Compare your score with other students' scores. How do you compare? Do you see yourself being a change leader?

Source: *Academy of Management Journal* by E. W. Morrison and C. C. Phelps. Copyright 1999 by Academy of Management. Reproduced with permission of Academy of Management in the format Textbook via Copyright Clearance Center.

Once a topic has been identified for exploration, the group follows a four-stage AI process, as illustrated in Exhibit 15.3.[17]

1. **Discovery.** In the discovery stage, people identify "the best of what exists"—the organization's key strengths and best practices. This stage is about discovering the unique qualities of the group that have contributed to success. Leaders interview people, asking them to tell stories that identify the best of their experiences with the organization. During an AI session focused on building a winning culture at American Express, for example, leaders asked people to describe an instance when they felt the most proud working for the company.[18] Based on these stories, people together identify common themes.

2. **Dream.** Next, people reflect on what they learned during the discovery stage and imagine what it would be like if these extraordinary experiences were the norm. For instance, what if people at American Express experienced the kind

Exhibit 15.3

Four Stages of Appreciative Inquiry
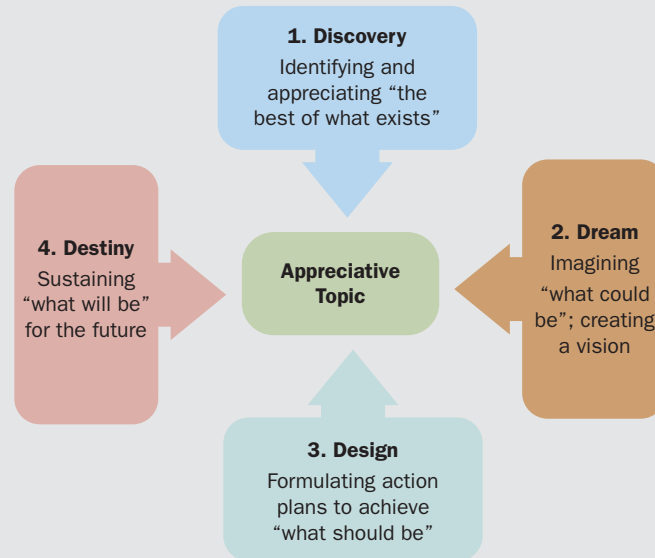
Source: Based on Gabriella Giglio, Silvia Michalcova, and Chris Yates, "Instilling a Culture of Winning at American Express," *Organization Development Journal* 25, no. 4 (Winter 2002), pp. 33–37

of environment every day that made them feel proud of working for American Express? The dream stage is about imagining "what could be" and creating a shared vision of the best possible future, grounded in the reality of what already exists. By allowing people to express their dreams for the future, AI inspires hope and energy for change.

3. **Design.** The design stage formulates action plans for transforming dreams into reality. This involves people making decisions about what the organization needs to do in order to be what it wants to be. At American Express, people identified the values that would support the kind of culture they wanted, the leadership behaviors that would instill and support the values, and the structures, systems, and processes that would keep the new cultural values alive.

4. **Destiny.** The final stage of AI is creating a destiny by translating the ideas identified in the previous stages into concrete action steps. This involves both celebrating the best of what exists and pushing forward to realize the dream by creating specific programs, activities, and other tangible forces that will implement the design and ensure the continuation of change begun during the AI process. For example, specific changes in training programs, performance evaluation, and reward systems were part of the destiny stage at American Express.

Using the AI methodology for a large-scale change may involve hundreds of people over a period of several days and may be conducted off-site to enable people to immerse themselves in the process of creating the future. A wide

variety of organizations, including businesses, school systems, churches and religious organizations, communities, government agencies, and social service organizations, have used AI for large-scale change.[19] The general manager of a five-star hotel in Kuala Lumpur, Malaysia, used AI to address the problem of the organization's failure to meet its strategic goals for growth. Occupancy rates, restaurant sales, and loyalty program memberships had all declined from the previous year or failed to meet targets, while customer complaints and employee turnover had increased. Managers noted that poor employee attitudes toward their responsibilities was a key problem. All employees from six departments participated together in "Discover and Dream" sessions. Groups of about 12 people, made up of employees from different departments, shared their thoughts and experiences about excellence in their work. The teams worked with an external facilitator and the management team to design a method to share the ideas for excellence across the organization. As a result of all the sessions, leaders implemented 79 improvements in personnel practices and policies, and the performance appraisal system was revised to measure employees against the new standards. Employees felt a new sense of commitment and enthusiasm when they saw that leaders followed through on the recommendations that grew out of the group sessions. Rather than pointing out problems and demanding they be solved, leaders had engaged everyone in discussions focused on the positive aspects of what they were doing and about how they could provide excellent service to every customer every day, thereby transforming employee attitudes and improving service.[20]

15-3b Applying Appreciative Inquiry Every Day

AI can also be applied by individual leaders on a smaller scale. The nature of leadership means influencing people in many small ways on an ongoing basis. This chapter's Leader's Bookshelf describes a three-stage change model that incorporates some elements of AI and can be used for everyday change efforts. Good leaders work daily to gradually shift attitudes, assumptions, and behavior toward a desired future. When individual leaders in an organization are involved in daily change efforts, they have a powerful cumulative effect.[21]

Leaders can use the tools of AI for a variety of everyday change initiatives, such as developing followers, strengthening teamwork, solving a particular work issue, or resolving conflicts.[22] Again, the key is to frame the issue in a positive way and keep people focused on improvement rather than looking at what went wrong. One example of the everyday use of AI comes from the time Jim (Gus) Gustafson took over as director of sales and marketing for a major electrical manufacturer. Gustafson described how, while sitting in on several employees' performance reviews with the outgoing executive, he noticed that two employees in particular were treated by the outgoing manager with disrespect and disinterest as they were given poor evaluations of their performance. Gustafson decided to use AI by asking the two employees questions such as, "What have you done in the last six months that you are most proud of?" "What is your greatest source of job satisfaction?" and "What motivates you to excel?" He worked with the two to identify how they could be satisfied and productive, carrying forward the best from their past but moving toward a better future. Thanks to Gustafson's coaching and the use of AI, both employees were eventually promoted to management positions in the organization.[23]

Leader's Bookshelf	Switch: How to Change Things When Change Is Hard	by Chip Heath and Dan Heath

"Big changes can start with very small steps. Small changes tend to snowball," write authors Chip Heath, a professor at the Graduate School of Business at Stanford University, and Dan Heath, a senior fellow at Duke University's Center for the Advancement of Social Entrepreneurship. "But this is not the same as saying that change is easy." Indeed, the stories told in *Switch: How to Change Things When Change Is Hard* illustrate just how difficult change can be, whether it is a personal change such as losing 40 pounds or an organizational change such as improving how employees treat customers.

A Three-Part Framework for Change
Switch offers some solid advice that can be applied to both individuals and organizations that need to change. Here is a quick summary of their three-step plan for change:

- *Provide Direction: Look for the Bright Spots.* The first step involves setting a clear direction and scripting the moves that can help people get there. A key point here is to focus on the positive. Many people facing a need for change are demoralized and depressed. To bring about change, leaders shift people to thinking about things they have done in the past that were positive and how to do those

kinds of things more often. To help solve the chronic malnutrition problem in Vietnam, for example, the Save the Children organization stopped looking at what was wrong and instead looked for the children who were well-nourished, learned what their parents were doing, and taught the parents of undernourished children to follow the same steps.

- *Get Emotional: Motivate People to Change.* Why do charitable organizations use photos of needy children to attract donations? Because they appeal to people's emotions. The lesson is that people don't "think" their way into a new behavior. Change depends on changing emotions. Microsoft leaders kept telling a group of programmers that customers couldn't figure out how to use a new feature, but the stubborn programmers thought their software was brilliant. Only when the programmers actually watched customers struggling with using the feature and becoming frustrated and unhappy did they start looking for ways to make it more user friendly.

- *Shape the Path: Make Change More Comfortable.* Old habits die hard, but the opportunity for change to take hold is

enhanced when the new habits are more comfortable. One of the best illustrations of this step comes from Bart Millar, a teacher in Portland, Oregon, who transformed his classroom by getting the most disruptive students to come to class early and sit in the front row. How did he do it? He put a comfortable sofa at the front of his history classroom. It didn't take long for the students who used to be back-seat wisecrackers to start showing up early enough to get the cool seats.

Test Your Change Leadership
One of the most interesting features of *Switch* is the use of "Clinics," which are sidebars describing real-life situations needing change. Readers are invited to apply what they've learned from a particular section of the book to craft a change strategy. Then, the authors describe what actually happened and what they would advise based on their change research. The numerous rich examples, combined with research pulled from the fields of psychology, sociology, and other disciplines, make *Switch* a fun, inspiring read.

Remember This:

- An exciting approach to change management known as **appreciative inquiry** (AI) engages individuals, teams, or the entire organization in creating change by reinforcing positive messages and focusing on learning from success.
- Rather than looking at a situation from the viewpoint of what is wrong and who is to blame, AI takes a positive, affirming approach and follows the stages of discovery, dream, design, and destiny.

- AI is powerful for leading both major changes and smaller, everyday changes.
- A five-star hotel in Kuala Lumpur used AI as part of a major change effort to address the problem of the organization's failure to meet its strategic goals.
- During his career as a leader, Jim (Gus) Gustafson has routinely used AI to coach and develop followers.

15-4 Leading Creativity for Change

The American Management Association asked 500 CEOs the question: "What must one do to survive in the twenty-first century?" The top answer? "Practice creativity and innovation."[24] Effective leaders find ways to promote creativity and innovation, particularly in the departments where it is most needed. For example, some organizations, such as hospitals, government agencies, and nonprofit organizations, may need frequent changes in policies and procedures, and leaders can promote creativity among administrative workers. For companies that rely on new products, leaders promote the generation and sharing of ideas across departments and, increasingly, with outsiders.

Creativity is the generation of ideas that are both novel and useful for improving the efficiency or effectiveness of an organization.[25] Creative people come up with ideas that may meet perceived needs, solve problems, or respond to opportunities and are therefore adopted by the organization. However, creativity itself is a process rather than an outcome, a journey rather than a destination. One of the most important tasks of leaders today is to harness the creative energy of all employees.

Creativity
the generation of ideas that are both novel and useful for improving the efficiency and effectiveness of the organization

15-4a Instilling Creative Values

Leaders can build an environment that encourages creativity and helps the organization be more innovative. Fostering a creative culture and promoting collaboration will spread values for creativity throughout the organization.

Foster a Creative Culture For creative acts that benefit the organization to occur consistently, the interests and actions of everyone should be aligned with the organization's purpose, vision, and goals, and leaders should make a commitment of time, energy, and resources to support creativity.[26] One popular approach is to provide an **idea incubator**. An idea incubator provides a safe harbor where ideas from people throughout the organization can be developed without interference from company bureaucracy or politics.[27] Companies as diverse as Yahoo, Boeing, Adobe Systems, and UPS have used idea incubators to make sure good ideas don't get lost in the day-to-day organizational system.

To build a culture that encourages **corporate entrepreneurship**, leaders encourage the creative spirit of all employees by promoting cultural values of curiosity, openness, exploration, and informed risk-taking. Managers at 3M believe in the value of "empowering every person in the organization to come up with ideas." Many of 3M's successful products owe their existence to the company's so-called 15 percent rule, a long-standing philosophy that lets all employees devote 15 percent of their time to "experimental doodling." A recent 3M product line that had its origins in experimental doodling is the Emphaze AEX Hybrid Purifier, a clarifying filter that pulls contaminants and certain DNA out of cell

Idea incubator
a safe harbor where ideas from employees throughout the organization can be developed without interference from company bureaucracy or politics

Corporate entrepreneurship
internal entrepreneurial spirit that includes values of exploration, experimentation, and risk taking

culture as scientists develop new protein-based drugs. The product began selling in the mid-2000s but gained new attention in 2020 as researchers worked to speed development of drugs and vaccines to fight COVID-19.[28] An important outcome of entrepreneurship is to facilitate idea champions. **Idea champions** are people who passionately believe in an idea and fight to overcome natural resistance and convince others of its value. Change does not happen by itself. Personal energy and effort are needed to successfully promote a new idea.

A creative culture is an *open culture* that encourages people to look everywhere for new ideas. Leaders promote openness by rotating people into different jobs, allowing them time off to participate in volunteer activities, and giving them opportunities to mix with people different from themselves. Leaders can also give people opportunities to work with customers, suppliers, and people outside the industry, which contributes to a flow of fresh ideas. Executives at Mexican multinational building products company Cemex ride in cement trucks to get ideas about customer needs, for instance.[29]

Promote Collaboration Although many individuals have creative ideas, creativity soars when people work together. Rather than leaving people stuck in their departmental silos, smart leaders find ways to get them communicating and collaborating across boundaries. Coming up with ways to solve big problems or exploit big opportunities typically requires the combined ideas and expertise of people from diverse backgrounds and disciplines who bring different knowledge, skills, and ways of thinking.[30] That's one reason companies use cross-functional teams and self-managed teams, as described in Chapter 10. Some remodel their physical spaces so that people from different areas work side by side on a daily basis. Many companies use internal Web sites that encourage cross-organizational collaboration. For example, Arup Group, a British engineering services company, developed an online "knowledge map" that shows the company's different areas of expertise and how departments and employees are connected to one another in terms of important information flows.[31]

A recent approach to promoting one-on-one collaboration is speedstorming. **Speedstorming**, as the name suggests, was inspired by the phenomenon of speed-dating. It uses a round-robin format to get people from different areas talking together, generating creative ideas, and identifying areas for potential collaboration. People are divided into pairs, with each person from a different department, and given a specific topic with a goal of generating ideas to pursue collaboratively by the end of each three- to five-minute round. By the end of the session, the goal is for each participant to have formed ideas for creative collaboration with several others. Speedstorming can be a fun experience that enriches existing approaches to collaboration.[32]

15-4b Leading Creative People

Many organizations that want to encourage change and innovation strive to hire people who display creative characteristics. Complete the exercise in Leadership Practice: Know Yourself 15.3 to see if you have a creative personality. However, recent research on creativity suggests that anyone can learn to be creative and can get better at it with practice.[33] That is, everyone has roughly equal creative potential. The problem is that many people don't use that potential. Leaders can help individuals be more creative by facilitating brainstorming, promoting lateral thinking, enabling immersion, allowing pauses, and nurturing creative intuition, as illustrated in Exhibit 15.4.

Idea champions people who passionately believe in a new idea and actively work to overcome obstacles and resistance

Speedstorming using a round-robin format to get people from different areas talking together, generating creative ideas, and identifying areas for potential collaboration

Put It Into Practice 15.3

Think back to a specific problem faced by your team at school or work. Come up with two specific ideas that would have helped team members be more creative to solve that problem.

Exhibit 15.4

Tools for Helping People Be More Creative
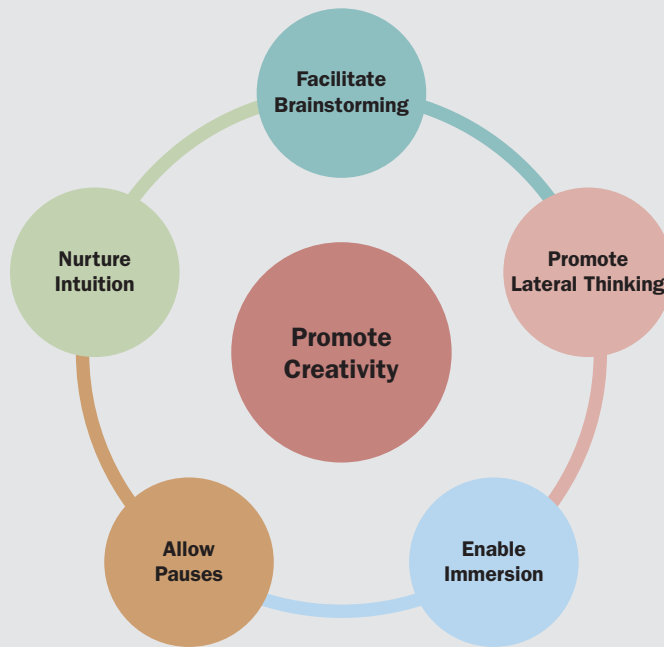
Facilitate Brainstorming One common way to encourage creativity is to set up brainstorming sessions focused on a specific problem or topic. Assume your organization faces a problem such as how to reduce losses from shoplifting, speed up checkout, reduce food waste, or lessen noise from a machine room. **Brainstorming** uses a face-to-face interactive group to spontaneously suggest a wide range of creative ideas to solve the problem. The keys to effective brainstorming are:[34]

1. *No criticism.* Group members should not criticize or evaluate ideas in any way during the spontaneous generation of ideas. All ideas are considered valuable.

2. *Freewheeling is welcome.* People should express any idea that comes to mind, no matter how weird or fanciful. Brainstormers should not be timid about expressing creative thinking. As a full-time developer of ideas at Intuit said, "It's more important to get the stupidest idea out there and build on it than not to have it in the first place."[35]

3. *Quantity desired.* The goal is to generate as many ideas as possible. The more ideas the better. A large quantity of ideas increases the likelihood of finding excellent solutions. Combining ideas is also encouraged. All ideas belong to the group, and members should modify and extend ideas whenever possible.

Brainstorming has both ardent supporters and intense critics, but it remains a common way leaders use groups to generate new ideas.[36] Leaders are continually searching for ways to improve the brainstorming process. Some companies are

Brainstorming
a technique that uses a face-to-face group to spontaneously suggest a broad range of ideas to solve a problem

Put It Into Practice 15.4
Think of a time when you had a creative idea and identify the factors that contributed to that moment of creativity.

practicing an extreme type of brainstorming, based on the popularity of television reality shows, that puts people together for an extended time period to come up with ideas. Under a program called Real Whirled, for example, Whirlpool sends teams of people to live together for several weeks—and to use Whirlpool appliances for cooking and cleaning, of course. Best Buy has used a similar program, with teams of people who previously didn't know one another living together for 10 weeks in a Los Angeles apartment complex.[37]

Virtual brainstorming bringing people together in an interactive group over a digital network; sometimes called *brainwriting*

Another recent approach, called **virtual brainstorming**, or *brainwriting*, brings people together in an interactive group over a digital network.[38] People can submit ideas and can also read and extend others' ideas. Austin, Texas-based ad agency GSD&M uses virtual brainstorming sessions that include outsiders as well as employees to quickly come up with ideas for ad campaigns. Leaders say the sessions generate thousands of ideas, and keeping things anonymous "keeps the boss and the new hire on the same level."[39] Studies show that virtual brainstorming

Leadership Practice: Know Yourself 15.3

Do You Have a Creative Personality?

Instructions: In the following list, check each adjective that you believe accurately describes your personality. Be very honest and check all the words that fit your personality.

1. affected _____	16. intelligent _____
2. capable _____	17. narrow interests _____
3. cautious _____	18. wide interests _____
4. clever _____	19. inventive _____
5. commonplace _____	20. mannerly _____
6. confident _____	21. original _____
7. conservative _____	22. reflective _____
8. conventional _____	23. resourceful _____
9. egotistical _____	24. self-confident _____
10. dissatisfied _____	25. sexy _____
11. honest _____	26. snobbish _____
12. humorous _____	27. sincere _____
13. individualistic _____	28. submissive _____
14. informal _____	29. suspicious _____
15. insightful _____	30. unconventional _____

Scoring and Interpretation

Add one point for checking each of the following words: 2, 4, 6, 9, 12, 13, 14, 15, 16, 18, 19, 21, 22, 23, 24, 25, 26, and 30. Subtract one point for checking each of the following words: 1, 3, 5, 7, 8, 10, 11, 17, 20, 27, 28, and 29. The highest possible score is +18 and the lowest possible score is –12.

The average score for a set of 256 assessed males on this creativity scale was 3.57, and for 126 females was 4.4. A group of 45 male research scientists and a group of 530 male psychology graduate students both had average scores of 6.0, and 124 male architects received an average score of 5.3. A group of 335 female psychology students had an average score of 3.34. If you received a score above 6.0, your personality would be considered above average in creativity.

This adjective checklist was validated by comparing the respondents' scores to scores on other creativity tests and to creativity assessments of respondents provided by expert judges of creativity. This scale does not provide perfect prediction of creativity, but it is reliable and has moderate validity. Your score probably indicates something about your creative personality compared to other people.

To what extent do you think your score reflects your true creativity? Compare your score to those of others in your class. What is the range of scores among other students? Which adjectives were most important for your score compared to other students? Can you think of types of creativity this test might not measure? How about situations where the creativity reflected on this test might not be very important?

Source: Harrison G. Gough, "A Creative Personality Scale for the Adjective Check List," *Journal of Personality and Social Psychology* 37, no. 8 (1979), pp. 1398–1405.

generates about 40 percent more ideas than individuals brainstorming alone, and 25 percent to 200 percent more ideas than regular brainstorming groups, depending on group size.[40] Why? Primarily because people participate anonymously, the sky's the limit in terms of what they feel free to say. Creativity also increases because people can write down their ideas immediately, avoiding the possibility that a good idea might slip away while the person is waiting for a chance to speak in a face-to-face group.

Promote Lateral Thinking Most of a person's thinking follows a regular groove and somewhat linear pattern from one thought to the next. But linear thinking does not often provide a creative breakthrough. Linear thinking is when people take a problem or idea and then build sequentially from that point. A more creative approach is to use lateral thinking. **Lateral thinking** can be defined as a set of systematic techniques used for changing mental concepts and perceptions and generating new ones.[41] With lateral thinking, people move "sideways" to try different perceptions, different concepts, and different points of entry to gain a novel solution. Lateral thinking appears to solve a problem by an unorthodox or apparently illogical method. Lateral thinking makes an unusual mental connection that is concerned with possibilities and "what might be." The value of lateral thinking is illustrated by a study that asked separate groups of carpenters, roofers, and in-line skaters for ideas on how to improve the design of carpenters' respirator masks, roofers' safety belts, and skaters' kneepads. The researchers found that each group was much better at coming up with solutions for the fields outside its own.[42] When people aren't constrained by previous knowledge and expertise, they can look at a problem through a fresh lens.

Companies such as Boeing, Nokia, IBM, and Nestlé have trained people to use lateral thinking as a way to help the organization meet the demands of a rapidly changing global environment.[43] To stimulate lateral thinking, leaders provide people with opportunities to use different parts of their brains and thus to make novel, creative connections. If the answer isn't in the part of the brain being used, it might be in another that can be stimulated by a new experience. The latest medical innovation for assisting difficult births, recently licensed by Becton Dickinson, resulted from lateral thinking. The idea came not from scientists, researchers, or obstetricians, but from an Argentinian car mechanic. Jorge Odón became enthralled with a YouTube video on using a plastic bag to retrieve a cork from inside an empty wine bottle. As he watched the process, the father of five realized the same principle could be used to save a baby stuck in the birth canal.[44]

Alex Osborn, the originator of brainstorming, developed many creative techniques. One effective technique that is widely used to stimulate lateral thinking is the checklist in Exhibit 15.5. The checklist seems to work best when there is a current product or service that needs to be improved. If the problem is to modify a smartphone design to increase its sales, for example, the checklist verbs in Exhibit 15.5 can stimulate an array of different perceptions about the item being analyzed.

An exercise of *considering opposites* will also stretch the mind in a lateral direction. Physical opposites include back/front, big/small, hard/soft, and slow/fast. Biological opposites include young/old, sick/healthy, male/female, and tortoise/hare. Management opposites would be bureaucratic/entrepreneurial, or top-down/bottom-up. Business opposites are buy/sell, profit/loss, and hire/fire.[45]

Lateral thinking
a set of systematic techniques for breaking away from customary mental concepts and generating new ones

Put It Into Practice 15.5
Write down an unresolved issue or problem you currently face. Look at opposites to stretch your thinking for resolving the issue.

Exhibit 15.5

Lateral Thinking Checklist

Verb	Description
Put to other uses?	New ways to use as is? Other uses if modified?
Adapt?	What else is like this? What other ideas does this suggest?
Modify?	Change meaning, color, motion, sound, odor, form, shape? Other changes?
Magnify?	What to add: Greater frequency? Stronger? Larger? Plus ingredient? Exaggerate?
Minify?	What to subtract: Eliminate? Smaller? Slower? Lower? Shorter? Lighter? Split up? Less frequent?
Substitute?	Who else instead? What else instead? Other place? Other time?
Rearrange?	Other layout? Other sequence? Change pace?
Reverse?	Transpose positive and negative? How about opposites? Turn it backward? Turn it upside down? Reverse role?
Combine?	How about a blend, an alloy, an assortment, an ensemble? Combine units? Combine purposes? Combine appeals? Combine ideas?

Source: Based on Alex Osborn, *Applied Imagination* (New York: Charles Scribner's Sons, 1963).

Immersion
to go deeply into a single area or topic to spark personal creativity

Enable Immersion Lateral thinking might be considered thinking outside the box. **Immersion** means to go deeply into a single area or topic to spark personal creativity, which has been called thinking "inside the box."[46] One approach to immersion is to focus on the internal aspects of a situation or problem. People can take a product, situation, or process and break it down into component parts. Manipulating the components in unusual ways can create a valuable new idea. For example, contact lenses arose by removing one component—the eyeglass frame.

Another way to get people to break out of habitual thinking patterns and ingrained perceptions is to immerse them in new experiences that give them a different perspective on a familiar topic. The personal care products company Nivea knew a lot about deodorant but wondered if habitual thinking was blinding them to new opportunities. Managers immersed themselves in an online analysis of social media discussions about deodorant use and found to their surprise that the key preoccupation was not fragrance, irritation, or effectiveness but the staining of clothing. This insight led to the development of a new anti-stain deodorant that was the most successful product launch in the company's 130-year history.[47] Some leaders reorganize often to immerse people in different jobs and responsibilities. Frequent change can be unsettling, but it keeps people's minds fresh and innovative.[48]

Allow Pauses Some of the best ideas often occur when people take time off from working on a problem and change what they are doing. Allowing pauses activates different parts of the brain. Research in creativity suggests that having an "aha moment" often requires that a person stop trying to solve a problem and allow the mind to wander.[49] "When you are trying too hard to focus your attention, you are going to miss new ideas," says Jennifer Wiley, a psychology professor at

the University of Illinois at Chicago.[50] For example, pioneering chef Farran Adriá created more than 1,300 signature dishes and helped earn his restaurant, El Bulli, the rating of "world's best" a record five times. Adriá once said the key to his and his staff's creativity was closing the restaurant for six months each year. "The pressure to serve every day doesn't offer the kind of tranquility necessary to create," he says. "The most important thing is to leave time for regeneration."[51]

Creativity often occurs during a mental pause, a period of mixed tension and relaxation. In the shower, or while exercising, driving, walking, or meditating, the mind reverts to a neutral, somewhat unfocused state in which it is receptive to issues or themes that have not been resolved. If the analytical part of the mind is too focused and active, it shuts down the spontaneous part. The semi-relaxed mental "pause" is like putting the analytical left brain on hold and giving room for the intuitive right brain to find the solution in the subconscious mind.[52] C. S. Lewis, author of *The Chronicles of Narnia*, was fond of long, contemplative walks to facilitate his creative thinking. Similarly, Jerry Kathman, president and CEO of brand design agency LPK, says he gets many of his ideas during his morning jog.[53] Exercise is often considered a good way to give the mind a chance to work freely.[54]

Leaders can apply this idea by allowing people to have quiet spaces when they need them. Simply breaking up a group session and telling people to go take a walk or work on something simple and repetitive for a while can kick-start the creative process. David Rock, cofounder of the NeuroLeadership Institute, has worked with leaders in many organizations and says leaders have generated a 100 percent to 500 percent improvement in the ability to solve complex problems by using techniques and models that allow pauses so that people have mental space to reflect.[55]

> ❝After you plant a seed in the ground, you don't dig it up every week to see how it is doing."
>
> William Coyne, former head of R&D at 3M

Nurture Creative Intuition The creative flash of insight leaders want to awaken is actually the second stage of creativity. The first stage is data gathering. The mind is gathering data constantly, especially when you are studying background material on a problem to be solved. Then the creative insight bubbles up as an intuition from the deeper subconscious. It may be hard to trust that intuitive process because it seems "soft" to many business executives. The subconscious mind remembers all experiences that the conscious mind has forgotten. Creative intuition has a broader reach than any analytical process focused solely on the problem at hand.

To understand your own creative intuition, consider the following question:[56]

A man has married 20 women in a small town. All the women are still alive, and none of them is divorced. The man has broken no laws. Who is the man?

If you solved this problem the answer came in a sudden flash: the man is a preacher, priest, or justice of the peace. That flash of insight arose from your creative intuition.

Here are some additional problems that might be a little tougher. Each of the following sets of three words has something in common.[57] Do not overanalyze. Instead just relax and see if the common element pops up from your intuition.

1. rat   blue   cottage
2. pine   crab   sauce

3. curtain   fisherman   nuclear reactor
4. envy   golf   beans
5. bowling alley   tailor   wrestling match

Don't rush to find the answers. Give your intuitive subconscious time to work. After it's finished working on these problems, consider the following question you might be asked if you interview for a job at Microsoft: *How would you weigh a large jet aircraft without a scale?* This question combines logical thinking and intuition. Before reading on, how might you compute the airplane's weight doing something that is technologically feasible even if not realistic?[58]

The next challenge may appear to have no solution until your intuition shows you the obvious answer. In the following illustration, remove three matches to leave four.[59]

Here is another problem that may force your mind to respond from a different place to get the answer. The matches are an equation of Roman numerals made from 10 matches. The equation is incorrect. Can you correct the equation without touching the matches, adding new matches, or taking away any matches?
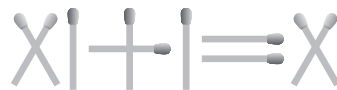
Have you given adequate time to your creative intuition? The answers to these creative challenges follow:

For the word sets, the correct answers are (1) cheese, (2) apple, (3) rods, (4) green, and (5) pins.

One answer to weighing the jet aircraft would be to taxi the jet onto a ship big enough to hold it. You could put a mark on the hull at the water line and then remove the jet and reload the ship with items of known weight until it sinks to the same mark on the hull. The weight of the items will equal the weight of the jet.

The answer to the first match puzzle depends on how you interpret the word "four." Rather than counting four matches, remove the matches at the top, bottom, and right and the answer is obvious—the Roman numeral IV. For the second match puzzle, you can solve this problem by looking at it from a different perspective—turn the page upside down. Did your creative intuition come up with good answers?

Remember This:

- Leading creativity for change and innovation is a significant challenge for today's leaders. **Creativity** is the generation of ideas that are both novel and useful for improving the efficiency or effectiveness of an organization. Some people demonstrate more creativity than others, but research suggests that everyone has roughly equal creative potential.

- Leaders instill creative values in particular departments or the entire organization by fostering a creative culture and promoting collaboration.
- An **idea incubator** provides a safe harbor where ideas from people throughout the organization can be developed without interference from company bureaucracy or politics.
- **Corporate entrepreneurship** refers to an internal entrepreneurial spirit that includes values of exploration, experimentation, and risk taking. An important outcome of corporate entrepreneurship is to facilitate **idea champions**, people who passionately believe in an idea and fight to overcome natural resistance and convince others of its value.
- One approach to promoting greater collaboration is **speedstorming**, which uses a round-robin format to get people from different areas talking together, generating creative ideas, and identifying areas for potential collaboration.
- Leaders can increase individual creativity by facilitating brainstorming, promoting lateral thinking, enabling immersion, allowing pauses, and fostering creative intuition.
- **Brainstorming** is a technique that uses a face-to-face group to spontaneously suggest a broad range of ideas to solve a problem. **Virtual brainstorming** brings people together in an interactive group over a digital network and is sometimes called *brainwriting*.
- The advertising agency GSD&M uses virtual brainstorming sessions that include outsiders as well as employees to quickly come up with ideas for ad campaigns.
- **Lateral thinking** is a set of systematic techniques for breaking away from customary mental concepts and generating new ones.
- When people aren't constrained by previous knowledge and expertise, they can look at a problem through a fresh lens. Researchers asked separate groups of carpenters, roofers, and in-line skaters for ideas on how to improve the design of equipment and found that each group was much better at coming up with solutions for the fields outside their own.
- **Immersion** means to go deeply into a single area or topic to spark personal creativity.
- The cofounder of the NeuroLeadership Institute reports that leaders have generated a 100 percent to 500 percent improvement in the ability to solve complex problems by using techniques and models that allow pauses so people have mental space to reflect.

15-5 Implementing Change

Leaders often see innovation and change as ways to strengthen the organization, but many leaders struggle to effectively implement the changes they desire. One big reason for this is that they fail to recognize and deal with the many barriers that impede change. Exhibit 15.6 illustrates the change leadership iceberg, which can help leaders understand that 90 percent of the work to implement change is moving the huge unseen part of the iceberg.

Exhibit 15.6

The Change Leadership Iceberg
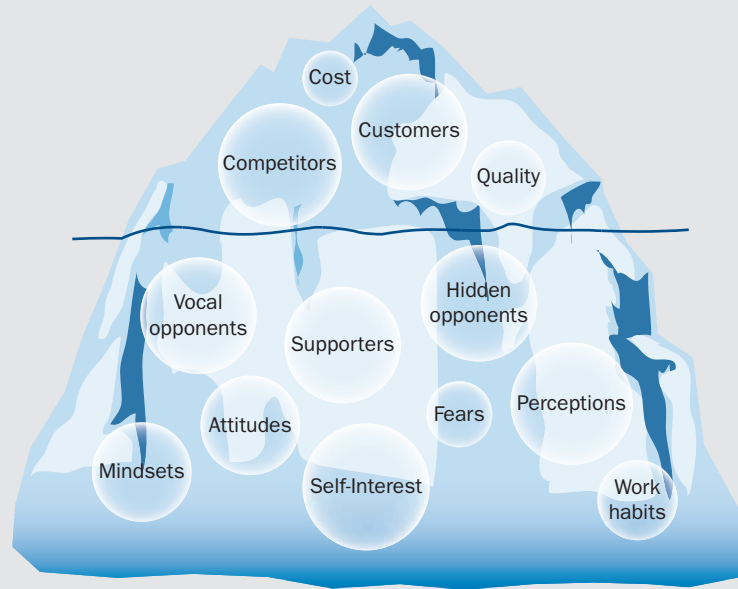
Source: Summary of Wilfried Krüger's Change Iceberg, based on "The Change Iceberg," *Value Based Management*, www.valuebasedmanagement.net/methods_change_management_iceberg.html (accessed August 13, 2021).

The essence of change implementation is dealing with barriers, mostly human psychological barriers.[60] The typical leader promptly considers the issues shown above the surface at the top of the iceberg, such as cost, quality, customer concerns, and competitors. These are the things that leaders readily see in simplified form. However, below the surface are a myriad of issues that make implementation really challenging. To effectively implement change, a leader must consider the soft elements of human attitudes, perceptions, fears, and psychological resistance that lie below the surface and may be anchored in people's good intentions for the organization. For example, opponents may have a negative general attitude toward change, or a specific dislike for the proposed change, while being strongly attached to and believe in their current work habits and procedures. Hidden opponents may appear on a superficial level to be supporting change, while they are in fact taking actions to prevent it. Of course, there will also be supporters and even potential promoters of the change. The leader's responsibility is to devise implementation strategies to harness the enthusiastic engagement of supporters and change the attitudes and resistance of opponents.

A critical aspect of leading people through change is understanding that resistance to change is natural—and that there are often legitimate reasons for it. This chapter's *Think on This* box takes a lighthearted look at why employees may resist changes in some overly bureaucratic organizations.

Think on This: Dealing with a Dead Horse

Ancient wisdom says that when you discover you are astride a dead horse, the best strategy is to dismount. In government and other overly bureaucratic organizations, many different approaches are tried. Here are some of our favorite strategies for dealing with the "dead horse" scenario:

1. Change the rider.
2. Buy a stronger whip.
3. Beat the horse harder.
4. Shout at and threaten the horse.
5. Appoint a committee to study the horse.
6. Arrange a visit to other sites to see how they ride dead horses.
7. Increase the standards for riding dead horses.
8. Appoint a committee to revive the dead horse.
9. Create a training session to improve riding skills.
10. Explore the state of dead horses in today's environment.
11. Change the requirements so that the horse no longer meets the standards of death.
12. Hire an external consultant to show how a dead horse can be ridden.
13. Harness several dead horses together to increase speed.
14. Increase funding to improve the horse's performance.
15. Declare that no horse is too dead to ride.
16. Fund a study to determine if outsourcing will reduce the cost of riding a dead horse.
17. Buy a computer program to enhance the dead horse's performance.
18. Declare a dead horse less costly to maintain than a live one.
19. Form a work group to find uses for dead horses. And ... if all else fails ...
20. Promote the dead horse to a supervisory position. Or, in a large corporation, make it a vice president.

What Do You Think?

Source: Author unknown. Another version of this story may be found at https://beyond-agility.com/riding-a-dead-horse-strategies/ (accessed August 9, 2021).

15-5a Helping People Change

Some leaders don't understand why change is so difficult for many people. But for something new to begin, something old has to end, and most of us have a hard time letting go of something we value, even if we want something new. For example, we want to lose weight, but giving up the chocolate cake seems too much to ask. Rather than focusing on a new beginning and what we might gain from a change, our emotions are stuck on the ending of our current situation and what we might lose.

Changing behavior always depends on changing people's emotions about the situation. People have to psychologically and emotionally let go of the old before

they can embrace the new.[61] Exhibit 15.7 illustrates the transition people have to go through to make a successful change. To help someone change means first dealing with the emotions associated with endings and losses rather than denying those emotions or trying to talk people out of feeling them. Then, people move into a neutral zone, where they've let go of the old but the new hasn't yet gelled into an accepted pattern. Finally, they transition into a new beginning. No one gets to a new beginning without first dealing with an ending.

Leaders who want to implement change always have to ask, "who's going to lose what?"[62] In organizations, changes in job design, technology, or structure may mean that some people will no longer have the same type of power or prestige they once had. For example, one CEO who wanted to do away with private offices to encourage values of openness, egalitarianism, and collaboration ran into strong resistance from some managers who viewed their offices as symbols of their power and prestige in the organization.[63] In addition, when changes are imposed from outside the individual, many people feel a loss of control over their own lives and circumstances, which provokes a strong emotional reaction. Efforts at many companies to require employees to get vaccinations for COVID-19 have met with very strong resistance, for instance.

Sometimes a change conflicts with the seemingly legitimate goals of some individuals or departments. At pharmaceuticals company Pfizer, top executives wanted to implement a computerized system for collecting and processing research trial data, which could cut 40 percent off the cost of new drug development. Research and development managers fought the change, citing their concern that the automation and standardization of case report forms would hamper their flexibility and creativity.[64]

Change also means that people have to give up their stable routines. Hospitals have spent millions of dollars adopting electronic medical records, but some are having a hard time getting doctors to use them. One reason is that electronic records require doctors to change how they go about their daily work, and many are having trouble giving up their standard routines.[65] Most people have at least some fear of the unknown and are more comfortable dealing with the tried-and-true.

Exhibit 15.7

Endings Precede Beginnings for Successful Change
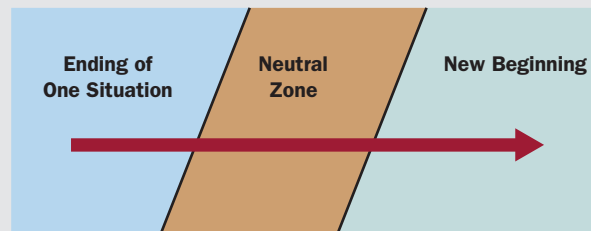
Source: Based on ideas in William Bridges, *Managing Transitions: Making the Most of Change* (Cambridge, MA: Da Capo Lifelong Books, 2009).

Particularly when people don't understand how a change will affect them, they find it more reassuring to stick with what they know, even if it is unpleasant, than to jump into the unknown.[66]

At work, employees might worry that a needed change in procedures will mean an end to the camaraderie among their work group or fear that a new technology might cause them to lose autonomy or status. At SuperShuttle, a national transportation provider, for example, drivers were opposed to using GPS-enabled phones. The drivers felt that the new technology meant an end to their freedom, since managers could track their movements. SuperShuttle learned that, "if you don't tell employees what to expect, they'll invent something, and inevitably, it will be bad."[67]

15-5b The Keys That Help People Change

Most of us think if we were given a clear choice—change or die—we'd change in a hurry. But in fact, scientific studies demonstrate that most people have a hard time changing even when told that *not* changing will lead them to an early grave.[68] For example, Dr. Dean Ornish, a professor of medicine at the University of California at San Francisco and founder of the Preventive Medicine Research Institute, found that an astonishing nine of ten critically ill patients couldn't change their poor diet and exercise habits even though it meant they would die.[69]

But change is possible when leaders approach it thoughtfully and use effective implementation strategies. Tina Sandri took over as CEO of the Forest Hills of D.C. nursing home in May of 2020, while the COVID-19 virus was raging across the country. Three residents at the facility had died from the virus and 17 others had become ill, along with 45 staff members. When a vaccine became available in early 2021, almost half of Forest Hills staff members declined to get the shot. Sandri embarked on a vigorous campaign to change their minds, trying everything from bombarding employees with text messages about the science behind the vaccines to running a television special made by actor and director Tyler Perry to fight vaccine hesitancy on a continuous loop. Nothing seemed to work. Sandri decided to take a different approach. She started talking with people one on one, asking them what their specific concerns were and what information they needed to feel comfortable getting the shot, tailoring her approach to what would resonate most with each person. It was a "time-intensive, conversation-intensive, case-by-case uphill climb," Sandri says, but it paid off. By the end of March, the percentage of partly or fully vaccinated staff had reached 79 percent, surpassing the goal set for nursing homes by the American Health Care Association. "Everyone's fears are real, whether or not they are grounded in science or in something they believe right now," Sandri said. Beliefs change with time or new knowledge, so we have to ride it out. Listen hard, don't judge, and let them move at their own pace."[70]

Changing people's thinking and behavior is possible, and the keys to doing so incorporate seven elements: a positive emotional attractor, top management support, supportive relationships, communication and education, repetition of new behaviors, participation and involvement, and after-action reviews.[71]

- *Provide a positive emotional attractor.* Similar to how a powerful vision motivates people to work toward the desired future, as described in Chapter 7, a positive emotional attractor (PEA) is something that awakens a person's hopes and dreams about the future, about possibilities of what could be,

> **Put It Into Practice 15.7**
> Write down your full signature on a blank sheet of paper. Now write down your full signature with your other hand. Identify what you felt after writing with your non-dominant hand that helps you understand the difficulty of implementing new habits for employees.

rather than focusing on trying to "fix" weaknesses or shortcomings. People learn and change because they *want to*, not because they *ought to*, which means they need an inspiring vision of what the future can be.[72] For example, studies by Dr. Dean Ornish, introduced earlier, show that when people feel convinced that they can enjoy life more, they are much more likely to make significant changes in their lifestyle and stick with the changes over the long term. Instead of motivating with the "fear of dying," Dr. Ornish began inspiring people with a clear vision of the "joy of living."

- *Ensure top leader support.* The visible support of top leaders makes people aware of the importance of a change and gives the change project legitimacy. One of the primary correlates of the success of new business ventures is the strong support of top leaders, and top leadership support and involvement has been shown to play a crucial role in successful new-product development.[73] One key to Pfizer's success in developing a COVID-19 vaccine in record time was the active involvement and support of top leaders. Pfizer CEO Albert Bourla participated in twice-weekly meetings with the vaccine development team and continually pushed researchers and other staff to go beyond even their own highly ambitious goals. "On March 19, 2020, as COVID-19 swept across the world, I challenged everyone at Pfizer to 'make the impossible possible': to develop a vaccine more quickly than anyone ever had before, ideally within six months and certainly before the end of the year," Bourla said. "Uğur Şahin, the CEO of our partner BioNTech . . . did the same with his team."[74]

  Top leadership support is especially important when a change involves multiple departments or when resources are being reallocated among departments. Without support from the top, changes can get bogged down in squabbling among departments or contradictory orders from lower-level managers.

- *Make sure people have a support system.* Leaders help people establish new, emotional relationships that provide hope, make people believe they have the power to change, and inspire people with the expectation that change will happen. Effective leaders of social movements, for example, are highly skilled at giving people hope and faith that change is possible. This emotional relationship with a leader, a mentor, or a community helps people learn and practice the new skills and habits needed to change. This is what Alcoholics Anonymous or Weight Watchers meetings are all about, for example.

- *Communicate and educate.* Communication and education are used when solid information about the change is needed by users and others who may resist implementation. This can be especially important when the change involves new technical knowledge or users are unfamiliar with the idea. For example, to implement an electronic health care records system at Cancer Treatment Centers of America, leaders held regular presentations at all levels to communicate the reasons for the change, explain how the system could help employees do their jobs and improve the quality of care, and educate people in using the new system.[75]

- *Use repetition.* People need the opportunity to experiment and practice the new skills and habits over and over until the new pattern of behavior becomes automatic. At Cedars-Sinai Medical Center, an epidemiologist used an experiment that showed doctors and other staff that their hands were covered with gobs of harmful bacteria. By showing one of the filthiest images as a screen saver on the hospital's computer network, everyone was continually reminded

of the importance of frequent hand washing. With repeated practice, hand-hygiene compliance eventually spiked to nearly 100 percent and stayed there.[76]

- *Involve people early.* When people are involved in helping to design the change, they will be more committed to it. Although this approach is time-consuming, it pays off by giving people a sense of control over the change activity. They come to understand the change better and become committed to its successful implementation. Leaders at contracting and research firm Noblis wanted to do away with traditional job titles and replace the system with "career bands" that would enable people to move sideways, not just up the hierarchy. They knew it could be a tough sell, so they had a group of employees spend six months studying the new plans and seeking feedback from people all around the company. "It was a fine-tooth comb with all our stakeholders, because we wanted to have a model that was built by Noblis for Noblis," said Amy Rivera, a member of the HR team.[77]

- *Apply after-action reviews.* An excellent mechanism for evaluation and feedback on a change is the after-action review. After-action reviews are quick sessions during which leaders review the outcome of change activities to see what worked, what didn't, and what can be learned from it. The concept of after-action reviews comes from the United States Army. After every identifiable activity—whether in field operations or training simulations—people take 15 minutes to ask four simple questions: What was supposed to happen? What actually happened? What accounts for the difference? What can we learn? Many businesses, including consulting firm Jump Associates, oil giant BP, and Steelcase, Inc., which makes office furniture, have used after-action reviews for feedback and learning.[78]

  In the early weeks of the COVID-19 pandemic, one company used an after-action review to learn how to address the challenges as the pandemic progressed. Top leaders brought together field leaders for a virtual meeting. They learned that some individual offices that had quickly provided resources to meet the immediate needs of customers and remote workers—such as financial assistance, safety education, and technical support—were thriving. Leaders then applied these strategies across the entire company.[79]

Effectively and humanely leading change is one of the greatest challenges for leaders. The nature and pace of change in today's environment can be exhilarating, but it can also be inconvenient, painful, and downright scary. Savvy leaders can help people navigate the change process and make it successful.

Remember This:

- One reason many leaders struggle to effectively implement the changes they desire is a failure to recognize and deal with the many barriers that impede change.
- The change leadership iceberg can help leaders understand the need to identify barriers so they can devise implementation strategies to change the attitudes, fears, and resistance of opponents and drive the enthusiastic engagement of supporters.

- Leaders should strive to understand why people resist a change. For something new to begin, something old has to end, and most people have a hard time letting go of something they value.

- Leaders can help people change by changing emotions so that people can let go of the old and embrace the new. They can provide a positive emotional attractor, top leadership support, supportive relationships, communication and education, repetition of new behaviors, participation and involvement, and after-action reviews.

- To successfully implement an electronic health care records system at Cancer Treatment Centers of America, leaders held regular communication and education sessions at all levels of the organization.

- With after-action reviews, people ask four simple questions: What was supposed to happen? What actually happened? What accounts for the difference? What can we learn?

Discussion Questions

1. As a leader, how might you overcome your own felt resistance to a change from above and act as a role model for implementing the change?

2. How are Kotter's eight-stage framework for change and the AI method similar? How are they different? Explain.

3. Think of a problem situation you would like to change at work, school, or home and discuss why you think using the stage 1 appreciative inquiry "discovery" approach would or would not lead to a beneficial solution.

4. How could you increase the number of novel and useful solutions you can come up with to solve a problem?

5. Of the seven elements that help people change (positive emotional attractor, top management support, supportive relationships, communication and education, repetition of new behaviors, participation and involvement, and after-action reviews), which do you think leaders are most likely to overlook? Why?

6. How would you suggest a leader overcome resistance to a change that is going to cause some people to lose their jobs?

7. Why are idea champions important for a creative culture? Do you think these people would be more important in a large organization or a small one? Discuss.

8. Planned change is often considered ideal. Do you think unplanned change could be effective? Discuss. Can you think of an example?

9. Is the world really changing faster today, or do people just assume so?

10. Do you believe the COVID-19 pandemic will lead to any lasting changes in companies and organizations worldwide? What kinds of lasting changes do you envision?

Leadership Skill-Building Exercises

What Do You Appreciate?

The purpose of this exercise is for you to experience the feelings that arise during an employee appreciative inquiry interview, both as the interviewer and the interviewee. This exercise can be done individually or in student pairs.

In Class or Online (optional as indicated by your instructor): Divide into student pairs sitting facing each other. One person volunteer to interview the other and make notes of answers in the space following each question below. Then switch roles, with the second person asking the questions below and making notes of the other person's answers.

Ask the following questions with respect to your associate's role as either a student or an employee. (If you are doing this exercise alone, make notes below for your answers to the questions.)

1. What gives life to you? Reflect on an experience that really made you feel engaged or alive and describe that experience.
   _____
   _____

2. What would be your strategy for having more of those experiences in your life?
   _____
   _____

3. Without being humble, what do you value the most about yourself—as a human being, a friend, a parent, a citizen, or a son/daughter?
   _____
   _____

4. When you explore your boldest hopes and highest aspirations, what is it that you ultimately want?
   _____
   _____

After both people have answered the questions above, explore the following questions as a pair or in the larger classroom setting, as indicated by your instructor.

1. How did it feel to answer the questions above compared to thinking about the things that are wrong in your life?

2. What did you learn from this appreciative inquiry experience that would apply to your future as a change leader?

Chrystal Gardens Role Play

You are the new director of the Chrystal Gardens not-for-profit nursing home following the COVID-19 pandemic. All patients and employees have been vaccinated. Chrystal Gardens is one of 20 elder-care centers managed by Franklin Resident Care Centers. Chrystal Gardens has 56 patients and is completely responsible for their proper hygiene, nutrition, and daily recreation. Many of the patients can move about by themselves, but several require physical assistance for eating, dressing, and moving about the nursing home. During daytime hours, the head of nursing is in charge of the four certified nursing assistants (CNAs) who work on

the floors. During the night shift, a registered nurse is on duty, along with three CNAs. The same number of CNAs are on duty over the weekend, and either the head of nursing or the registered nurse is on call.

Several other staff also report to you, including the heads of maintenance, bookkeeping/MIS, and the cafeteria. The on-call physician stops by Chrystal Gardens once a week to check on the residents. You have 26 full- and part-time employees who cover the different tasks and shifts.

During your interviews for the director's job, you became aware that the previous director ran a very tight ship, insisting that the best way to care for nursing home patients was by following strict rules and procedures. He personally approved almost every decision, including decisions for patient care, despite not having a medical degree. Turnover was always high under the director, and now several beds are empty because of the time required to hire and train new staff. Other elder-care facilities in the area have a waiting list of people wanting to be admitted.

At Chrystal Gardens, the nonnursing offices have little interaction with nurses or each other. Back-office staff people seem to do their work and go home. Overall, Chrystal Gardens seems to you like a dreary place to work. People seem to have forgotten the compassion for patients and for each other that is essential to working in a health care environment. You believe that a new strategy and culture are needed to give more responsibility to employees, improve morale, reduce turnover, and fill the empty beds. You have read about concepts for leading organizational change and would like to implement some new ideas to make the culture at Chrystal Gardens more creative, decentralized, and participative. You decide to start with the idea of engaging employees in decision making and encouraging more direct collaboration between departments. If those two ideas work, then you will implement other changes.

During your first week as the director, you have met all the employees, and you have confirmed your understanding of the previous director's rigid approach. You call a meeting of all employees for next Friday afternoon. Your assignment for this exercise is to decide how you will implement the desired changes and what you will tell employees at the employee meeting. The first part of this exercise can be done by individual students or in small groups.

In Class or Online (optional, as indicated by your instructor): Your instructor may divide the class into small groups of three to four people to formulate the answers to the following questions and to brainstorm the key points to cover in the vision speech to employees.

Either individually or in small groups, start by deciding how you will accomplish each of the first three steps in the model in Exhibit 15.2. Write your answers to these three questions:

1. How will you get employees to feel a sense of urgency?
    _____
    _____

2. How will you form a guiding coalition, and who will be in it?
    _____
    _____

3. What is your compelling vision?
    _____
    _____

Your next task is to prepare a *vision speech* to employees for the changes you are about to implement. In this speech, explain your dream for Chrystal Gardens and the urgency of this change. Explain exactly what you believe the changes will involve and why the employees should agree to the changes and help implement them. Sketch out the points you will include in your speech:

_____

_____

Role Play and Discussion: After student groups have decided what the director will say, the instructor can ask for volunteers from a few groups to actually give the speech to "employees" (the class) that will start the Chrystal Gardens transition toward a more adaptive organization.

The key questions for class discussion are: Did the speech touch on the key points that inspire employees to help implement changes? Did the speech convey a high purpose and a sense of urgency? Did the speech connect with employees in a personal way, and did it lay out the reality facing Chrystal Gardens?

Leadership Skills Application: Cases for Analysis

De Luca Foods

De Luca Foods is one of several companies offering healthy, frozen-packaged meals in the once-laughable and nutritionally challenged frozen dinner industry. Meeting the changing needs of modern, on-the-go, budget-conscious consumers, the new meals offered by De Luca face unprecedented competition from long-time industry leaders including Bertolli, Marie Callendar, Healthy Choice, Lean Cuisine, and others.

Cutthroat competition within the industry means every corporation must hustle for quality ingredients, improved packaging, efficiency in delivery systems, and decreased cooking times. Like its competitors, De Luca looks to increased market share through a combination of price cuts and the introduction of new products.

To meet these challenges, CEO Roberto De Luca created a new management position to monitor pricing and purchasing. VP for Finance Theresa McCann hired Lucian Wilkes, a retired army colonel, for the new position, giving him wide latitude for setting up new rules and procedures. With an announcement from CEO De Luca, Wilkes was introduced to the company. Following an intense period of in-house research and information gathering, Wilkes zeroed in on what he saw as the major problems—the fragmentation of pricing and purchasing decisions, with managers in various regions devising their own standards and making their own contracts.

The process sent up red flags for Wilkes. He made an across-the-board e-mail announcement for new sustainability procedures, basically informing each regional office that "from this point on . . ." regional managers must inform his office of any price change above 3 percent. In addition, all local purchase contracts above $10,000 must also be approved by Wilkes's office prior to implementation.

Directives for these new standardization procedures were issued to regional managers for their policy manuals. These managers, according to their immediate feedback, were all in agreement with the changes. But as one month followed another, Wilkes's concern and level of frustration grew, and a culture of business as usual appeared to continue. Managers did not resist. Frequent communication across the various regions including e-mails, text messages, and Zoom meetings brought repeated assurances that change was coming.

"We just need time to make the changes," one manager said.

But weeks dragged on and the situation remained unaltered. Complicating the situation, Wilkes appeared to have no vocal support from company executives, who were busy with their own concerns. While both De Luca and McCann offered lukewarm comments about the need for new initiatives to spur efficiency, neither demonstrated wholehearted support for the changes. The new plan was going nowhere, and Wilkes was aware that the failure of the company to increase profits could result in the loss of his own position.

"If nothing changes," Wilkes complained to his wife, "the regional managers will remain on the job. My job will be cut."

Wilkes wondered what his next move should be. In how many ways could he inform the managers to implement the new procedures? What pressures could he apply? How could he impress upon De Luca and McCann the importance of their support for the changes? He felt at a loss for what he should do. Did De Luca Foods want these new standards implemented or not?

Questions

1. Why do you think the regions are not responding to Wilkes's initiative for change? What did Wilkes do wrong with respect to implementing the change?

2. Should Wilkes solicit more active support from De Luca and McCann for the change he is trying to implement? How might he do that?

3. Develop a plan that Wilkes can use to successfully restart the implementation of this change.

Fontana Pediatric Associates

Five years ago, doctors Alvero Sanchez and Josh Hudson opened a small pediatrics office in Fontana, California. These longtime friends, who had graduated from medical school together, had finally achieved the dream of starting a pediatrics practice with the vision of providing excellent care to children in their community. The five doctors, six nurses, and accountant who staffed the office quickly developed a reputation for being caring and conscientious. The staff also partnered with local organizations to serve the community, providing free flu shots and health clinics at the local YMCA. Sanchez and Hudson were energized and ecstatic that they were living out their dream, managing their small practice in the midst of a community that respected them.

Their dream started to unravel, however, as the practice began growing at an unwieldy pace. The population of nearby Hispanic communities was burgeoning, and so was the number of patients coming to Fontana. Although Sanchez and Hudson had always dreamed of a large, profitable practice, they realized they were not prepared for such unprecedented growth. The number of new patients was sky-

rocketing, and the staff at Fontana was unprepared to handle the influx. Waiting rooms were packed, the staff was becoming short-tempered, and communication among staff was breaking down. Internal systems—like the electronic medical records systems with which they started the practice—were overloaded, and patient health records were getting lost. Patient scheduling was chaotic, causing long waits for many people. The systems and procedures that once provided a firm underpinning for the small practice could no longer sustain the rapid patient growth.

Frustration mounted as the founding doctors spent more of their time managing the growing business and less time on patient care. They realized their original vision of providing excellent pediatric care in a comforting environment was fading fast. Most importantly, they were growing dissatisfied with their work. Instead of diagnosing illnesses and building relationships with patients, they were spending more time overseeing the expansion and growth of their practice: interviewing and hiring additional doctors and nurses, supervising construction of the office expansion, and training new staff on office procedures. Their primary reason for opening a practice seemed like a long-forgotten memory.

Under the growing pressure, staff morale began to buckle. Heated arguments and short tempers among the staff were becoming commonplace. One stellar nurse had resigned, feeling powerless and disenfranchised by the conditions in the office. Another had been fired after arguing with a frazzled parent. Even Sanchez and Hudson were growing frustrated and unhappy in their work. Secluded for a quick lunch in the break room, Hudson confided in Sanchez. "There was a time," he said, "when we found meaning in our work. I felt most alive and fulfilled when we were just starting out. Now, we're just scrambling to keep pace with the change, but we're falling behind and drifting away from what's important—excellent care for our patients."

Their lunch was interrupted by a knock at the door and some unexpected news from their accountant. The quarterly financial reports painted a grim picture, she told them. The recent pattern of decreasing revenue and escalating costs was continuing in this quarter. A financial crisis was beginning to brew, affecting both cash flow and profitability. The accountant explained that quick action would need to be taken to improve the practice's financial health. "We have three problems," she explained, "and those are declining reimbursement from insurance companies, delinquent payments from patients, and rising costs of medical supplies and lab work." She paused and then added, "It doesn't help that our billing software is archaic. It simply can't manage the size of this practice."

Sanchez tore a page from his prescription pad, flipped it over, and scratched out the following: *To survive, Fontana Pediatric Associates must (1) improve service to patients and family, (2) improve respect and collaborative communication among the staff, (3) save money, (4) collect fees from patients in a timely manner, and (5) encourage innovation and creativity from our staff to solve routine problems.* He slid this list across the table to Hudson, asking, "How do we make this happen?"

Questions

1. Assume you are Sanchez or Hudson and plan to implement immediate organizational change within the practice. Where would you start? What steps would you take?

2. The accountant recommended that Sanchez and Hudson consider using AI to facilitate positive change within the practice. How would you implement the four steps of AI? Be specific. What kinds of things would you expect to arise during the Discover and Dream steps of AI?

3. Sanchez and Hudson are caught between being physicians and being leaders of their practice. How do you suggest they resolve this dilemma? What leadership qualities will Sanchez and Hudson need to display in order to lead positive change in their practice?

Source: Based on Caroline Carter et al., "An Appreciative Inquiry Approach to Practice Improvement and Transformative Change in Health Care Settings," *Q Manage Health Care* 16, no. 3 (© 2007 Wolters Kluwer Health; Lippincott Williams and Wilkins), pp. 194–204.

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Glossary

Abilene Paradox the tendency of people to resist voicing their true thoughts or feelings in order to please others and avoid conflict

Achievement culture culture characterized by a clear vision of the organization's goals and leaders' focus on the achievement of specific targets

Acquired needs theory McClelland's theory that proposes that certain types of needs (achievement, affiliation, power) are acquired during a person's lifetime

Adaptability culture culture characterized by values that support the organization's ability to interpret and translate signals from the environment into new behavior responses

Adjourning stage of team development that occurs in committees and teams that have a limited task to perform; the emphasis is on wrapping up, gearing down, and signifying closure

Agile team a team that is small, is focused on one piece of a larger project, and has complete responsibility along with all needed member expertise to produce a product or service

Agreeableness the degree to which a person is able to get along with others by being good-natured, cooperative, forgiving, compassionate, understanding, and trusting

Alienated follower a person who is an independent, critical thinker but is passive in the organization

Ally a person who is white or otherwise in the majority and actively works to support the advancement of people of color, women, and others who are underrepresented in the organization

Appreciative inquiry a technique for leading change that engages individuals, teams, or the entire organization by reinforcing positive messages and focusing on learning from success

Assumption something that is accepted as true or certain to happen, without evidence

Attitude an evaluation (either positive or negative) about people, events, or things

Attributions judgments about what caused a person's behavior—either characteristics of the person or of the situation

Autocratic a leader who tends to centralize authority and make all the decisions with little or no input from direct reports

Behavior modification the set of techniques by which reinforcement theory is used to modify behavior

Big Five personality dimensions five general dimensions that describe personality: extroversion, agreeableness, conscientiousness, emotional stability, and openness to experience

Blind spots personal characteristics or habits that people are not aware of about themselves or do not recognize as problems but which limit their effectiveness and hinder their career success

Brainstorming a technique that uses a face-to-face group to spontaneously suggest a broad range of ideas to solve a problem

Candor honest, forthright expression of a leader's thinking

Centralized communication network a communication structure in which team members communicate through a single individual to solve problems or make decisions

Ceremony a planned activity that makes up a special event and is generally conducted for the benefit of an audience

Channel a medium by which a communication message is carried from sender to receiver

Channel richness the amount of information that can be transmitted during a communication episode

Charismatic leaders leaders who have the ability to inspire and motivate people to do more than they would normally do, despite obstacles and personal sacrifice

Coaching the process of engaging in regular conversations with an employee that facilitate learning and development by supporting strengths and overcoming obstacles to improve behavior and performance

Coalitional leadership leadership that involves developing allies and building a coalition of people who support the leader's goals and can help influence others to implement the leader's decisions and achieve the goals

Coercive power authority to punish or recommend punishment

Cognitive style how a person perceives, processes, interprets, and uses information

Commitment adopting the leader's viewpoint and enthusiastically carrying out instructions

Communication a process by which information and understanding are transferred between a sender and a receiver

Communication champion a person who is grounded in the belief that communication is essential to building trust and gaining commitment to a vision

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Compliance following the directions of the person with power, regardless of how much agreement there is with that person's directions

Conflict antagonistic interaction in which one party attempts to thwart the intentions or goals of another

Conformist a follower who participates actively in the organization but does not use critical thinking skills in their task behavior

Conscientiousness the degree to which a person is responsible, dependable, persistent, and achievement oriented

Consideration the extent to which a leader is sensitive to followers, respects their ideas and feelings, and establishes mutual trust

Consistency culture culture with an internal focus and consistency orientation for a stable environment

Contingency a theory meaning one thing depends on other things

Contingency approaches approaches that seek to delineate the characteristics of situations and followers and examine the leadership styles that can be used effectively

Conventional level the level of personal moral development in which people learn to conform to the expectations of good behavior as defined by colleagues, family, friends, and society

Core competence something the organization does extremely well in comparison to competitors

Corporate entrepreneurship internal entrepreneurial spirit that includes values of exploration, experimentation, and risk taking

Creativity the generation of ideas that are both novel and useful for improving the efficiency and effectiveness of the organization

Crimes of obedience actions performed in response to orders or pressure from superiors that are generally considered unethical or illegal by the larger community

Critical thinking thinking independently and being mindful of the effects of one's own and other people's behavior on achieving the organization's vision

Cross-departmental team team made up of members from different functional departments within an organization

Cultural leader a leader who actively uses signals and symbols to influence corporate culture

Culture the set of key values, assumptions, understandings, and norms that is shared by members of an organization and taught to new members as correct

Culture gap the difference between desired and actual values and behaviors

Culture strength the degree of agreement among employees about the importance of specific values and ways of doing things

Democratic a leader who delegates authority to others, encourages participation, and relies on direct reports' knowledge for making decisions and completion of tasks

Derailment a phenomenon in which a manager with an impressive track record reaches a certain level but goes off track and cannot advance because of a mismatch between job needs and personal skills and qualities

Discrimination treating people differently based on prejudicial attitudes and stereotypes

Diversity differences among people in terms of age, ethnicity, gender, race, or other dimensions

Diversity of thought different ideas, different viewpoints, different skill sets, and different ways of thinking and reasoning

Effective follower a critical, independent thinker who actively participates in the organization

Embeddedness when people throughout the organization are united around a common purpose based on a deep understanding and acceptance of the vision and strategy

Emergent leadership the extent to which an individual with no formal status or authority is perceived by members of a group as demonstrating leader-like influence

Emotional contagion the process in which a person or group influences the emotions or behavior of another person or group, either consciously or unconsciously

Emotional intelligence a person's abilities to perceive, identify, understand, and successfully manage emotions in self and others

Emotional labor the effort required to manage one's feelings or emotions at work according to the emotional requirements of the job

Emotional stability the degree to which a person is well adjusted, calm, and secure

Empathy being able to put yourself in someone else's shoes, sense their emotions, and understand their perspective

Employee resource groups Groups based on social identity that focus on concerns of employees from specific groups and enable them to make greater contributions to the organization

Employee-centered a leadership behavior that displays a focus on the human needs of followers

Empowerment power sharing; the delegation of power or authority to lower levels in the organization

End values sometimes called terminal values, these are beliefs about the kinds of goals or outcomes that are worth trying to pursue

Engagement a positive, fulfilling work-related emotional and mental state characterized by energy, dedication, and absorption

Enlightened leadership giving up control in the traditional sense and encouraging the growth and development of others to ensure organizational flexibility, responsiveness, and inclusivity

Equity theory a theory that proposes that people are motivated to seek social equity in the rewards they receive for performance

Ethical leadership the demonstration of ethically appropriate behavior through personal actions and interpersonal relationships, and the promotion of such behavior among followers via two-way communication, reinforcement, and decision making

Ethnocentrism the belief that one's own culture and subculture are inherently superior to other cultures

Expectancy theory a theory that suggests that motivation depends on individuals' mental expectations about their ability to perform tasks and receive desired rewards

Expert power authority resulting from a leader's special knowledge or skill

Extinction the withholding of something positive, such as leader attention, praise, or pay raises; undesirable behavior is essentially ignored

Extrinsic rewards rewards from an external source and given by another person, typically a supervisor, such as pay increases and promotions

Extroversion the degree to which a person is outgoing, sociable, talkative, and comfortable meeting and talking to new people

Faultlines hypothetical dividing lines that are based on one or more demographic characteristics of members, such as age, race, or ethnicity, or on non-demographic characteristics, such as personal values or attitudes

Fear an unpleasant emotion caused by the belief that someone or something has the potential to be a threat and is likely to cause pain

Fear-based motivation motivation based on fear of losing a job

Feedback using evaluation and communication to help individuals and the organization learn and improve

Fiedler's contingency model a model designed to diagnose whether a leader is task-oriented or relationship-oriented and match leader style to the situation

First rung the first promotion onto the management career ladder

Follower an individual who voluntarily accepts a leader's goals and influence and actively participates in pursuing goals

Forming stage of team development that includes orientation and getting acquainted

Frame a perspective from which a leader views the world; influences how the leader interacts with followers, makes decisions, and exercises power

Free rider a person who attains benefits from team membership but does not actively participate in and contribute to the team's work

Functional team a team made up of a supervisor and direct reports in the formal chain of command

Fundamental attribution error the tendency to underestimate the influence of external factors on another's behavior and overestimate the influence of internal factors

Glass ceiling an invisible barrier that separates women and other underrepresented employees from top leadership positions

Global team a cross-border work team made up of members of different nationalities whose activities span multiple countries

Great Man approach a leadership perspective that sought to identify the inherited traits leaders possessed that distinguished them from people who were not leaders

Grit an individual's passion and persistence for achieving a long-term goal

Groupthink the tendency of people in cohesive groups to suppress contrary opinions

Halo effect an overall impression of a person or situation based on one characteristic, either favorable or unfavorable

Healthy culture a culture that promotes positive values and creates an environment in which all people feel valued, commit themselves to the organization's goals, and can meet their needs for personal fulfilment and self-development

Hierarchy of needs theory Maslow's theory proposing that people are motivated by multiple needs and those needs exist in a hierarchical order

High-performance culture a culture that is based on a solid mission, embodies shared responsive values that guide decisions, and encourages individual ownership of both bottom-line results and cultural values

Honesty truthfulness and non-deception

Human resource frame a leader frame of reference that defines problems and issues in interpersonal terms and looks for ways to adjust the organization to meet human needs

Humility being unpretentious and modest rather than arrogant and prideful

Hygiene factors the first dimension of Herzberg's two-factor theory; involves working conditions, pay, company policies, and interpersonal relationships

Idea champions people who passionately believe in a new idea and actively work to overcome obstacles and resistance

Idea incubator a safe harbor where ideas from employees throughout the organization can be developed without interference from company bureaucracy or politics

Immersion to go deeply into a single area or topic to spark personal creativity

Inclusion the degree to which an employee feels like an esteemed member of a group in which their uniqueness is highly appreciated

Individual purpose a predominant sense of what matters in our lives and what is personally meaningful and valued

Individualized leadership a theory based on the notion that a leader develops a unique relationship with each direct report or group member, which determines how the leader behaves toward the member and how the member responds to the leader

Influence the effect a person's actions have on the attitudes, values, beliefs, or actions of others

Initiating structure the extent to which a leader is task oriented and directs followers' work activities toward goal achievement

Instrumental values beliefs about the types of behavior that are appropriate for reaching goals

Integrity the quality of being whole and integrated and acting in accordance with solid ethical principles

Leadership an influence relationship among leaders and followers who intend real changes and outcomes that reflect their shared purposes

Interactive leadership a leadership style in which people develop personal relationships with followers, share power and information, empower employees, and strive to enhance others' feelings of self-worth

Intrinsic rewards internal satisfactions and positive feelings a person receives in the process of performing a particular action

Involvement culture culture with an internal focus on the involvement and participation of employees to meet changing expectations from the external environment

Job characteristics model a model of job design that considers the core job dimensions of skill variety, task identity, task significance, autonomy, and feedback to enrich jobs and increase their motivational potential

Job design structuring jobs in a way to meet higher-level needs and increase motivation toward the accomplishment of goals

Job enrichment a motivational approach that incorporates high-level motivators into the work, including job responsibility, recognition, and opportunities for growth, learning, and achievement

Job-centered leadership behavior in which leaders direct activities toward efficiency, cost-cutting, and scheduling, with an emphasis on goals and work facilitation

Lateral thinking a set of systematic techniques for breaking away from customary mental concepts and generating new ones

Law of effect states that positively reinforced behavior tends to be repeated and behavior that is not reinforced tends not to be repeated

Leader-member exchange (LMX) individualized leadership model that explores how leader-member relationships develop over time and how the quality of exchange relationships affects outcomes

Leadership coaching a method of directing or facilitating a follower with the aim of improving specific leadership skills or achieving a specific development goal

Legitimate power authority granted from a formal position

Listening the skill of grasping both facts and feelings to interpret a message's genuine meaning

Locus of control defines whether people place the primary responsibility for what happens to them within themselves or on outside forces

Love the act of caring and giving to someone else, of having someone else's best interest and well-being as a priority

Love-based motivation motivation based on feeling valued in the job

Making progress principle the idea that the single most important factor that can boost motivation, positive emotions, and perceptions during a workday is making progress toward meaningful goals

Management the attainment of organizational goals in an effective and efficient manner through planning, organizing, staffing, directing, and controlling organizational resources

Managing up a skill that helps people consciously and deliberately develop a highly effective relationship with their direct superior to obtain the best possible outcome for themselves, their boss, their colleagues, and the organization

Mental model a theory a person holds about how something works in the world, the relationships among its parts, and its expected behavior

Microaggressions statements or actions that are instances of indirect or subtle discrimination against members of a marginalized group

Mindfulness paying intentional focused attention in the present moment and doing so without judgmental reactions

Mindset a collection of beliefs, thoughts, mental attitudes, assumptions, and dispositions that predetermines a person's interpretations and responses to outside events and situations

Mission the organization's core broad purpose and reason for existence

Moral awareness an individual's recognition that a potential action or decision could affect the welfare or interests of self or others in a way that may conflict with ethical standards

Motivation the forces either internal or external to a person that arouse enthusiasm and persistence to pursue a certain course of action

Motivators the second dimension of Herzberg's two-factor theory; involves job satisfaction and meeting higher-level needs such as achievement, recognition, and opportunity for growth

Myers-Briggs Type Indicator (MBTI)™ test that measures how individuals differ in gathering and evaluating information for solving problems and making decisions

Negative reinforcement the withdrawal of an unpleasant consequence once a behavior is improved

Neutralizer a situational characteristic that counteracts the leadership style and prevents the leader from displaying certain behaviors

Nonverbal communication messages transmitted through action and behavior

Norming stage of team development in which conflicts have been resolved and team unity emerges

Open communication leaders sharing all types of information throughout the company and across all levels

Open communication network a communication structure in which team members freely communicate with one another and arrive at decisions together

Openness to experience the degree to which a person has a broad range of interests and is imaginative, creative, and willing to consider new ideas

Optimism a tendency to see the positive side of things and expect that things will turn out well

Optimism bias the tendency to underestimate the possibility of experiencing negative events

Paradigm a shared mindset that represents a fundamental way of thinking about, perceiving, and understanding the world

Passive follower a person in an organization who exhibits neither critical, independent thinking nor active participation

Path–goal theory a contingency approach to leadership in which the leader's responsibility is to increase direct reports' motivation by clarifying the behaviors necessary for task accomplishment and rewards

Perception the process people use to make sense out of the environment by selecting, organizing, and interpreting information

Perceptual defense the tendency to protect oneself by disregarding ideas, situations, or people that are unpleasant

Perceptual distortions errors in judgment that arise from inaccuracies in the perceptual process

Performing stage of team development in which the major emphasis is on accomplishing the team's goals

Personality the set of unseen characteristics and processes that underlie a relatively stable pattern of behavior in response to ideas, objects, and people in the environment

Political frame a leader frame of reference that views the organization as an arena of conflict or tension over the allocation of scarce resources

Politics activities to acquire, develop, and use power and other resources to obtain desired future outcomes when there is uncertainty or disagreement about choices

Positive leadership a new field of study using theoretically grounded principles to promote positive emotions such as love and caring to facilitate outcomes such as individuals thriving at work, interpersonal flourishing, and energized teams

Positive reinforcement the administration of a pleasant and rewarding consequence following a behavior

Postconventional level the level of personal moral development in which leaders are guided by an internalized set of principles universally recognized as right

Power the potential ability of one person to influence other people to bring about desired outcomes

Pragmatic survivor a follower who has qualities of all four extremes (alienated, effective, passive, conformist), depending on which style fits with the prevalent situation

Preconventional level the level of personal moral development in which individuals are egocentric and concerned with receiving external rewards and avoiding punishments

Prejudice an adverse feeling or opinion formed without regard for the facts

Projection the tendency to see one's own personal traits in other people

Psychological safety a team climate characterized by mutual trust and respect, in which members are comfortable being themselves by taking risks to share their creative ideas and personal feelings, and by encouraging others to be personally vulnerable in front of one another

Punishment the imposition of unpleasant outcomes on an employee following undesirable behavior

Quadrant A the part of the brain associated in the whole brain model with logical thinking, analysis of facts, and processing numbers

Quadrant B the part of the brain associated in the whole brain model with planning, organizing facts, and careful, detailed review

Quadrant C the part of the brain associated in the whole brain model with interpersonal relationships and intuitive and emotional thought processes

Quadrant D the part of the brain associated in the whole brain model with conceptualizing, synthesizing, and integrating facts and patterns

Referent power authority based on personality characteristics that command followers' attention, respect, and admiration so that they want to emulate the leader

Reinforcement anything that causes a certain behavior to be repeated or inhibited

Reinforcement theory a motivational theory that looks at the relationship between behavior and its consequences by changing or modifying followers' on-the-job behavior through the appropriate use of immediate rewards or punishments

Relationship conflict personal incompatibility that creates tension and feelings of personal animosity among people

Resistance the act of disobeying orders or deliberately avoiding carrying out instructions

Reward power authority to bestow rewards on other people

Scrum a daily 15-minute meeting during which members of agile teams share progress, report obstacles or problems, and make commitments

Self-awareness being conscious of the internal aspects of one's nature, such as personality traits, emotions, values, attitudes, and perceptions, and appreciating how your patterns affect other people

Self-confidence assurance in one's own judgments, decision making, ideas, and capabilities

Self-directed teams teams made up of members who work with minimum supervision and rotate jobs to produce a complete product or service

Self-serving bias the tendency to overestimate the influence of internal factors on one's successes and the influence of external factors on one's failures

Sensegiving the process of influencing how others make sense of the organization, where they fit within it, and the larger purpose of their work

Servant leadership leadership in which the leader transcends self-interest to serve the needs of others, help others grow, and provide opportunities for others to gain materially and emotionally

Situational theory Hersey and Blanchard's extension of the Leadership Grid focusing on the characteristics of followers as the important element of the situation, and consequently, of determining effective leader behavior

Slogan a phrase or sentence that succinctly expresses a key corporate value and can easily be picked up and repeated by employees

Social media a group of Internet-based applications that allow the creation and exchange of user-generated content

Socialization the process by which people learn the cultural values, norms, and behaviors that enable them to "fit in" with a group or organization

Socioemotional role team role associated with facilitating others' participation, smoothing conflicts, showing concern for team members' needs and feelings, serving as a role model, and reminding others of standards for team interaction

Special-purpose team team that focuses on a specific purpose of high importance and disbands once the project is completed; sometimes called a project team

Speedstorming using a round-robin format to get people from different areas talking together, generating creative ideas, and identifying areas for potential collaboration

Spiritual leadership the display of values, attitudes, and behaviors necessary to intrinsically motivate oneself and others toward a sense of spiritual expression through calling and membership

Sponsorship strong support from a powerfully positioned executive who is willing to put their reputation on the line to promote an individual's career advancement

Stereotype a rigid, exaggerated, irrational, and typically negative belief or image associated with a particular group of people

Stereotyping the tendency to assign an individual to a broad category and then attribute generalizations about the group to the individual

Stewardship a belief that leaders are deeply accountable to others as well as to the organization, without trying to control others, define meaning and purpose for others, or take care of others

Storming stage of team development in which individual personalities and conflicts emerge

Story a narrative based on true events that is repeated frequently and shared among employees

Strategic conversation communication that takes place across boundaries and hierarchical levels about the group or organization's vision, critical strategic themes, and values that can help achieve desired outcomes

Strategic leadership the ability to anticipate and envision the future, maintain flexibility, think strategically, and initiate changes that will create a competitive advantage for the organization in the future

Strategic management the set of decisions and actions used to formulate and implement specific strategies that will achieve a competitively superior fit between the organization and its environment so as to achieve organizational goals

Strategy the general plan of action that describes resource allocation and other activities for dealing with the environment and helping the organization attain its goals

Strategy execution putting strategy into action by adjusting various parts of the organization and directing resources to accomplish strategic goals

Strategy formulation integrating knowledge of the environment, vision, and mission with the core competence in such a way as to attain synergy and create customer value

Strength a natural talent or ability that has been supported and reinforced with learned knowledge and skills

Structural frame a leader frame of reference that places emphasis on planning, setting goals, and clarifying expectations as a way to provide order, efficiency, and stability

Substitute a situational variable that makes leadership unnecessary or redundant

Symbol an object, act, or event that conveys meaning to others

Symbolic frame a leader frame of reference that perceives the organization as a system of shared meaning and focuses on shared vision, culture, and values to influence others

Synergy the interaction of organizational parts to produce a joint effect that is greater than the sum of the parts

Systems thinking a specific type of mental model that grasps the synergy of the whole rather than just the separate elements of a system in order to reinforce or change whole system patterns

Task conflict disagreement among people about the goals to be achieved or the content of the tasks to be performed

Task-specialist role team role associated with initiating new ideas, evaluating the team's effectiveness, seeking to clarify tasks and responsibilities, summarizing facts and ideas for others, and stimulating others to action

Team a unit of two or more people who interact and coordinate their work to accomplish a shared goal or purpose

Team cohesiveness the extent to which members are attracted to the team and motivated to remain in it

Team norm an informal standard of conduct that is shared by team members and guides their behavior

The Leadership Grid a two-dimensional leadership model that describes major leadership styles based on measuring both concern for people and concern for production

Theory X the assumption that people are basically lazy and not motivated to work and that they have a natural tendency to avoid responsibility

Theory Y the assumption that people do not inherently dislike work and will commit themselves willingly to work that they care about

Toxic culture a culture in which persistent negative sentiments and infighting cause stress, unhappiness, and lowered productivity among subgroups of employees

Traits the distinguishing personal characteristics of a leader, such as intelligence, honesty, self-confidence, and appearance

Transactional leadership a transaction or exchange process between leaders and followers

Transformational leadership leadership characterized by the ability to bring about significant change in followers and the organization

Uncertainty a condition that exists when a leader does not have sufficient information about environmental factors and has a difficult time predicting external changes

Unconscious bias attitudes or stereotypes that affect our understandings and actions without our conscious knowledge; also called implicit bias

Uncritical thinking failing to consider possibilities beyond what one is told; accepting the leader's ideas without thinking

Value the combination of benefits received and costs paid by the customer

Values fundamental beliefs that an individual considers to be important, that are relatively stable over time, and that have an impact on attitudes and behavior

Values-based leadership an influence relationship between leaders and followers that is based on shared, strongly internalized values that emphasize the common good and are consistently advocated and acted upon by the leader

Vertical dyad linkage (VDL) model a model of individualized leadership that argues for the importance of the dyad formed by a leader with each member of the group

Virtual brainstorming bringing people together in an interactive group over a digital network; sometimes called *brainwriting*

Virtual team team made up of geographically or organizationally dispersed members who share a common purpose and are linked primarily through advanced information and telecommunications technologies

Vision a picture of an ambitious, desirable future for the organization or team

Vroom–Jago contingency model a contingency model that focuses on varying degrees of participative leadership and how each level of participation influences the quality and accountability of decisions

Whistleblowing employee disclosure of illegal, immoral, or unethical practices in the organization

Whole brain concept an approach that considers not only a person's preference for right-brained versus left-brained thinking, but also conceptual versus experience-based thinking; identifies four quadrants of the brain related to different thinking styles

Will having a very strong intention about the organization's future

Workforce diversity a workforce made up of people with different human qualities or who belong to various cultural groups

Workplace courage the mental and moral strength to perform a relevant act for a worthy cause despite the threat of personal loss or pain

Workplace spirituality a way of believing, behaving, and relating in the workplace in connection with an ultimate value or purpose

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