

Springer Texts in Business and Economics

Joan Marques  
Satinder Dhiman *Editors*

# Leadership Today

Practices for Personal  
and Professional Performance

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Editors

# Leadership Today

Practices for Personal  
and Professional Performance

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**Part I**  
**Soft Skills**

The story that today's workforce is looking for different skills and qualities in its leaders has become abundantly clear in the past decade, not only through a major shift in corporate leadership, but also through shifts in leadership qualities being taught in business schools and topics that leadership scholars focus on these days. According to Daniel Goleman, soft skills are inner- and interhuman skills such as self-awareness, self-regulation, motivation, empathy, and social skills.

In 2009, three scholars<sup>1</sup> conducted a multi-method study with surveys and interviews, in which 11 major European multinational corporations participated. This study underlined the impression that workforce members are really looking for soft skills in their leaders today. The survey part of the study yielded the following compiled list of desired leaders' qualities: "(1) Acting with integrity. (2) Caring for people. (3) Demonstrating ethical behavior. (4) Communicating with others. (5) Taking a long-term perspective. (6) Being open-minded. (7) Managing responsibly outside the organization." (p. 11). The interview part of the above-mentioned study yielded five reflexive abilities desired for leaders: "(1) systemic thinking; (2) embracing diversity and managing risk; (3) balancing global and local perspectives; (4) meaningful dialogue and developing a new language; and (5) emotional awareness" (p. 15).

The time when leaders *had* to be charismatic, swaying, convincing, diehard, conniving, and only bottom-line focused lies behind us, and that is a good thing, because leaders who focused only on glamorous performance and profit brought sheer damage to their companies, nurtured unhealthy relationships within their workplaces, and harmed the reputation of business in general in the past decades.

It needs to be underscored, however, that till today, there are many organizations with leaders that have been exposed to obsolete theories and behavioral models, and refuse to change. Unfortunately, many management educators are co-responsible for this ongoing problem. There are also ample reasons why the shift to a more creative approach in leadership gets stagnated. Some examples: (a) established structures in major corporations; (b) reluctance from current managers to sacrifice power and prestige; (c) fear that the new system will ultimately fail; (d) lack of trust in the qualities and motivations of employees; and (e) ignorance, caused by lack of awareness about the need for transformation.

Proudly focusing on soft skills in the first part of this book, we present the following perspectives in the upcoming soft skill-based chapters:

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## 1.1 Leadership and Purpose

There is no leadership without a sense of purpose. Whether a self-leader or a leader of self and others, the practitioner needs to have a sense of purpose in order to take on a leadership role that will enable actions.

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## **1.2 Leadership and Trust**

Trust will be presented as a critical skill in establishing and maintaining strong relationships with internal and external stakeholders. The chapter will emphasize the dire consequences of a lack of trust, and the effects this has on all parties involved.

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## **1.3 Leadership and Moral Behavior**

A brief overview of the most common moral theories will be captured in this chapter, with inclusion of their strengths and weaknesses. The most important take-away, however, will be a quick moral test, which can be applied in all challenging circumstances.

---

## **1.4 Leadership and Values**

Discussing the need to evaluate one's values, in order to safeguard them, and ensure that they are not merely adopted mindlessly, but are truly in line with one's real beliefs. This chapter will also discuss the difference in values among cultures and the need to understand and work with these differences.

---

## **1.5 Leadership and Vision**

Explains the importance of keeping an eye on the future and provides some important tools regarding the nourishment of a visionary approach. Encourages the reader to make conscious choices in surrounding himself or herself with individuals who can contribute to renewed visions on a regular basis.

---

## **1.6 Leadership and Authenticity**

Underscores the importance of being honest and truthful to the self and others. Explains the complexity and unfulfilling nature of merely saying what one thinks others want to hear, and thereby becoming entangled in political webs and loss of values.

---

## **1.7 Leadership and Emotional Intelligence**

Emotional intelligence will be defined in light of one's ability to monitor one's own and other people's emotions. The various models of EQ will be reviewed, and some practical guidelines will be provided in processing emotional information and using it to navigate the social environment.

## **1.8 Leadership and Spirituality**

This chapter underscores the importance of spirituality in the workplace and its role in leading organizations. It focuses specifically on contributing to readers' awareness about the vital difference between religion and spirituality. The chapter builds on the premise that fundamental problems facing our organizations and the society today can only be solved at the level of human spirit. The chapter further postulates that the real spirituality is not indifference to the world but love and compassion born out of identifying oneself with all beings.

---

## **1.9 Leadership and Sustainability**

This chapter explores the inherent interconnectedness of sustainability and spirituality, and the role of leadership in honoring and maintaining this interconnectedness. It postulates that unless people's moral and spiritual qualities are nurtured and developed, the best of sustainability efforts will not work. The chapter contends that true ecological sustainability, in contrast to the cosmetic variety we see around us, depends upon our deeper understanding of fundamental spiritual values such as interconnectedness and oneness, nonviolence and compassion, contribution and selfless service.

---

## **1.10 Leadership and Mindfulness**

This chapter will underscore the tendency of many people to regress in a "sleepwalking" mode, in which they mindlessly make decisions and go through motions, without considering long-term consequences, or even whether these decisions are in line with their values. Mindfulness will be approached from a Buddhist foundation, yet presented with careful consideration of a broad audience. Hence, the presented approach will adhere more to a psychological stance than a philosophical or religious one.

---

## **1.11 Leadership and Empathy**

Empathy is one of the critical leadership qualities that is hard to digest, especially in business and science-based circles. Many people consider empathy the gateway to weakness and being taken advantage of. This chapter will discuss empathy as a major strength rather than a weakness.

---

## **1.12 Leadership and Motivation**

This chapter will explain the difference between intrinsic and extrinsic motivation and provide examples of each. From a leadership stance, the importance of capitalizing on intrinsic motivators will be accentuated, while extrinsic motivators will also be reviewed as important foundational factors.

---

### **1.13 Leadership and Communication**

Communication is a well-understood phenomenon, yet, it is very often one of the major factors in leadership going awry. This chapter will underscore the importance of communication from a leadership perspective, discuss factors such as noise, formal and informal communication, and the overall need to understand various communication modes in diverse environments.

---

### **1.14 Leadership and Dependability**

Dependability is not merely expressed in meeting major deadlines, but may be even more obvious in a leader's promptness. This chapter will review the various layers of ensuring reliable performance, bringing this factor in connection with trust, mindfulness, and motivation.

---

### **1.15 Leadership and Creativity**

Creativity is an often underestimated aspect of leadership, yet, it could be considered the foundational skill in design thinking and critical problem solving. Creative thinking is a highly appreciated quality in business performance, but also in other settings. While education systems often curtail creativity, this mindset can be reactivated. Some activities and examples will be provided.

---

### **1.16 Leadership and Initiative**

This aspect has a lot to do with courage. Leaders, whether formal or informal, are expected to lead the way. In order to do so, initiative has to be undertaken, so that challenges can be eliminated or converted to opportunities. Initiative is an immediate consequence of vision and problem solving and needs to be implemented in such a way that others are involved, thus encouraged to develop and share their valuable insights as well.

---

### **1.17 Leadership and Self-Confidence**

Self-confidence is a skill that needs continuous rebuilding. While some individuals may have a more stable or higher degree of self-confidence, there are others who need to work on their self-perception and their inner-drive. It is essential to nurture one's self-confidence, as it positively influences one's psychological health, sense of mattering, body image, and physical health.

## 1.18 Leadership and Resilience

The art of bouncing back when things have not gone as expected is essential in leadership. Leaders therefore have to increase their internal locus of control, so that they take ownership of the windfalls and the setbacks with a sense of determination to keep trying. This chapter will discuss the quality of taking responsibility, growing a solid backbone.

---

## 1.19 Leadership and Perseverance

This chapter ties into the previous, as it elaborates on the quality of endurance, in order to succeed. Some well-known and lesser known examples will be provided of people who became remarkable persons in history, thanks to their perseverance. Some well-known examples are Abraham Lincoln and Thomas Alva Edison, but several others will be included as well.

The authors of these chapters hope that, by presenting a multitude of viewpoints, examples, cases, and questions about the chapter topics, current and future leaders will get inspired to further polish these qualities and start applying them more enthusiastically toward others in formal as well as informal leadership approaches.

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## 1.20 Note

- i. Hind, P., Wilson, A., & Lenssen, G. (2009), “Developing Leaders for Sustainable Business”, *Corporate Governance*, Vol. 9, No. 1, pp. 7–20.

Joan Marques

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## Abstract

Leadership starts with leading oneself before leading others. Purpose is a foundational aspect thereby. This chapter defines a perspective on leadership that may not be the most common one, but is highly identifiable for people of any age group and in any stage of life. It discusses five interrelated qualities in finding our purpose: (1) awareness, which enhances the quality of decisions we make; (2) respect, which is an outflow of awareness and ensures proper treatment of others; (3) morality, which enables us to consider and deal with the consequences of our decisions; (4) vision, which guides our path and attracts others to it; and (5) understanding, which can help us adjust our direction if we find it to become unfulfilling. Cases are presented for each quality, discussing global and business leaders such as Muhammad Yunus; Princess Diana; Ray Anderson, CEO of Interface; Sir Richard Branson; and Nelson Mandela. The chapter ends with a brief narrative on finding our purpose, inviting the reader to engage in self-reflective questions, responding to them, and defining his or her own life's purpose.

---

## Introduction

*Purposeless living is an aimless drift with no satisfactory landing over time.  
Purposeless leading is injustice to self and others: a downright crime.*

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Purpose is not the most common term that comes to mind when we think and talk about leadership. Strategy, action, profits, stakeholders, shareholders, production, resources, supply, or expansion: these are the more common words that are being brought in connection with leading, but purpose is just as underlying a term as its meaning is. Purpose is a major concept: it has many layers of meaning to it. When thinking about purpose in leadership, we can, of course, think in numerous directions, such as the purpose of one particular action toward a person or a group of people or the purpose of developing a new product line and, possibly, the purpose of integrating or diversifying the organization's activities or of changing its structure from product line based to departmental or market based. However, each of the above-listed purposes is related to actions: they are mostly strategic in nature and are consequences of situations that have arisen.

This chapter does not discuss those types of purposes, even though we readily admit that they are crucial for any leadership performance. However, the intention is to dive deeper and look at the very core of leading as a purposeful pursuit.

---

## Leadership: Setting the Stage

Leadership is one of the most explored topics in scholarly circles, probably because it is so near and dear to our self-image: most people, especially those with ambitions to progress in life, see themselves as a leader. Not only has the list of leadership theories significantly grown in the past decades, but the perspective on leadership itself varies broadly as well. Some authors choose to perceive it as a complex process with multiple dimensions, predominantly focused on influencing others (Northouse, 2015). The three elements that are traditionally considered to determine a leadership situation are the leader, the followers, and the situation. A standard observation in leadership books and articles has been that leadership is a process, which involves influence, occurs in groups, and comprises common goals (Northouse, 2015). This notion makes perfect sense, as long as leadership is considered within a professional setting, where a leader formulates and instills guidelines and guidance to a group of followers in order to attain predefined goals (Mastrangelo, Eddy, & Lorenzet, 2004).

One critical component missing from the explanations above is the fact that leadership does not start in a formal organizational setting. Before leadership can expand into a process of influencing others toward common goals, it has to first and foremost emerge and mature internally (Marques, 2014). The famous management theorist Peter Drucker was also a major proponent of this perspective of leadership as a personal relationship. Drucker frequently emphasized that we should ensure and solidify our personal relationship as chief executive officer of ourselves. He affirmed that we should regularly strengthen our inner-connection so that we remained in touch with our sense of purpose, which would then be instrumental in finding our place in society, the choices we would make, the way we would learn, our approach to others, the values we held, the way we would contribute, as well as keep us aware of our strengths and weaknesses (Drucker, 2005). Self-leadership is

an appealing and uplifting concept, which, when practiced effectively, can lead to self-motivation and a rewarding performance path (Manz & Sims, 1991). Self-motivation is a powerful driving motive toward performing. It is often referred to as intrinsic motivation (Furtner, Baldegger, & Rauthmann, 2013), which encourages us to engage in self-examination and define what inspires us to the extent that we really want to do it.

## **A Personal Relationship**

In the above section, we introduced the perspective of first being a leader of ourselves before becoming one to others. This perspective indicates that leadership does not necessarily entail holding a formal position of power. Many people are great leaders, even though they don't hold formal leadership positions at their work or in any other formal setting. Similarly, many people are no leaders at all, even though they have somehow landed in formal power positions. "Leading oneself is the exact starting point of leadership. This concept is important in understanding the essence of leadership" (Noda, 2004, p. 17).

Real leadership has everything to do with how we perceive ourselves and how we behave. Leadership requires self-respect and self-control. A person who engages in such behavioral patterns will oftentimes be observed or even admired by others, who may decide to adopt some of this person's qualities. Without performing in a formal leadership position, this person has become a leader in the eyes of those who seek to imitate him or her.

In this chapter, we treat leadership as a personal relationship, ignited by inner passion for a goal, and manifested through strong behavior. When perceived as such, leadership becomes part of each of our lives, even though each of us determines for ourselves how far we pursue it. We all "lead our lives," and how we do that says a lot about how we could lead others.

As indicated earlier, some people become "leaders" of organizations, thanks to family ties and relationships or as a result of successfully profiling themselves. In many cases, the end result turns out to be less than satisfactory. Most of us can recall a "leader" or "manager" that we had less than average respect for, even though this person held a formal leadership position. At the same time, most of us can also recall a person who may not have held a formal leadership position, but who carries him- or herself with such dignity and with a sense of purpose that we were drawn to this person, wanted to walk in his or her footsteps, and frequently approached this person for advice.

---

## **Purpose in Leading**

As crucial as purpose is to leadership, as difficult does it seem to find writings that have focused on this concept. Acclaimed leadership scholar Warren Bennis once wrote "The No. 1 requirement for a leader ... [is] a strongly defined sense of

purpose” (Loeb, 1994, p. 242). Graham (2011) includes purpose as one of the foundational elements in her concept of “soul leadership,” along with passion, possibilities, and place. Graham feels that this combination encourages individuals and organizations to be the best possible version of themselves. Jacobs and Longbotham (2011) have engaged in a phenomenological study, through which they found that processes such as seeking counsel of trusted individuals, praying, and reflecting helped establish a higher purpose in leaders, consisting of the desire to minimize the discrepancy between their spiritual beliefs and the current conditions in their environment. Craig and Snook (2014) describe the growth in interest for purpose-driven leadership, coming from multiple sides at the same time: academics, business professionals, psychologists, and even medical doctors—they all claim that purpose is a goal, success, and life enhancer. They place, at the opposite end of this observation, their own finding, which leads to the disheartening realization that not even 20% of leaders are strongly aware of their own individual purpose. Craig and Snook distinguish between leaders’ identification with their organization’s purpose, which they generally know very well, and their identification with their own personal purpose, which is where they pitifully fall short. With such a meager percentage of leaders being aware of their purpose, it is understandable that the number of leaders who have an actual plan of action to achieve their purpose is even lower. Yet, as Craig and Snook maintain, “Purpose is [...] the key to navigating the complex world we face today, where strategy is ever changing and few decisions are obviously right or wrong” (p. 107). If, therefore, we fail to identify our leadership purpose, we will be unable to develop and follow a plan to bring it into action and thereby achieve our most desired goals in both personal and professional regard (Craig & Snook, 2014).

Indeed, purpose is a deeply rooted, personal, and spiritual phenomenon that uniquely defines each of us and can help us achieve the impact we would otherwise only dream of. As Craig and Snook emphasize, purpose is not *what* we do, but *how* and *why* we do it. Purpose is therefore closely aligned with qualities such as awareness, respect, morality, vision, and understanding. Each of these qualities deserves a brief explanation, so that it may become clear how it should be perceived within the scope of this chapter.

## Awareness

Just like purpose, awareness is a term that can be interpreted and applied in many ways. Some people feel that awareness should not be treated as stand-alone subject, but in conjunction with specifics. For instance, one could have awareness of religious diversity, or awareness of governmental injustice. Yet, awareness could also be treated as a heightened level of perceiving and considering circumstances. In this context, awareness should be thought of as a path toward increased insight. Awareness is a critical quality, because it enables us to take more factors into consideration than the obvious. A person with expanded awareness makes decisions with long-term consequences in mind and will not engage in behaviors that are in conflict with his or her moral beliefs. In order to understand our moral beliefs,

however, we need to be self-aware, in order to ensure that our behavior is aligned with our deepest convictions (Luthans & Avolio, 2003; Sparrowe, 2005). In a discussion about authentic leadership, one of the developing theories of the day, Alok (2014) affirms that authentic leaders have high levels of self-awareness and that self-awareness requires intense awareness of how we define ourselves and how our actions affect others. It also entails awareness of our “values, emotions, goals, motives, strengths and weaknesses” (p. 268).

### Case Study 1.1: Banking for the Poor

A remarkable leader with heightened awareness is Muhammad Yunus, the only businessperson so far who won a Nobel Peace Prize. Yunus, who was an economics professor and who returned to his home country Bangladesh shortly after its independence, regularly took strolls in the village outside the campus where he was teaching. On his strolls, he increasingly became aware of the plight of the poor people, who seemed to be unable to rise above their pitiful state. He started wondering what their problem was and engaged in conversations with them. This is how he learned why the poor micropreneurs were not able to accumulate any savings, let alone wealth: the banks were unwilling to grant them even the smallest loan, and the moneylenders in the field were like sharks—they demanded almost all of the profits from any project as interest for the money they loaned to the people, thus disabling them from ever accumulating any funds and keeping them in an enslaved position. Further investigation from Yunus brought to light that traditional banks were, indeed, unwilling to loan any money to the less fortunate, because they believed that these people would not pay back their debts. Even after Yunus started a project with his economics class, lending the money out of his own pocket to the people and getting 100% back, the banks were unwilling to change their stance. As a result, Yunus started Grameen Bank, which means village bank, focusing on providing loans to the poor and working toward making poverty history.

Had Yunus not acquired the awareness of the needs of the poor people in the villages, he might have remained a teacher of elegant economic theories, unaware of and uncaring about the plight of so many of his fellow Bangladeshi citizens. His heightened awareness drove him to make courageous decisions that changed the status quo and defied longstanding, wrong beliefs from traditional money lending institutions.

## Respect

Respect is a virtue, which, as management expert Tom Peters rightfully claims, we gain by giving. “[I]f you give people unstinting respect and a chance to learn and grow and be of service and be proud of what they do and who they do it with—good stuff will happen” (Peters, 2010, p. 3). Clarke (2011) identifies three different types of respect: appraisal, recognition, and identification respect, in which appraisal

respect is based on the value we attribute to a perceived quality within someone, identification respect results from the recognition of common values between involved persons, and recognition respect pertains to the impartial, dignified, morally responsible way we treat others. While we acknowledge the value of all three types, it is mainly the recognition type of respect, in which leaders treat people in an equal and unbiased, trustworthy manner, that we specifically refer to here.

Respect is one of those interesting concepts that accumulates rather than diminishes when you start applying it. Respecting others is a sign of acknowledging their value and appreciating them for who and what they are. While arrogance is an easy trap to fall into as we get higher up the performance ladder and think that we have achieved all our feats on our own, respect is the way of the mindful leader. Respect for others guides the decisions we make. Respect should therefore be seen as a strong pillar of purposeful leadership.

### Case Study 1.2: The People's Princess

An exemplary leader in this regard was Princess Diana, who died in 1997, but who remains, to this day, a role model to many. Diana was called "The People's Princess" for a reason: she knew how to connect beyond the superficial level and showed genuine respect to people from all walks of life. She consoled the suffering and was convinced that everyone should be valued, because everyone holds potential (Nguyen, 2014). On the day Diana died in a car crash in Paris, another brave woman, Mother Teresa, immediately sent a condolence telegram, stating "She was very concerned for the poor. She was very anxious to do something for them. That is why she was close to me" (*Mother & Diana shared mutual respect*, 1997, 4). Mother Teresa and Princess Diana have both entered the annals of history as respectable women who changed the world for the better through their care for the deprived and suffering. The two women had last met a few months prior to Diana's death, at a convent in New York, and both died within a week from each other. Diana died on August 31, and Mother Teresa passed away on September 5 1997.

While Princess Diana had her own share of challenges in life, or perhaps *because* of that, she could relate vividly with other people's plights. Having struggled with bulimia for a long time, as well as the pressures of being married into an English royalty and then divorced, she was familiar with the capricious turns of life and carried with her a large dose of empathy, which drove her to choose for bringing hope to those in dire situations rather than living the life of a wealthy social butterfly. In her relatively short life, Princess Diana visited numerous hospitals in many countries, paying respect to those who suffered from leprosy, aids, and other feared diseases and touched them, thereby increasing awareness within a global audience that the fear of having physical contact with these people is largely misplaced. She also visited refugee camps, raised funds for cancer and heart disease research, and supports the call against landmines, visiting many victims of landmine explosions in Angola (*Princess Diana Remembered*, n.d.). By giving respect, Diana earned it and found purpose in her life, even when she was devastated by her personal marital and health problems.

## Morality

Being in touch with one's values and beliefs is critical, not only for the type of decisions we make but definitely for dealing with the consequences in the short and long term. The pressure increases, as we take on responsibilities in life, to make those decisions that will result in the greatest support for the bottom line and our wallets. However, such decisions oftentimes stand in stark contrast to our morals. The shortcut to wealth, fame, prestige, and power usually requires actions that may cause us to lose sight of our True North (George, 2007), causing us to become sidetracked, losing touch with our purpose, and doing things we will have to deal with at a later stage in our lives. Thinking about problems with our conscience 20 or 30 years down the line is something not many lie awake from, especially not when the here and now is so enticing, demanding, and can be so lucrative! Still, it is the right thing to do, and it is essential in defining and solidifying our purpose as leaders.

Morality, as a leadership trait, is a complex concept, as it can be considered and practiced at different levels. Palmer (2009) distinguishes between three different levels of analyses in leaders' moral behavior: (1) focusing on the leader's personal ethics, which encourages a leader to adopt ethically sound behaviors, in both personal and professional regards; (2) focusing on the way a leader exercises his or her leadership, which can either pertain to the actual actions of the leader in his or her position, or the style the leader adheres to; and (3) focusing on the moral depth of the leadership that is exerted, whereby others are moved toward a common vision and how that can be achieved. Palmer stresses that leadership morality is only complete when it encompasses all three levels.

### Case Study 1.3: A Moral Awakening

Business as usual can be immoral, and the path toward finding purpose through moral actions has been strongly portrayed by Ray Anderson, former CEO of Interface, one of the world's largest carpet-producing corporations. Having started the company in 1973, Anderson considered his business performance fine as long as it remained within the boundaries of the law. Yet, about 20 years into his leadership, a number of things happened that drastically changed his perspective and leadership purpose. A research team in his company presented him the question that was asked with increasing frequency by stakeholders: what was Interface doing to secure the environment? Anderson realized that the answer to this question was "very little." Around the same time, he read books such as Paul Hawken's *The Ecology of Commerce* and Daniel Quinn's *Ishmael*, and his paradigm shifted. He experienced a rude awakening, along with the sudden understanding that his acts, as well as those of so many industrial leaders, were disastrous to our planet and its inhabitants, and engaged in behavior as he has done would 1 day land in prison. Anderson devoted his years after this major turnaround to a continuous quest toward sustainable performance, which was not always easy, especially not in his line

(continued)

**Case Study 1.3:** (continued)

of production: carpet production requires large extractions from the environment and leads to massive amounts of unrecyclable waste. Still, Interface made progress in the right direction by setting up a seven-step plan toward increased sustainability.

Anderson did not limit his actions to sustainable production for his own company: he became a very vocal advocate for sustainable business, as he felt that this was the least he could do to increase awareness about a moral way of performing. He spoke on public forums and contributed to more than 100 books, consistently emphasizing the most important purpose for business today: the pursuit of sustainability. Ray Anderson passed away in 2011, but the trend he set in for his company is continued by his successors, and his message to other business leaders has reached many and is still morally waking up leaders to this day.

**Vision**

Vision is arguably one of the most compelling factors that distinguish leaders from managers. Managers have been described as individuals who are concerned with the day-to-day implementation of the performance process (whether production or service), but leaders are the ones that define the long-term direction. Berson, Shamir, Avolio, and Popper (2001) attest that the skill of having and communicating a compelling vision distinguishes transformational leaders from transactional ones. This is the same distinction that is also made between leaders and managers (see above). Managers use a transactional approach to set goals, while leaders use transformational influence to entice followers (Conger & Kanungo, 1998). Vision, as a critical element of transformational influence, can be defined as “a set of idealized goals established by the leader that represent a perspective shared by followers” (Conger & Kanungo, 1998, p. 156). The inspirational strength of a leader’s vision depends on the leader’s style, his or her role characteristics, and the context in which the vision is presented (Berson et al., 2001). This triangular set of dimensions has an interesting overlap with Palmer’s earlier presented analysis levels for leaders’ morality.

Once we understand that vision requires insight into attaining future paths toward success, it becomes clear that purpose is a closely related concept: in order to determine and develop a vision, and translate it into a plan, a purpose has to be clear. Strange and Mumford (2002) add that a leader’s sense of purpose starts with reflection on past experiences, which leads to a vision that inspired followers.

### Case Study 1.4: The Visionary Octopus

The business world has presented us with some interesting visionaries in the past decades. In this section, we discuss one of these: Sir Richard Branson, founder of the Virgin Empire. Branson, a high school dropout due to his troubles with reading and comprehension caused by dyslexia, demonstrated his visionary skills from early stages on. He managed to convert a small magazine, named *Student*, into a major publication by selling advertising space and thus enlarging its prints, reach, and revenues. One thing led to another: he started a mail-order company named “Virgin” and added a record shop, followed by a recording studio. He quickly gravitated from beginning artists to more seasoned and popular ones, and Virgin ultimately became one of the largest record labels in the world.

Over the past decades, Branson demonstrated his visionary skills time and again, divesting some lines of his business and attracting or creating others, thus remaining one step ahead of the trend. His entrepreneurial insights have led him down some surprising, revolutionary paths, which he could not have foreseen in earlier years, such as a transatlantic airline and a plan to start offering commercial trips into space. Richard Branson’s Virgin Group now comprises more than 200 companies operating in more than 30 countries. Particularly in the industry, he has been known to partake in major airline transactions in Belgium, Australia, Nigeria, the United States, and elsewhere (Zeveloff, 2011). His entrepreneurial genius was rewarded with knighthood in 1999, and he remains well-liked due to his accessibility and openness to new challenges.

## Understanding

Understanding, used here in the sense of realizing what is at stake and what really matters to stakeholders, is at least as crucial in the scheme of purpose as the other traits mentioned earlier. Even when stakeholders cannot fully comprehend the importance of certain steps, a good leader has to be aware of the best strategies to reach the most advantageous long-term goals. It means that a good leader has to develop the ability to change the strategy when he or she finds out that initial directions did not serve the real purpose and develop new paths to attain responsible goals. This leads us back to the reality that leaders have to first and foremost lead themselves and be mindful of the needs and reasons for directional changes. “The consciousness of leading oneself is fostered by deeply understanding the nature of people, human behavior, the significance of civilization, and history and by exploring our own views of the universe” (Noda, 2004, p. 17). When making decisions of major magnitude, we have to be in touch with our purpose and understand what we live for. We have to consider our values and attune our actions to those (Noda, 2004).

### Case Study 1.5: Understanding What Really Matters

South Africa's former president Nelson Mandela truly lived the concept of understanding. After his youthful force toward equality, and the realization that those strategies were unsuccessful, Mandela changed his strategy as he spent 27 years in prison, mellowing into wisdom and dialogue as the ways to achieve anything. As a young law student, Mandela became involved in the African National Congress (ANC), particularly around the time when the apartheid system (racial segregation) became formalized (Nelson, 2014). The movement was focused on fierce and armed resistance in those early days. The volatile climate in the country led to numerous arrests, and Mandela was jailed multiple times. Yet, when he landed in prison for 27 years, Mandela used the time in captivity to reevaluate his life and his purpose as a person. He started studying Afrikaans, even though some of his comrades in prison were not in favor of that. They saw learning Afrikaans as a way of giving into the oppressors, while Mandela understood that one has to understand the language of one's opponent in order to develop a better strategy. He remained a proud man, devoted to his cause, and declined several options to get his prison term shortened if he would promise to give up on his fight against apartheid. In 1990, global awareness and support for Mandela had reached the magnitude that then-president De Klerk had to lift the ban on the ANC and release Mandela. Mandela's greatest strength in his post-prison years was a life without bitterness, but with understanding why things had to happen the way they did, even though that did not make them right. Most importantly, his balanced approach led to his presidency in 1994 and to being awarded the Nobel Peace Prize, along with De Klerk. In the years after his presidency, Mandela became an advocate of social rights and brought the discussion about aids into the open and out of obscurity. He passed away in 2013 at the age of 95 (Fig. 1.1).

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## Finding Your Purpose

Knowing your purpose is a fulfilling fact. Finding it is not always easy, however. The most important thought to hold here is that your company's purpose or the purpose others feel you should have is not the same as your own purpose. As has been communicated throughout this chapter, your purpose is a personal commitment you make toward your life, and you live it throughout the stages you encounter, whether you are at the highest pinnacle or in the deepest dale. Your purpose is who you are and how you behave throughout circumstances. "To find your purpose, you must first understand yourself, your passions, and your underlying motivations" (George, 2003, p. 19). It is therefore easiest to find your purpose through reflection. When you review your life and consider the things you did from a young age on, what made you feel excited and passionate? What are your most important strengths, and what are the things you enjoy doing most? If you can identify a common theme in all those reflections, you are likely to define your purpose within minutes from that recognition. If the reflection exercise does not bring a purpose to light, it might be helpful to gather a small group of people

**Fig. 1.1** Five components that help determine a leader's purpose



who have proper insight into what makes you tick. Chances are that they can help you recognize what has been standing right in front of you, even though you couldn't see it.

### Chapter Summary

- Leadership begins with leading ourselves. We can only expand leadership into a process of influencing others toward common goals, if we first and foremost develop and nurture it internally.
- Purpose is the most foundational requirement for a leader to be a good one. Failing to identify our leadership purpose will render us incompetent to achieve our most desired goals.
- Purpose is closely aligned with qualities such as awareness, respect, morality, vision, and understanding.
  - A person with expanded awareness makes decisions with long-term consequences in mind and will not engage in behaviors that are in conflict with his or her moral beliefs.
  - Respect is a virtue, which we gain by giving. Respecting others is a sign of acknowledging their value and appreciating them for who and what they are.
  - Being in touch with one's moral values is critical, not only for the type of decisions we make but definitely for dealing with the consequences in the short and long term.
  - Vision is arguably one of the most compelling factors that distinguish leaders from managers. Having and communicating a compelling vision distinguishes transformational leaders from transactional ones.
  - Understanding, used here in the sense of realizing what really matters, means that a leader has to be able to change the strategy when he or she finds out that initial directions did not serve the real purpose and develop new paths to attain responsible goals.
- To find our purpose, we must first understand ourselves, our passions, and our underlying motivations. We can best find our purpose through reflection.

### Discussion Questions

1. The chapter considers leadership to start as a personal relationship before it can develop into a relationship with others. How do you feel that you currently exert leadership in your life?
2. How did awareness serve as a leadership purpose tool for Muhammad Yunus?
3. Princess Diana is still widely revered today, many years after her passing. How did her attitude of giving respect contribute to this ongoing popularity?
4. In the case of Ray Anderson, CEO of Interface, a moral awakening resulted in a paradigm shift and a purpose definition. What would you say was Anderson's purpose after his awakening?
5. Consider the exercise questions in the section "Finding Your Purpose." Then, reflect on these questions and try to formulate your life's purpose, as you currently see it. If necessary, form a small group with people who know you well to assist you. Present your purpose statement as a response to this question.

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Michelle C. Bligh

*“Trust men and they will be true to you; treat them greatly and they will show themselves great.”*

—Ralph Waldo Emerson

*“He who does not trust enough, Will not be trusted.”*

—Lao Tzu

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## Abstract

Trust is a dynamic, interpersonal link between people, with unique implications for the workplace. Trust is defined as an expectation or belief that one can rely on another person’s actions *and* words and that the person has good intentions to carry out their promises. Trust is most meaningful in situations in which one party is at risk or vulnerable to another party. For this reason, it becomes critical in relationships between leaders and followers, who by definition have different roles and different levels of status and power. This chapter explores the role of trust in the leadership relationship, the antecedents and consequences of trust in leader-follower relations, as well as the different outcomes that often result from trusting versus mistrusting relationships. In addition, we will consider situations where trust can act as an important buffer against negative workplace experiences. Finally, we will consider when and why leaders are more likely to trust their followers, the dynamic development of trust between leaders and followers, and mistrust. Because trust is a relational concept that occurs between people, both leaders and followers play an important role in creating and sustaining trusting relationships.

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## Introduction

It is hard to imagine a situation with more risk and vulnerability than that between leader and follower, each of which can be vulnerable to lying, subterfuge, or even outright fraud if the other person does not follow through with consistent actions based on stated promises. Imagine that you arrive to work on Monday morning, only to find out that rumors are spreading that your boss will be laying off part of your team at the end of week. Your boss promised you in confidence last month that there would be no future layoffs in your team. Do you trust that she will keep her word? Will you risk your own reputation and credibility to counter the rumors? Alternatively, imagine that your boss asks you to do something that you perceive is unethical. When you question him, he tells you that there are other factors to consider and to not follow his request would be even more unethical. He implores you to “just trust me on this one.” How would you respond?

Trust is a dynamic, interpersonal link between people, with unique implications for the workplace. Trust is defined as an expectation or belief that one can rely on another person’s actions *and* words and that the person has good intentions to carry out their promises. Trust is most meaningful in situations in which one party is at risk or vulnerable to another party. For this reason, it becomes critical in relationships between leaders and followers, who by definition have different roles and different levels of status and power. Traditionally, most discussions of leadership ignored the critical role of trust as the primary mechanism through which leaders and followers exchange power and influence, despite the fact that actions such as delegating a project or sharing confidential information require a great deal of trust. In this chapter, we will explore the importance of trust as a core cognitive and affective process in the dynamic leadership/followership relationship. Because trust is a relational concept that occurs between people, both leaders and followers play an important role in creating, sustaining, destroying, and rebuilding trusting relationships.

In this chapter, we will explore the importance of trust as a core belief and feeling that can develop between leaders and followers. Because trust is a relational concept that occurs between people, both leaders and followers play a critical role in creating, sustaining, destroying, and rebuilding trusting relationships. The chapter is structured as follows: we will first consider the role of trust in the leadership relationship, emphasizing that trust is a critical foundation for both effective exchange-based and motivational leader-follower relationships. We will then explore the antecedents and consequences of trust in leader-follower relations, exploring what factors predict when trust is more or less likely to develop, as well as the different outcomes that often result from trusting versus mistrusting relationships. In addition, we will consider situations where trust can act as an important buffer against negative workplace experiences. Finally, we will explore when and why leaders are more likely to trust their followers, the dynamic transfer of trust between leaders and followers, and mistrust and trust repair.

## The Foundational Role of Trust in Leader-Follower Relationships

Trust has always occupied a central role in the leader-follower relationship. The formal study of trust development between leaders and followers dates back to the 1970s, when researchers begin to explore how managers develop good working relationships with subordinates. This early research identified two core foundations of leader-follower trust. The first was *competence or ability*, which involves perceptions that the other party has the knowledge and skills needed to do a job, along with the interpersonal skills and “general wisdom” needed to succeed. The second foundation was *character*, which was subsequently split into two distinct constructs: *benevolence*, or the extent to which a trustee is believed to want to do good for the trustor, and *integrity*, or the degree to which a trustee is believed to follow sound ethical principles.

From this early research, trust has formed a key component of most of the core leadership theories. However, the essence of leader-follower trust can still be tied to these two fundamental building blocks: how leaders establish they have the competence to lead effectively, reflecting both task and relationship-oriented skills, and how they establish their benevolence and integrity. Further, leaders have two primary mechanisms through which to establish these foundations. The exchange-based model asserts that supportive, participative, and empowering leadership behaviors send a message that the leader has confidence in, and concern for, his or her followers and that these leadership behaviors in exchange foster higher levels of trust in the leader. Other leadership theories highlight a complementary mechanism for the development of trust, which holds that more opportunities to participate in decision making provide followers with greater rewards from doing their work and allows them to feel more empowered. The result is greater levels of trust in the leader and improved work performance.

Trust forms a key foundation underlying relationship-oriented leadership behaviors dating back to the classic Ohio State University and University of Michigan studies, as “consideration” or “concern for people” is characterized by mutual trust, respect, and support for another person’s ideas, as well as appreciation of their feelings. Research dating back to the 1970s on the vertical dyad linkage model has demonstrated that managers have different relationships with employees who are trusted compared with employees who are not trusted. In addition, leader-member exchange (LMX) research has demonstrated a link between LMX relationship quality and trust. These findings highlight that a followers’ trust in his or her leader is critical in predicting employee experiences and that organizational efforts to redesign jobs and support empowerment initiatives may have limited utility if you do not first trust your boss.

The meaningful role of trust in transformational leadership has long been recognized as well. Bass’s model of transformational leadership argued that this leadership style is effective in part through its facilitation of follower trust. Some research suggests that the relationship between transformational leadership and performance is dependent on both followers’ trust in the leader and value congruence. For

example, in a study of Research & Development teams, consulting team members when making decisions, communicating a collective vision, and sharing common values with the leader predicted 67 % of employees' ratings of trust in their leaders. Together, these leadership behaviors signal that the leader is unlikely to break trust, allowing followers to share sensitive information and rely on the leader's judgments in ambiguous situations.

Similarly, trust is a key process in ethical, servant, and authentic leadership styles. Research supports the critical role between followers' perceptions their manager has integrity and trust in the manager, which in turn influences follower attitudes and performance. Knowledge workers increasingly require an authentic leader whose values are aligned with the company's mission in order to lead with transparency and trust. Authentic leadership is fundamentally based on trust, which fosters a more candid and direct process when dealing with difficult problems. A credible leader must first develop "credits" with potential followers before they will consent to being led in a new direction; as a result, leaders who are more transparent and positive are more likely to have followers who trust them and rate them as effective leaders.

The topic of trust has taken on added importance in the wake of highly public scandals such as Enron, Worldcom, Bernie Madoff, and others. As a result, there is increasing pressure on leaders to act as "ethical stewards" who build trust by truly investing in and affirming the identities and worth of those whom they serve. This style of leadership generates increased employee commitment through a leader's ability to align systems that build trust and ensure the welfare and growth of both followers and communities.

Overall, all of these leadership theories resonate with the core foundations of leader-follower trust: that leaders must be able to demonstrate their ability and competence to lead and their integrity and benevolence toward those over whom they wield power. Recent leadership theories have focused a great deal of attention on integrity as a core foundation of leader-follower trust, arguably downplaying the role of task and relationship-based behaviors in communicating a leader's competence and benevolence. Therefore, leaders are cautioned not to forget the core emphasis on competence and expertise. Particularly in the context of developing knowledge workers, as a leader you must pay additional attention to knowledge building behaviors, such as scanning the environment for new ideas, developing knowledge networks, sharing technical expertise, bringing in outside experts in areas where you lack experience, providing feedback that is relevant to increasingly complex tasks, and overseeing the quality of work that you may have not done yourself. Together, demonstrating competence in these skills engenders trust and knowledge sharing, and these competence-enhancing behaviors play an important role in building leader-follower trust.

In sum, across leadership theories, there is evidence that effective leaders must demonstrate ability through setting a compelling direction, providing structure, and demonstrating task-relevant knowledge. In addition, leaders must develop perceptions of benevolence through coaching behaviors that foster a supportive context. Finally, leaders must develop and sustain perceptions of integrity through justice, acting in ways that are consistent with their values and accountability.

## Development of Trust in Leader-Follower Relations: Antecedents

So, given the critical importance of trust to most leadership approaches, how do you develop trust, both with your boss and with your employees? The antecedents of trust are highlighted in Table 2.1.

Overall, your leadership style and management practices are critical, specifically in terms of promoting justice such as ensuring fair procedures, outcomes, and interactions with your followers, using participative decision making, providing organizational support to help them tackle problems, ensuring their expectations are fulfilled, and using both transformational and transactional leadership styles. As a manager,

**Table 2.1** Antecedents of trust

Theme	Key findings	References
Characteristics	Leaders and followers with higher propensity to trust more likely to develop positive exchange relationships	Bernerth and Walker (2009)
Leader behaviors	Transformational leadership	Dirks and Ferrin (2002)
	Quality of treatment by managers	Bijlsma and Koopman (2003)
	Quality of managerial decision making	
	Shared social bonds	
	Understandable actions by management	
	Trustworthiness	Bijlsma and van de Bunt (2003)
	Monitoring performance	
	Providing guidance to improve individual performance	
	Openness to followers' ideas	
	Conflict management style of manager	Chan, Huang, and Ng (2008)
	Providing support in case of trouble with others	Ertürk (2010), Fairholm and Fairholm (2000), Moye and Henkin (2006)
	Consideration for employees' needs and interests	
	Protecting employees' rights	
	Behaviors denoting benevolence toward followers	Lapierre (2007)
Perceived authenticity	Gardner, Fischer, and Hunt (2009)	
Ethics	Perceptions of ethical leader behavior relate positively to trust	Den Hartog and De Hoogh (2009)
		Mulki, Jaramillo, and Locander (2008)
		Salamon and Robinson (2008)

(continued)

**Table 2.1** (continued)

Theme	Key findings	References
Justice	Relationship between ethical organizational climate and turnover intentions is mediated by trust and other factors	DeConinck (2010), Stinglhamber, De Cremer, and Mercken (2006), Zhang, Tsui, Song, Li, and Jia (2008)
	Perception of an ethical climate increases trust in leader	DeConinck (2010)
	Interactional justice predicts trust in one's direct leader	De Cremer, van Dijke, and Bos (2006)
	Distributive justice is related to organizational trust	Tzafrir, Harel, Baruch, and Dolan (2004)
	Procedural justice affects cognitive and affect-based trust	Jones and Martens (2009)
	Procedural justice mediates the relationship between employee development and trust in leaders	
	Perception of overall fairness defines trust in less certain trust assessments	
Organizational politics	High levels of organizational politics erode trust	Poon (2006)
	Relationship between organizational politics and job outcomes is moderated by trust	Vigoda-Gadot and Talmud (2010)
Perceived organizational support	Perceived organizational support has a strong relationship to trust	Dirks and Ferrin (2002)
	Unmet expectations impact trust relationship	

you must consistently demonstrate behaviors that promote trust, such as consistency, integrity, concern, and benevolence. In other words, trustworthy managers show consideration for employee's needs and interests and protect their rights. Managers who treat their employees fairly, make their actions and reasons for those actions understandable, and who make quality decisions are more likely to be trusted.

In experiments, supervisory behaviors denoting benevolence toward followers had the strongest positive impact on participants' willingness to support their supervisor, likely due to the norm of reciprocity described by social exchange theory. In addition, leader benevolence toward the follower's peers also had a significant positive effect. This finding is consistent with social information processing theory, which posits that individuals observe how others are treated and amend their attitudes, intentions, and behaviors accordingly. Therefore, trusting relationships can develop both through exchange, where if I treat you well you are more likely to reciprocate and treat me well, and through observing trustworthy leader behaviors and mimicking them.

Other research suggests additional cues that followers use to determine how much they should trust their direct leaders. These include whether or not leaders monitor performance appropriately, provide guidance to improve individual performance,

provide support in case of trouble with others, demonstrate openness to followers' ideas, and utilize cooperation-related problem solving. Importantly, research demonstrates that a leader's appreciation of a job well done does not necessarily lead to trust; followers look for more than a "good job" before deciding whether or not to trust their leaders. We are more likely to trust others that "have our backs" when we run into problems, help us to continually improve our work, and work with us collaboratively to solve problems rather than making arbitrary decisions.

Perceptions of justice are also important in determining whether or not you are likely to trust your organization and your leader. Interactional justice, or your perceptions that you receive fair and interpersonal treatment from your leader, affects whether or not you believe that your leader is benevolent and has integrity. Employees use perceptions of overall fairness to decide whether or not to trust organizational authorities, and justice perceptions play a big role when employees are not sure whether or not to trust their leaders. For example, whether or not you perceive that the new process for allocating bonuses is "fair" or not, and whether or not you believe it was communicated effectively, will likely impact your level of trust in both your manager and the organization as a whole.

Interestingly, research finds no relationship between trust in leadership and the length of relationship between leaders and followers, and only a weak relationship between trust in leaders and followers' *propensity to trust*, or the extent to which an individual approaches new relationships overall from a more trusting or distrusting mindset. These findings are highly significant for managers who seek to develop trusting relationships with their followers, as it suggests that although followers vary in their tendencies to trust others, these dispositional or personality differences explain little of followers' actual trust in their leaders. In addition, it is important to point out that while managers may often assume that the length of their relationship with followers is associated with followers' willingness to trust them, in actuality trust can be much more spontaneous, dynamic, and fluid. Therefore, managers should not assume that time will automatically lead to more trusting relationships, nor can they assume that employees who they have longer-term relationships with are automatically more trustworthy than newer employees.

Similarly, it is important to note that the relationship between rewards and trust is complex and leaders cannot simply "buy" the trust of their followers with raises and bonuses. Followers' interpretation of what a reward or bonus "means" and how it is applied and communicated is strongly impacted by whether or not they trust their leader. The same bonus may simultaneously be considered by a trusting follower as a genuine reward and motivator for a job well done; alternately, it may be perceived as a "trick" or "trap" designed to squeeze more work out of a less trusting employee.

As an individual, you approach new relationships with expectations about the extent to which others are trustworthy, and these expectations can have an important impact on the relationship that develops. Research suggests that the most positive leader-follower relationships exist when *both* managers and employees approach a new relationship with positive expectations that trust will develop. Those who are more willing to trust others to reciprocate seem to form the best trusting relationships. Thus, it will likely work to your benefit to approach new relationships with an

attempt to give the other party “the benefit of the doubt” and communicate your willingness to trust him or her early on, which allows the other party an early opportunity to reciprocate. However, as with most behavioral tendencies, your propensity to trust can be strongly impacted by the situation. Imagine you have worked in a company for 5 years, and over this period you have had a succession of five different managers, each of whom promised to turn the department around with a new vision and new initiatives, only to face resistance and leave the company. How likely will you be to trust the sixth manager and her new vision? Understanding the history of the company and your team is therefore critical when entering a new position. If previous relationships were characterized by high levels of suspicion and distrust, it will likely be more difficult for you to earn the trust of your followers.

### **Organizational Level Variables: Ethics and Politics**

It is important to highlight that employees do not develop trust in their leaders solely on the basis of interpersonal processes. Perceptions of an ethical climate or collectively felt trust also increase trust in one’s supervisor, which in turn reduces interpersonal conflict and emotional exhaustion. Followers’ perceptions of an ethical work climate are related directly to supervisory trust, suggesting that organizational level factors can “bleed into” perceptions of a leader’s trustworthiness. On the flip side, if you perceive that organizational policies for bonuses and promotions are unfair, you will be less likely to trust your manager to apply them fairly. Perceptions of high levels of organizational politics can also erode levels of trust in both leaders and coworkers. Highly politicized organizations have lower levels of job satisfaction and organizational commitment, as well as higher levels of stress and burnout. While research suggests that the presence of trust and social support can go a long way toward minimizing this damage, paradoxically it is harder to build and sustain trusting relationships in the organizations where trusting relationships are precisely the most beneficial. Together, these findings highlight the detrimental role that unethical work environments and highly politicized organizations can have on developing trusting relationships and suggest that you will have a more difficult time developing trusting relationships in these contexts.

As a result of these organizational factors, it is important to highlight the importance of specifying “trust in whom.” Research suggests that trust in a direct leader has an equal or greater effect on performance, altruism, intent to quit, and job satisfaction, than does trust in *organizational* leadership. However, trust in organizational leadership tends to have a greater impact on organizational level outcomes such as whether or not an employee is committed to the company and will stay even if they receive a more attractive offer somewhere else. These findings suggest that followers can and do develop different trusting relationships with their immediate leaders versus leaders higher up in the organizational hierarchy. In addition, hierarchy affects the weight we place on different factors in determining whether or not to trust our leaders. For example, employees occupying higher-level positions in management tend to place more weight on having a sense of control and autonomy, while lower-level employees such as clerical staff and frontline employees tend to place more emphasis on the quality of their workplace relationships and the perceived benevolence and fairness of the leader.

## Trust in Leader-Follower Relations: Consequences

So why should we care so much about trust? In part, the answer to this question is that trust in leaders is significantly related to a wide range of attitudinal, behavioral, and performance outcomes (see Table 2.2). For work behaviors and outcomes, trust is related to all forms of organizational citizenship behaviors (OCBs): altruism, civic virtue, conscientiousness, courtesy, and sportsmanship. Trust also has a relatively weak but significant relationship with job performance. Trust in leadership also significantly affects employees' job satisfaction and organizational commitment and is strongly and positively associated with whether or not employees identify with their organization. Across studies, trust has sizable relationships with whether employees intend to leave their jobs, or turnover intentions, as well as if they believe information provided by the leader, and support his or her decisions. Finally, and perhaps not surprisingly, trust is also highly related to satisfaction with one's leader and perceptions of the quality of the leader-follower relationship.

## Trust as a Buffer

Trust is also important for the buffering effect it plays against negative workplace situations. For example, Bal, de Lange, Ybema, Jansen, and van der Velde (2011) investigated the relationships among trust, procedural justice, and employee turnover in a three-wave longitudinal survey among 1597 Dutch employees and found that in times of change, trust in the leader becomes essential in determining whether or not employees decide to stay with the organization.

**Table 2.2** Outcomes of trust

Theme	Key findings	References
Attitudinal outcomes	Trust in supervisor strengthens both affective commitment and organizational identification	Costigan et al. (2006), Ertürk (2010), Straiter (2005)
	Trust has a significant relationship to job satisfaction and organizational commitment	Dirks and Ferrin (2002)
Behavioral outcomes	Follower trust in the leader and identification with the collective both play an important role in translating a leader's self-sacrifice into follower cooperation	De Cremer and van Knippenberg (2005)
	Trust is significantly related to altruism, civic virtue, conscientiousness, courtesy, and sportsmanship	Dirks and Ferrin (2002)
	Trust enhances employee role enlargement and organizational citizenship behaviors	Chiaburu and Marinova, (2006)
Performance outcomes	Trust has a relatively weak but significant relationship with job performance ( $r=0.16$ )	Dirks and Ferrin (2002)
	Trust in a direct leader leads to increased ability to focus on work tasks	Frazier, Johnson, Gavin, Gooty, and Bradley Snow (2010)
	Organizational trust allows employees to focus and add value to the organization	Mayer and Gavin (2005)

Trust also plays an important role “when the boss says ‘no.’” In one study, followers who felt their manager was transformational reported a higher degree of trust and more favorable reactions to managerial explanations when the answer was not one that the followers wanted to hear. This research provides evidence that investing time and energy in developing one’s leadership style and trusting relationships pays the most dividends during more difficult times or when as the boss you have to be the bearer of bad news. These results apply to organizational change as well. Specifically, trusting senior leaders enhances employee readiness for corporate transformation. In addition, in a company that is experiencing a merger, relocating, or downsizing, higher levels of trust enhance followers’ commitment to the organization, even when employees do not feel they have much control over the change itself. And finally, findings from R&D teams of a multinational automotive company indicate that charismatic leadership and trust in top management positively impact the extent to which teams are willing and able to implement new changes. All of this research suggests that investment in the development of trust is time and energy well spent, as trust will act as an important buffer when times are more difficult, change is necessary, or new processes need to be implemented.

## Leaders Trusting Followers

As is true of other aspects of leader-follower relations, much greater attention has been paid to the importance of followers’ trust in leaders than the reverse: to what extent leaders trust followers. However, some research shows that leader empowering behavior, or the extent to which leaders are willing to share power and decision making with followers, depends on the trust leaders have in follower’s performance and integrity. This approach essentially reverses the lens, approaching leader trust as an *antecedent* of leader empowering behavior instead of a consequence, suggesting that leaders must develop a level of trust in their followers prior to a willingness to delegate responsibility or share decision making.

Effective leaders not only need to gain the trust of their followers but also learn to trust their followers. Trusting leaders develop employees who are more productive, offer and provide more help beyond the requirements of their jobs, and stay with the organization for longer periods of time. However, the reality of many hierarchical positions means that managers have little direct interaction with subordinates, thus limiting followers’ opportunities to demonstrate their trustworthiness. Therefore, leaders may benefit from extending trust to followers even before they have gained enough experience with the follower to assess their trustworthiness. In essence, this involves signaling to employees that the leader is willing to take risks and display vulnerability, despite the potential for mistakes or failure.

In addition, managers who learn to trust and act on that trust enhance their own perceived trustworthiness. That is, gaining the trust of subordinates involves first acting as a trusting manager. Coworkers also tend to place more trust in fellow coworkers who are trusted by team leaders, especially when the group’s performance is poor and things are not going well. Organizations need to take steps to

encourage managers to act in a trusting manner, such as rewarding shared decision making and delegation as well as avoiding blaming or shaming managers for the mistakes of their employees.

Status differences between leaders and followers also influence the conditions for trust development. For example, supervisors are more concerned about conditions of trust that deal with delegation and report that being open to ideas, availability, and discreteness are the most important aspects of trustworthy followers. Followers, on the other hand, report that availability, competence, discreteness, integrity, and openness are more important for trust in the leader. Further, employees are more concerned about interactional justice or perceptions that the leader communicates decisions in a fair and open manner. Different perspectives about these foundations for trust may create conflicting expectations about how to effectively build trust between leaders and followers. For example, you may be concerned that your boss is clear about why she made a decision to cut a project that you think is important, while she may be more concerned that you are open to new ideas and available when she has a pressing problem that she wants to delegate.

### **Trust in Dynamic Leader-Follower Processes: The Transfer of Trust**

While we know quite a bit about what both leaders and followers pay attention to when deciding whether or not to trust, we know less about the ways in which trust develops as a dynamic and evolving process. Trust perceptions play a critical role in the development of cooperation in both interpersonal and intergroup interactions. Overall, it “takes two to tango”: the development of mutual trust and cooperation involves an intricate dance that spirals over time and is fundamentally affected by initial moves. As a result, leaders and followers who “get off on the wrong foot” may have a difficult time developing a trusting relationship, as the initial perceptions of mistrust often lead to a reluctance to cooperate or share information, which then leads to even more mistrust.

Trusting leader-follower relationships are thus cyclical: if initial trust on the part of followers is met with supportive behaviors on the part of leaders, trust is likely to develop and grow. Thus, the earliest stages of a relationship are crucial for determining its future quality. To make trusting relationships even more complex, there is evidence that the foundations for what we find trustworthy in leaders and followers changes as the relationship develops. In other words, as we learn more about others through experiences in working with them, we begin to base our trust on different kinds of information. In newer leader-follower relationships, trust is associated with demographic similarity, for example, gender, ethnicity, and age. As the relationship develops, observations of trustworthy behavior become more important, for example, evidence that your boss follows through with his promises and supports you when you need help or resources. And finally, in long-term, mature relationships where leaders and followers have a long shared history of working together, the development of a shared perspective about the priorities and values of the organization is critical. These results indicate that how your relationships unfold over time is important to consider.

## **Mistrust and Lack of Trust in Leader-Follower Relationships**

Unfortunately, very little research focuses on “the dark side of trust” and its consequences. For example, how far are followers willing to go in terms of unethical or unhealthy behaviors to please leaders whom they trust? Even more surprising perhaps is the lack of attention to how breaches of trust can be repaired between leaders and followers. One way that leaders and followers both build and break trust is through monitoring. Monitoring in the workplace can take various forms, including “checking in” on followers or using video and other forms of technology to track performance and work (and nonwork) behaviors. Monitoring by supervisors can be both negatively and positively related to trust. For example, in newer work groups, monitoring may be interpreted as providing the footing and guidance followers need to make progress toward their goals and can form an important foundation for coaching followers and helping them when they face obstacles or get “stuck.” The challenge is how to monitor employees with benevolence and guidance, rather than signaling distrust. Imagine how you would feel if you learned that your boss had been reading your work emails without your knowledge. Now imagine that you find out that your boss has been checking the team chats periodically in order to follow your progress and help your team anticipate future problems. These two brief examples illustrate the complexity of the relationship between trust and monitoring. Previous research has shown that, when combined with fair assessment of performance, leader support, openness, and collaborative problem solving, monitoring is highly related to trust in managers. However, monitoring can easily undermine trust if not done in an open, collaborative manner. Thus, an important implication for managers is to combine careful monitoring with supportive leadership factors in order to facilitate greater levels of employee trust rather than destroying it.

## **Trusting Without Trust?**

It is also important to point out that mutually beneficial cooperative relationships can also take place without trust at all. For example, leaders and followers may decide to cooperate for a wide variety of other reasons. In many cases, working together may be beneficial in order to enhance one’s professional reputation; to fulfill contractual obligations; to conform to professional standards, because one or both parties achieve financial awards for doing so; or simply to enhance one’s professional network. Thus, it is important not to overemphasize the role of trust in bringing about cooperative leader-follower relationships, which can be mutually beneficial to both parties in the complete absence of trust. In some organizational situations, it may be less the person in the role that is trusted (or not) as much as the system of expertise that produces and maintains that role. For example, we trust engineers, doctors, lawyers, and accountants in many situations because we trust the profession and its associated code of conduct, and we therefore trust the individual

in that role to solve physical, medical, legal, and fiscal problems. As applied to leaders and followers, the individuals within the roles as a result may sometimes be less important than our overall trust or mistrust in the role that they occupy. Thus, the trustworthiness of an individual leader is based both on our assessments of his or her attitudes and behaviors as well as the general trust that we have for those in positions of authority. When you think about leaders in general, do more trusting or distrusting attitudes come to mind? How might these attitudes affect your relationship with a new boss?

These questions take on potentially great importance when we remember that trust and cooperative behaviors tend to spiral in either a positive or negative direction. That is, if we trust our leader, we are more likely to cooperate with him or her, disclose sensitive information, and give him or her the benefit of the doubt in ambiguous situations, which then increases the likelihood that he or she will trust and cooperate with us in turn. Unfortunately, the opposite is also the case, in that perceptions of lack of trust and cooperation lead both parties to pull back and avoid further risk, which undermines future trust and cooperative behaviors. One critical distinction between these two spirals may be the role of communication or other visible opportunities to cooperate. Through two-way communication, parties are able to obtain a better understanding of dilemmas and challenges the other faces, gain additional opportunities to explain and possibly reframe their behaviors, as well as obtain insights into their partner's behaviors and potential justifications or relevant factors influencing those behaviors. For example, communication may help followers to understand the complex reasons why a leader may have broken his or her promise to avoid layoffs, despite his or her best intentions to keep that promise. The result may then be maintenance of a trusting relationship, where, in the absence of communication, followers may perceive that the leader was deceitful and conclude he or she is no longer trustworthy. Finally, through communication, both leaders and followers then have the opportunity to make commitments about their future behaviors and solicit commitments or promises about the other's behavior and can jointly plan to coordinate their actions in the future so they begin to cooperate again. For example, a leader may promise to support a follower's position in a public meeting or other forum, signaling his or her commitment and willingness to cooperate in the future.

Finally, there is evidence to suggest that trust building and trust erosion involve different processes. Specifically, behaviors reflecting leader *benevolence* are more important in trust-building incidents, while behaviors reflecting leader *ability* and *integrity* are highlighted in trust erosion incidents. Followers who feel more vulnerable emphasize the importance of behaviors reflecting leader integrity or ability, and vulnerability also increases the likelihood that trust will be eroded. Other research indicates that distrust is a unique psychological construct, rather than the opposite of trust. These findings suggest that the processes involved in leader-follower trust building may be distinct from those involved in the erosion of trust and that distinctions should be made between low levels of trust versus outright mistrust in both leaders and followers.

## Conclusion

In sum, we know much about leader-follower trust, but recognize that trusting relationships may vary across contexts of more and less stable work situations (e.g., government bureaucracies versus high-tech start-ups), virtual and face-to-face relations, temporary versus stable leader-follower relationships, and local and global organizational forms. In addition, the role of cross-cultural differences in trust formation is important to consider in an increasingly global work context. For example, in a cross-national study of Canadian and Japanese students, research showed that trustors are more likely to rely on culture-consistent signs and tend to neglect inconsistent ones when assessing the trustworthiness of an unfamiliar partner. More specifically, collectivists paid more attention to situational factors and less attention to personality or dispositional factors in their initial assessments of trustworthiness, while the opposite was true for individualists. In another example, a cross-cultural comparison between Australian and Chinese followers showed that Australian followers reported higher levels of trust in their leaders than did Chinese followers, and culture moderated the effects of trust on the leadership-performance relationship. These research findings provide a useful foundation for understanding baseline differences in trust-relevant factors across cultures, as well as for developing culturally contingent models for helping both leaders and followers develop and maintain trusting relationships across cultural boundaries.

It is also critical to explore whether or not active and courageous followership requires a foundation of trust and what role trust plays in challenging leaders, “voice” behaviors, and whistle-blowing. In addition, it is important to consider potential cultural barriers (e.g., power distance, collectivism, uncertainty avoidance) that inhibit trust and voice and discourage versus encourage followers to question authority. Other important questions include the potential role of social contagion in the spread of trust between leaders and followers, the role of a “culture of trust” in suppressing or fostering a climate where followers feel free to question those in authority, and how organizations can foster the trust necessary for constructive dialogue as a mechanism to self-correct internally before a dangerous situation occurs.

Trust plays a critical role in leadership. In fact, it may not be an exaggeration to state that trust is at the root of all “great leadership,” in that one means little without the other. In increasingly global organizations focused on knowledge work, creativity, and complex problem solving, leaders who view followers as commodities or means to an end forfeit the strategic advantage that trust-based leadership creates. Leaders who are distant and aloof from employees and avoid connecting with them are becoming much less acceptable and far less normative, further enhancing the importance of trust. As Ernest Hemingway noted, “the best way to find out if you can trust somebody is to trust them.” This potentially precarious first step provides the core foundation for the leadership relationship, and organizations must continue to explore what encourages leaders and followers to both take the risk and ultimately reap the rewards.

### Chapter Summary

- Trust is defined as an expectation or belief that one can rely on another person's actions *and* words and that the person has good intentions to carry out their promises. It is most meaningful in situations in which one party is at risk or vulnerable to another party.
- Trustworthy leaders demonstrate ability through setting a compelling direction, providing structure, and demonstrating task-relevant knowledge. In addition, they develop perceptions of benevolence through coaching behaviors that foster a supportive context. Finally, trustworthy leaders develop and sustain perceptions of integrity through justice, acting in ways that are consistent with their values, and accountability.
- Trust is not dependent on the length of a relationship, an added bonus, or even by telling employees that they have done a good job. Rather, trust is developed through a dynamic process through which each party signals to the other party that they are willing to cooperate and take risks.
- Unethical work environments and highly politicized organizations can make it very difficult to develop trusting relationships between leaders and followers.
- In times of change or when delivering difficult news, trust acts as an important buffer against turnover, stress, burnout, and lowered commitment to the organization.
- Effective leaders not only gain the trust of their followers but also learn to trust their followers in return.
- When combined with fair assessment of performance, leader support, openness, and collaborative problem solving, monitoring is highly related to trust in managers. However, in the absence of these conditions, monitoring can quickly undermine trust between leaders and followers.

### Discussion Questions

1. How might the allocation of salary, bonuses, and other resources impact perceptions of trustworthiness? How can leaders communicate policies in ways that are perceived as consistent and fair?
2. What are some of the reasons why managers may appear untrustworthy despite doing their best to be consistent in their words and actions?
3. How can organizations encourage managers to act in a trusting manner, such as sharing sensitive information and empowering employees? What are some of the penalties or disincentives for delegating power and decision making?
4. How might leaders help rebuild followers' trust after it is broken? How might followers help rebuild leaders' trust after it is broken?
5. Do you agree that trust and mistrust are psychologically distinct processes? Why or why not? What are the implications for fostering trusting relationships between leaders and followers?

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## Abstract

Even though leadership theories are diverse, one notable commonality among leadership theories is that they inculcate the importance of moral behavior. This chapter explores moral leadership by providing brief contextual considerations regarding morals, outlines the most commonly used moral theories, examines each moral theory's strength and weakness, discusses the connection between moral theories and leadership theories by examining contextual considerations for the discussion, and discusses the central role of pro-social values in both morals and leadership theories, and then the chapter resolves with a case study and a simple moral test. This chapter will promote the idea that moral leaders act in ways that seek the welfare of others, even at personal cost.

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## Leadership and Moral Behavior

Leadership research has advanced greatly in the last 30 years although not in the same direction (Yukl, 1989). There are a multiplicity of leadership theories ranging from trait based, leadership style, and leadership situation and are representative of various perspectives on leadership. The great divergences in leadership theory speak to the vast new territory yet to be discovered. However, recent research by Hernaandez, Eberly, Avolio, and Johnson (2011) has begun to understand how these various leadership theories correspond and are even interrelated and complementary. One notable commonality among leadership theories is they inculcate the

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importance of moral behavior (Ciulla, 2001; Johnson, 2013; Kanungo, 2001; Treviño, Brown, & Hartman, 2003). However, moral behavior is anchored within a specific set of human values and provides the motivation for moral pro-social behavior (Rokeach, 1973; Schwartz, 1994). Simply, if you scratch the surface of many leadership theories, you will find morals, but if you scratch the surface of morals, you find a central desire by researchers and theorists to center leadership theories on helping others (pro-social action).

This chapter explores moral leadership by providing brief contextual considerations regarding morals, outlines the most commonly used moral theories, examines each moral theory's strength and weakness, discusses the connection between moral theories and leadership theories by examining contextual considerations for the discussion, and discusses the central role of pro-social values in both morals and leadership theories, and then the chapter resolves with a case study and a simple moral test. This chapter will promote the idea that moral leaders act in ways that seek the welfare of others, even at personal cost.

## **Contextual Considerations Regarding Moral Theories**

The first contextual consideration is the terms commonly used in this field of study. Two terms have been commonly used within this field, "morals" and "ethics." "Ethics" typically refers to innate knowledge of right/wrong, transcending culture, religion, and time. "Morals" typically refers to culturally and religiously based distinctions of right/wrong (Stackhouse, 1995). Both of these terms are derived from the Latin and Greek words for "customs." Beyond their common etymological origin, both ethics and morals are concerned with the expectations of how individuals ought to live (Gill, 2014; Stackhouse, 1995). In this chapter we are going to use the term "moral(s)" as a representative for both terms.

A second contextual consideration is the diverse sources drawn upon in the formation of moral theories such as religious texts, reason, cultural exchanges, and emotions. These sources contribute to moral theories and in turn to the formulation of the individual or personal obligations or "oughts." Third, when the considerations of how a person ought to live are within the context of a specific profession, role, or responsibility, then these considerations are regarded as applied ethics (Stackhouse, 1995). Finally, moral considerations can emphasize the individual, community, society, or culture. Within this contextual framework, ethical theories have been established and have acted as foundational elements to societies, communities, and individuals.

## **Moral Theories**

The presence of moral theories extends far back into history and is as wide ranging as the variety of sources from which they are derived. However, Stackhouse (1995) provides a helpful rubric to classify moral theories by referencing the everyday

**Table 3.1** Deontological, teleological, and ethological moral philosophy

Moral concepts	Established moral subdisciplines	Established moral theories
The <b>right</b> thing to do asks “what are the overarching universal principles and our duty to these principles?”	<b>Deontological</b> morals argue that we are to make decision based on duty	Kantian Religious
The <b>good</b> thing to do asks “what is the purpose or goal?”	<b>Teleological</b> morals focus on ends or goals that ought to be sought	Utilitarianism Social contract
The <b>fitting</b> thing to do asks “what is happening in this particular situation?”	<b>Ethological</b> morals are concerned with specific individuals and/or within specific settings	Virtue Ethical egoism

questions people ask when trying to determine their moral obligations. Stackhouse suggests three concepts, the right, the good, and the fitting. The right concerns itself with universal principles and our duty to those principles. The good is concerned with the purpose or goal within or concerned with moral action. The fitting is what is expected ought or obligation in a particular situation. Each of these concepts is related to established subdisciplines with moral philosophy and established moral theories. The subdisciplines are deontological moral philosophy (the right) which concerns itself with our duty toward universal principles, teleological moral philosophy (the good) which concerns itself with end goals or purposes, and ethology moral philosophy (the fitting) which concerns itself with specific individuals and/or within specific settings (Gill, 2014; Stackhouse, 1995); see Table 3.1. This heuristic is important because classical moral theories provide theoretical support for numerous leadership theories.

A number of moral theories, as suggested earlier, are expansive, yet there remain a select group of moral theories which are commonly used within the discussion of morality, and many act as a theoretical anchor for numerous leadership theories. What follows is a brief overview of the most common moral theories with an evaluation of their strengths and weaknesses.

*Kantian moral theory* is deontological in orientation, meaning this moral theory asks individuals to do their duty and obey universal principles, without regard to feelings. This moral philosophy was first proposed by Immanuel Kant. For example, if a person is motivated by the feeling of compassion and decides to help an elderly neighbor rake their yard, Kantian moral theory would not consider this a good moral act. Or, for example, if a person were to decide to help an elderly neighbor rake their yard because the person was hoping the elderly neighbor will tell the other neighbors about the kind act, again this is not considered a moral act. In both cases, a person is acting on feelings or inclinations, and doing this jeopardizes moral action. Why? The feeling when acted on rewards the person for their action in either giving them personal gain or resulting in personal loss, so the moral action is always considered in regard to consequences and therefore is contingent. Instead, when someone acts based only on their moral reason and duty, they disregard consequences (Johnson, 2014).

While acting without regard to feeling or without regard to consequences may be difficult, a bigger challenge may be finding the correct universal principle to obey. So how does one determine the universal principle to obey? Kant provided a heuristic known as the categorical imperative, which states, “Act only according to that maxim whereby you can at the same time will that it should become a universal law” (Patron, 1971, p. 136). What Kant is saying is, if you choose to act and consider it the morally good thing to do, it should be considered a universal law—you would expect everyone else to make exactly the same decision in this situation. Ultimately, this creates specific principles or rules which are the right thing to do in every circumstance such as honesty (Johnson, 2014; Cahn & Markie, 2011).

#### **Workplace Example of Kantian Moral Theory**

An individual in a leadership position finds out an employee has been lying about the reasons he has been late for work, citing an ill family member.

The leader responds within the Kantian theory if they say, “It is wrong to lie and you will be reprimanded. Because I am always honest with you and I expect the same from every employee.”

**Religious moral theory** is also deontological in orientation, in that it is the individual’s duty to obey universal principles. Yet, these universal principles are not determined by a person’s reason; instead, they are representative of God’s will for his creation. The response for many religiously devoted is to understand God’s will through various means in which God has revealed himself (e.g., the Ten Commandments, Sacred Scriptures, Christ, etc.) and then to obey what God wants. Religious moral theory is very complex, at many times comprising elements of deontological, theological, and applied moral philosophies (Warburton, 2012). Moreover, for many religious people, obeying God is an act of devotion tied to their personal identity. As such, the religiously devoted choose to act morally; they do so as a means to preserve or enhance fundamental aspects of their identity, specifically who they are as people and where they belong (Ewest, 2015). Whatever the motivation, for the religiously devoted, moral actions are in reference to what God’s expectations or will is for their behavior. For the religiously devoted, the universal principle and the character of God are one and the same (Gill, 2014).

#### **Workplace Example of Religious Moral Theory**

An individual in a leadership position finds out an employee has been lying about the reasons he has been late for work, citing an ill family member.

The leader responds within the religious theory if they say, “It is wrong to lie and you will be reprimanded. God has commanded us to be honest and we are not to disobey his will.”

**Table 3.2** Strengths and weaknesses of deontological philosophies

Concepts	Strengths	Weakness
The right	Answers the question, “what are the overarching universal principles and our duty to these principles?”	
	<ul style="list-style-type: none"> <li>• These ethics provide a clear understanding of our moral obligations, by creating norms or rules to follow</li> <li>• These ethics promote consistency in decisions</li> </ul>	
The good		Leaves unanswered the question, “what is the purpose or goal in this moral behavior and what will be the result?” <ul style="list-style-type: none"> <li>• Leaves consequences and results unaddressed</li> </ul>
The fitting		Leaves unanswered the question, “what is happening in this particular situation?” <ul style="list-style-type: none"> <li>• Disregards differences between situations and individuals</li> </ul>

**Strengths and weaknesses** of deontological philosophies are important to consider. Deontological or duty-based moral theories do a good job of creating rules everyone can follow as well as promoting consistency in decisions, but do a poor job of addressing consequences, and they disregard individual situations; see Table 3.2.

**Utilitarianism moral theory** clearly thinks about consequences or the goal of moral behavior, thus making it a moral philosophy that should be considered teleological. Two philosophers are typically associated with this moral philosophy, John Stuart Mill and Jeremy Bentham. Both understood that the goal of human activity is to act in such a way as to bring about the greatest amount of human happiness. Both of them argue that the best moral decisions are ones that result in decisions that generate the most good or benefit for the greatest amount of people. The utility (usefulness) or good can either be applied to a specific situation or what is best in most contexts, thus creating a rule for those situations. The challenge with this moral theory is to determine whether the potential outcomes of an action will create benefits or negative consequences (Driver, 2014; Cahn & Markie, 2011; Warburton, 2012).

#### Workplace Example of Utilitarianism Moral Theory

An individual in a leadership position finds out an employee has been lying about the reasons he has been late for work, citing an ill family member.

The leader responds within the utilitarianism theory if they say, “It is wrong to lie and you will be reprimanded, because when you lie and come into work late, the whole group suffers because they have to work harder.”

**Social contract moral theory**<sup>1</sup> also considers an end goal or state and therefore is also a teleological philosophy. One of the first to espouse this moral perspective was Thomas Hobbes, who was convinced that humans were self-centered. Hobbes also believed that each person has the right to preserve their own existence and will not do anything which destroys themselves. However, man has the right to harm others if others keep him from surviving. Individuals are able to overthrow others because individuals are equal to each other, meaning each person has gifts which can be used to overthrow the other person. For example, a strong person may be killed in his sleep by a smart person, and the smart person may be overtaken by a popular person who can rally friends. However, there is a problem if every person is equally justified to pursue their self-interests, and if each person can harm the other, the danger is that incivility will result. The solution is for people to use reason and realize the only option is to suspend the right to harm others. The individual then must give up their rights and turn their rights over to a sovereignty (state or government) which protects them from harming each other. Therefore, peace is maintained through laws enforced by appointed sovereign rules. This agreement by individuals is known as a social contract (Lloyd & Sreedhar, 2014).

#### Workplace Example of Social Contract Moral Theory

An individual in a leadership position finds out an employee has been lying about the reasons he has been late for work, citing an ill family member.

The leader responds within the social contract theory if they say, "It is wrong to lie and you will be reprimanded, because when you lie and come into work late, you are harming others and if I don't stop it, everyone will show up late and create chaos."

**Strengths and weaknesses** of teleological moral philosophies are important to consider. Teleological or purpose-based moral theories do a good job of finding the most benefit for the greatest number of people and also do a good job of analyzing a particular situation but do a poor job of creating general rules to follow in the future, and it can be inconsistent when using the same criteria and ignores individual situations; see Table 3.3.

**Virtue moral theory** is a moral theory that should be regarded as ethology, since it considers how a particular person ought to act within a situation. This moral theory is largely based on Aristotle's (Irwin, 1999) *Nicomachean Ethics*. Unlike deontological and teleological moral philosophies, ethology typically concerns itself with particular individual actions or individual situations. Virtue theory desires actions which allow an individual's life to flourish. The individual ought to choose in their life situations or actions which agree with the intended design of their human nature and act in ways as to enrich this nature (also regarded as their character). The human design can either be thought of as coming from a creator or from natural selection (evolution). Since the person has to choose to do right, it is assumed by virtue theorists that the

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<sup>1</sup>Most regard social contract theory as a political philosophy.

**Table 3.3** Strengths and weaknesses of teleological moral philosophies

Concepts	Strengths	Weakness
The right		Leaves unanswered “what are the overarching universal principles and our duty to these principles?”
		<ul style="list-style-type: none"> <li>• No general normative rule created</li> <li>• Inconsistency in decisions</li> </ul>
The good	Answers the question, “what is the purpose or goal in this moral behavior and what will be the result?”	
	<ul style="list-style-type: none"> <li>• Finds the most beneficial result for the particular situation</li> </ul>	
The fitting	Answers the question, “what is happening in this particular situation?”	Leaves unanswered the question, “what is happening in this particular individual?”
	<ul style="list-style-type: none"> <li>• Considers differences between situations</li> </ul>	<ul style="list-style-type: none"> <li>• Disregards differences between individuals</li> </ul>

virtues, or morally right choices, are not innate (Hursthouse, 2013; Russell, 2013; Skyrms, 1996; Warburton, 2012).

**Workplace Example of Virtue Moral Theory**

An individual in a leadership position finds out an employee has been lying about the reasons he has been late for work, citing an ill family member.

The leader responds within the virtue theory if they say, “It is wrong to lie and you will be reprimanded, because when you lie you make me question the type of person you are wanting to become and you are sure to limit yourself.”

**Egoism moral theory** is part of the philosophy of ethology. An egoist assumes, much like in social contract theorist, that humans will act in regard to their own self-interest. But, more importantly, an action is only considered morally right when it is done with a person’s own self-interest in mind. Yet, egoists do consider others in their actions. For them, if they were to hurt or betray others, it may not be in their best interest, since they may be harmed in return; therefore, egoists will help others, when it helps them (Shaver, 2015).

**Workplace Example of Ethical Egoism Moral Theory**

An individual in a leadership position finds out an employee has been lying about the reasons he has been late for work, citing an ill family member.

The leader responds within the virtue theory if they say, “It is wrong to lie and you will be reprimanded, because when you lie and come into work late, you are harming others and they will harm you in return—watch out!”

**Table 3.4** Strengths and weaknesses of ethological philosophies

Concepts	Strengths	Weakness
The right		Leaves unanswered the question, “what are the overarching universal principles and our duty to these principles?” <ul style="list-style-type: none"> <li>• No general normative rule created</li> <li>• Inconsistency in decisions</li> </ul>
The good		Leaves unanswered the question, “what is the purpose or goal in this moral behavior and what will be the result?” <ul style="list-style-type: none"> <li>• Leaves consequences and results unaddressed</li> </ul>
The fitting	Answers the question, “what is happening in this particular situation?” <ul style="list-style-type: none"> <li>• Considers differences between situations and the individuals</li> </ul>	

**Strengths and weaknesses** of ethological philosophies are important to consider. Ethological or situation or individual-based moral theories do a good job of paying attention to the concerns of an individual within a given situation, but do a poor job of considering the consequences of decisions, are inconsistent when applied to a similar situation, and don’t provide a universal rule to follow in the future; see Table 3.4.

These moral theories are important, but how are they used or connected with leadership theories? Is there a leadership theory that is purely ethical in nature?

## Contextual Considerations Regarding Moral Leadership

Again, there are some contextual considerations which will set the context for the discussion about moral leadership. First, to be considered a leader, one does not have to be morally good. Adolf Hitler, Benito Mussolini, Pol Pot, and Jim Jones are all examples of people who were considered leaders (at least by their followers), but are also remembered as being immoral. Yet, at the same time, an “immoral leader” can be for many a contradiction in terms. To be certain, the connection between morals and leadership is not apparent. In fact, it is only in the last 30–40 years that scholarship has begun to seriously explore the role morals play in the lives of leaders.

Second, it is important to understand that there is no unified “moral leadership theory,” that is, no leadership theory that directly corresponds to any of the aforementioned moral theories.<sup>2</sup> Next, when leadership literature refers to “moral leaders,” the literature is not referring to any specific leadership theory; instead, it

<sup>2</sup>With the possible exception of virtue moral theory

typically refers to a leader who is acting in ways that are morally good. Specifically, it is suggesting that the leader is following good universal principles, seeking good outcomes for the group, or making good choices in regard to their character. Fourth, there are commonalities among leadership theories regarding morals. One notable commonality largely accepted among leadership theorists is that most leadership theories inculcate the importance of moral behavior (Ciulla, 2001; Johnson, 2013; Kanungo, 2001; Treviño et al., 2003). Fifth, Northouse (2015) suggests that moral leadership “Theories can be thought of as falling within two broad domains: theories about leaders’ conduct and theories about leadership character” (p. 424). Finally, another connection leadership theories have in common is pro-social values, and these pro-social values are the essence of others’ directed selfless moral action found in multiple moral theories as well as leadership theories (Ewest, 2015). Pro-social values emphasize concern for others’ welfare, even at personal cost.

### **Pro-social Values and Leadership Theories**

Trying to determine a single commonality among the various moral theories and then applying those commonalities to leadership theory are challenging and potentially impossible. However, as mentioned earlier, Northouse (2015) presents the most common method, that being reducing moral theories to moral principles that are present in leadership theories. The problem with doing this is that it aligns itself largely with deontological moral philosophies that look for universal principles and ignores teleological philosophy that seeks good outcomes for the group and ethology which considers individual’s particular situation. An alternative is to frame the connection between morals and leadership theory with the moral framework of pro-social values.

Pro-social values of empathy and altruism are present in a leader’s moral action. An empathetic act ensures the welfare of others in everyday life by progressing toward one’s own goals without violating the justified goals of others, because the person desires to remain in harmony with others (Beirhoff, 2002; Beirhoff, Klien, & Kramp, 1991; Hastings, Zahn-Waxler, Robinson, Usher, & Bridges, 2000; Omoto & Snyder, 1995). An altruistic act is devoid of self-consideration, focusing solely on the goals or needs of others alone (Beirhoff, 2002). Empathy and altruism are necessary components of pro-social behavior. Simply stated, when leaders are acting pro-socially, they act in ways that seek the welfare of others, even at personal cost.

Avolio and Locke (2002) suggest “The most effective moral leaders are those who transcend their own interests for the good of their group, organization or society” (p. 228). Numerous leadership theories emphasize others’ directed behavior containing both empathy and altruism, which are also vital components of numerous moral theories. For example, one of the first leadership scholars, Burns (1978), conceptualized leadership as being centered on others or directed to public interest, this type of leadership he referred to as transformational leadership. Greenleaf 1997 understood leadership as service to others, which he called servant leadership.

**Table 3.5** Leadership theories emphasizing empathy and altruism

Leadership theory	Ways they incorporate empathy or altruism
Transformational leadership	Burns argued transformational leaders empower, listen, and help communities to become self-sustaining (p. 37)
Servant leadership	“Make sure that others people’s highest priority needs are being served” (Greenleaf, 1997, p.7)
Authentic leadership	“Service before self; mission and the organization supersede self-interest” (George, 2003)
Social exchange	“Understanding perspectives other than your own is a crucial component to participating in the community” (Komives & Wagner, 2012, p. 165)
Spiritual leadership	Altruistic love is a sense of wholeness, harmony, and well-being produced through care, concern, and appreciation for both self and others (Fry, 2003)

Authentic leadership (George, 2003) asks leaders to be true to their own moral code and in doing this put others first. Social exchange theory asks individuals to be pay close attention to their own moral code and pay close attention to the perspectives of those that follow them (Komives & Wagner, 2012). Finally, Fry’s (2003) theory of spiritual leadership asks individuals to lead by their concern for others which produces harmony; see Table 3.5. Since the time of Burns, numerous scholars have included others’ directed behavior as a vital aspect of leadership theory (Avolio & Locke, 2002; Grant, 2012).

## Moral Decision and Leading Morally

Since pro-social behaviors are important components to moral theory as well as leadership theory, they provide good biases for evaluating if leadership decisions are moral. Moral decision-making models or processes all contend for a central and dominate role of reason or cognition to make appropriate moral decisions (Kidder, 1995; Ulrich, 2002). Even though some moral theories consider reason to be less central, almost every moral theory uses reason as a component to determine the best moral course.

While every individual adheres to a different moral theory, every individual can incorporate pro-social values within their moral leadership decisions. If a leader can ask a few simple questions before making a decision, it would help to ensure that leadership decisions include moral concerns. The following case study and questions are designed to incorporate all aspects of moral philosophy (deontological, teleological, and ethological), answering the questions what is right, what is good, and what is fitting as well as considering if those decisions act in ways that seek the welfare of others, even at personal cost (pro-social values).

**Case Study 3.1: Aspects of Moral Philosophy**

*Chris has been asked to manage a group of employees at an accounting firm. Every morning Chris arrives early to prepare for the day and make sure everything is ready so the employees have the best support possible. Today is no exception.*

*As the employees arrive Chris takes note of the time each employee arrives, as he has been instructed to do by superiors. Chris notes that one employee, Pat, has not shown up on time, but it is not unusual. Pat has a history of not showing up to work on time, and according to the company policy, if Pat is late two more times, Pat will be reported. If Pat is reported to the upper management, he will face demotion or termination. Chris approaches Pat to inquire why he is late again.*

*Pat looks tired, as if he has not had enough sleep, and looks much thinner than the last time Chris saw him. Pat is calm now, but has been known to have mood swings ranging from violent to passive. Chris is hoping the conversation will be civil. After being asked “why he was late,” Pat responds that a sick family member has taken more energy than expected and he simply could not leave his loved one in the condition they were in—so he was late. Pat apologizes profusely and says he will try and not let it happen again.*

*As Chris goes back to the work desk to record the occurrence, a coworker interrupts and says he knows Pat is lying. The coworker walks to work and stops at a coffee shop an hour before work. Every morning this coworker sees Pat across the street at a café talking with someone. The coworker notes that conversations are intense, and many times they have seen Pat in tears. But Pat is only two blocks away from work and should be able to make it to work on time.*

*Chris is incensed and wants to confront Pat. As Chris goes back to the supervisor’s desk and contemplates what to do next, Chris realizes that Pat is demonstrating all the behaviors of drug or substance abuse that a recent supervisor training addressed. Chris is uncertain what to do.*

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**Simple Moral Test**

Before you continue reading, go back and look at moral theories mentioned in this chapter and see which ones you identify with the most. Are the theories you identify with deontological, teleological, or ethological? Remember, each moral theory by itself leaves moral questions unanswered, and the goal would be to draw from each of these moral philosophies. Moreover, moral decisions that are pro-social also have care for the welfare of the other and are selfless acts. Next, make a decision on the case above by putting yourself in the position of Chris; what would you decide and why? Then review Table 3.6 and see if your solution passes the moral test.

**Table 3.6** Moral test

Ask yourself the following questions:	
Pro-social questions	Moral philosophy concepts
Does my decision reference a universal principle such as benevolence, care, and empathy, and does the proposed solution illustrate this principle and create a rule that can be used later in a similar situation?	The right—deontology “What are the overarching universal principles and our duty to these principles?”
Does the moral decision being made allow me or the organization to pursue its goals without interfering with the goals of the other? If the answer is “yes,” does it indicate that the action may be pro-social?	The good—teleology “What is the purpose or goal” in this moral behavior; what will be the result?
Would the person who is being acted up consider this action caring? If not, is the action in their best interest?	The fitting—ethology
Do I personally gain from this action?	“What is happening in this particular situation?”

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## Conclusion

This chapter explored moral leadership by providing brief contextual considerations regarding morals, outlining the most commonly used moral theories, and examining each moral theory’s strength and weakness, discussed the connection between moral theories and leadership theories by providing contextual considerations for the discussion, and discussed the central role of pro-social values in both morals and leadership theories, and then the chapter resolved with a case study and a simple moral test.

Moral leaders act in ways that seek the welfare of others, even at personal cost. One of the best examples of a moral leader within this last century is the late Nelson Mandela. Nelson Mandela was born in 1918 in South Africa, which was a racially segregated country. Mandela spent his life fighting for the equal rights of South African Blacks, the democracy for South Africa, and the elimination of poverty. Mandela spent years of his life in prison for his activism, but eventually was freed, and his activism and leadership won him a Nobel Prize, and in May 1996 Nelson was elected president of South Africa (Nelson Mandela, 2015). When asked what leadership meant to him, Nelson Mandela responded, “Real leaders must be ready to sacrifice all for the freedom of their people” (Burford, 2014, p. 4). Moral leaders act in ways that seek the welfare of others, even at personal cost.

### Chapter Summary

- Discussion of most commonly used moral theories evaluating their strengths and weaknesses;
  - Kantian moral theory is deontological in orientation, meaning this moral theory asks individuals to do their duty and obey universal principles, without regard to feelings.
  - Religious moral theory is also deontological in orientation, in that it is the individual's duty to obey universal principles. Yet, these universal principles are not determined by a person's reason; instead, they are representative of God's will for his creation.
  - Utilitarianism moral theory thinks about consequences or the goal of moral behavior, thus making it a moral philosophy that should be considered teleological.
  - Social contract moral theory also considers an end goal or state and therefore is also a teleological philosophy.
  - Virtue moral theory is a moral theory that should be regarded as ethology, since it considers how a particular person ought to act within a situation.
  - Egoism moral theory is part of the philosophy of ethology. An egoist assumes, much like in social contract theorist, that humans will act in regard to their own self-interest.
- Examination of the central role of pro-social values in leadership theories.
- Moral leaders act in ways that seek the welfare of others, even at personal cost.
- Case study as a means to assess personal moral leadership choices.
- Moral test to determine if leadership decisions are moral.

### Discussion Questions

1. Think of those individuals in your life you consider to be leaders. Are these individuals to act in the best interest of others and willing to sacrifice for others? If you answered "yes," would you still admire them if they ceased being pro-social?
2. Do you think it is possible for a leader to act selfishly and still be morally good? If you answered "yes," what would be those conditions? If you answered "no," why is this not possible?
3. What moral theories do you see at use most often in the workplace and in leadership? Why do you think this is the case?

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## Abstract

Becoming a successful leader—someone who is able to build a long-lasting, high-performing team or organization—is not about what you do, although that is important; it is about how you do what you do; it is about living your deeply held values. This chapter explains what values are, why they are important, and how they are linked to the stages of psychological development. Based on the descriptions given in this chapter, you can find out what stage of psychological development you are at and what level of leadership consciousness you are operating from and how you can improve your performance.

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## Introduction

Values-driven organizations are the most successful organizations on the planet. You may think that sounds like a bold claim: it is a bold claim, and it is true! You will find documentation to this effect in my book, *The Values-Driven Organization: Unleashing Human Potential for Performance and Profit*.<sup>1</sup>

This is not a new insight. In his best-selling business book, *In Search of Excellence*, Tom Peters said:

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<sup>1</sup>Richard Barrett, *The Values-Driven Organization: Unleashing Human Potential for Performance and Profit* (London: Fulfilling Books), 2013.

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Every excellent company we studied is clear on what it stands for, and takes the process of value shaping seriously. In fact, we wonder whether it is possible to be an excellent company without clarity on values and without having the right sorts of values.<sup>2</sup>

Peters is not the only researcher to consider values to be at the heart of successful organizational decision-making. Rosabeth Moss Kanter, a professor at Harvard Business School and chair and director of the Harvard Advanced Leadership Initiative, puts it this way:

In the face of turbulence and change, culture and values become the major source of continuity and coherence, of renewal and sustainability. Leaders must be institution-builders who imbue the organization with meaning that inspires today and endures tomorrow. They must find the common purpose and universal values that unite highly diverse people while still permitting individual identities to be expressed and enhanced.<sup>3</sup>

In order to understand why values are so important and why values-driven organizations are so successful, we must first understand what being “values-driven” means. To do this, we need to know what values are, where they come from, and how values-based decision-making is different from other forms of decision-making.

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## What Are Values?

According to sociologists, “values” are “the ideals and customs of a group toward which the people have an effective regard.” I prefer to define values in a more pragmatic way: values are the energetic drivers of our aspirations and intentions.

Values are a shorthand method of describing what is important to us individually or collectively (as an organization, community, or nation). They are “shorthand” because the concepts that values represent can usually be captured in one word or a short phrase. For example, honesty, openness, compassion, long-term perspective, and human rights can all be values. The interesting thing about values is that they are universal: they transcend contexts.

Behaviors, on the other hand, which are the outward manifestation of our values, are context dependent. For example, depending on the type of organization you belong to or the country you live in, the behaviors associated with *respect* could be: (a) always address people by their title; (b) shake hands firmly; (c) stand with feet together and bow down; or (d) never interrupt when people are talking or express a contrary view.

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<sup>2</sup>Tom Peters and Robert H. Waterman, Jr., *In Search of Excellence* (New York: Harper & Row), 1982, p. 280

<sup>3</sup>Rosabeth Moss Kanter, professor at Harvard Business School and chair and director of the Harvard Advanced Leadership Initiative: <https://hbr.org/2010/05/adding-values-to-valuations-in.html>

Values can be positive or potentially limiting. Positive values such as friendship, trust, and creativity help us connect with others and make a positive contribution to society.<sup>4</sup> Potentially limiting values, such as blame, bureaucracy, and status seeking, do the opposite. In the short term, they may enable us to meet our immediate needs, but in the long term they are counterproductive, often divisive, and frequently result in a breakdown of connection, thereby affecting our relationships and undermining any positive contributions we may have been able to make. The frequent utilization of potentially limiting values as a basis for conscious or subconscious decision-making always leads to isolation, separation, and failure. Potentially limiting values are sourced from the fears of the ego and support the ego's self-interest.

## Why Are Values Important?

Our values are always a reflection of our needs. Whatever we need, we value. If you are poor, you value income and financial security. If you are alone, you value friendship and closeness. If you are unwell or suffering, you value empathy and compassion. Whatever we consider is missing from our lives, what we need, or whatever we consider to be important, what we want more of in our lives, is what we value. Human beings experience three levels of needs; these are described in Table 4.1.

The three levels of need shown in Table 4.1 are a simplification of the nuances that exist between needs, wants, and desires. The distinction I have made, however, between unfulfilled needs that cause us to be anxious and fearful and unfulfilled needs that are more like desires is important. Let me explain why.

The anxieties and fears that our leaders, managers, and supervisors have about meeting their unmet needs, particularly their unmet emotional needs, such as more control, more respect, more recognition, and more power, are the principal sources of dysfunction that we find in organizations. They are also among the principal sources of dysfunction we find in our personal lives.

**Table 4.1** Levels of needs

Level of need	Description
Something you <i>don't have</i> that you feel you absolutely need	Something you consider important that if <i>you had</i> , you would feel less anxious or fearful
Something you <i>don't have enough of</i> that you feel you absolutely need	Something you consider important that if <i>you had more of</i> , you would feel less anxious or fearful
Something you <i>would like to have or desire</i> that does not represent an immediate or pressing need	Something that you don't have and that you believe would make you happier or improve your life in some way at some point in time in the future

<sup>4</sup>You can explore your most important values by doing the free values assessment at [www.valuescentre.com/pva](http://www.valuescentre.com/pva).

## Basic Needs and Growth Needs

One of the first researchers to make the link between needs, values, and motivations was Abraham Maslow. Maslow, who was one of the foremost spokespersons for the humanistic and positive psychology movement, identified two basic types of human needs:

- Basic needs, also known as “deficiency” needs
- Growth needs, also known as “being” needs

A *basic need* is something that is important to get, have, or have more of, in order to feel safe, happy, and comfortable in your existing physical and social environment. A *growth need* is something you would like to have in order to feel a sense of *internal* alignment—at ease or at peace with yourself—and a sense of meaning about your life and a feeling of making a difference by making a positive contribution in your world.

You feel anxious and fearful when you are unable to satisfy your basic needs, but once they are met, you no longer pay much attention to them. The reason you feel anxious or fearful when these needs are not met is that you feel you need to satisfy these needs to ensure your physiological and emotional well-being.

When you are able to satisfy your growth needs, unlike your basic needs, they do not go away; they engender deeper levels of attention and commitment. The reason you feel motivated to satisfy your growth needs is that they allow you to become more fully who you are. Satisfying these needs is an integral part of the process of self-actualization.<sup>5</sup> Maslow describes the relationship between our basic needs and growth needs: “Man’s higher nature rests on his lower nature, needing it as a foundation... The best way to develop this higher nature is to fulfil and gratify the lower nature first.”<sup>6</sup>

From this, we can see that at any moment in time, our values are a reflection of our motivations, which are a reflection of our needs. Consequently, as we grow and develop, our values change in accordance with our changing needs. There are two main factors that determine our needs and what we value: the stage we have reached in our psychological development and the life situation in which we find ourselves at a specific moment in time. For example, if we lose our savings through imprudent investing and then lose our job, we will immediately shift to the survival level of consciousness and value financial stability.

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<sup>5</sup>Kurt Goldstein, a psychiatrist and pioneer in modern neuropsychology, first used the term “self-actualization” to describe the driving force in organisms that actualizes their individual capacities as much as possible. Abraham Maslow later used the term, not as a driving force but as the desire in human individuals to become more of what one is and to become everything one is capable of becoming, thereby achieving the full realization of one’s potential. Self-actualization is growth motivated, rather than deficiency motivated.

<sup>6</sup>Abraham Maslow, *Toward a Psychology of Being*, second edition (New York: Van Nostrand Reinhold), 1968, p. 173

## Stages of Psychological Development

There are seven stages of psychological development that correspond to the different seasons of our lives. These are shown in Table 4.2. The first column of Table 4.2 identifies the stages of development, with the corresponding level of consciousness in brackets. The second column indicates the approximate age range when each stage of psychological development begins to become important. The third column describes the primary need we experience at each stage of psychological development (also known as the developmental task). The fourth column indicates the underlying motivation at each stage of development, and the fifth column lists the value priority associated with this motivation.

The seven stages of psychological development occur in consecutive order. Each stage of development is a necessary foundation for the subsequent stage. You cannot jump stages, but you can begin to explore the next stage of development before you have fully mastered the previous stage. It takes a full lifetime to pass through the

**Table 4.2** Needs, motivations, and value priorities associated with the seven stages of psychological development

Stages of physiological development (level of consciousness)	Normal age range	Need	Motivation	Value priority
Serving (service)	60+ years	Alleviating suffering by caring for the well-being of humanity and the planet	Selfless service	Social justice
Integrating (making a difference)	50–59 years	Cooperating with others who share the same values and purpose	Making a difference	Contribution
Self-actualizing (internal cohesion)	40–49 years	Becoming more fully yourself by finding and expressing your gifts and talents	Meaning and purpose	Integrity
Individuating (transformation)	25–39 years	Becoming more fully yourself by finding and expressing your own values and beliefs	Freedom and autonomy	Independence
Differentiating (self-esteem)	8–24 years	Looking good or displaying your skills and talents so you can become part of a group	Respect and recognition	Security
Conforming (relationships)	2–8 years	Staying close to your kin and community so you feel safe and protected	Love, acceptance, and belonging	Safety
Surviving (survival)	Birth to 2 years	Getting your physiological needs met by staying alive and healthy	Physical well-being and good nutrition	Survival

seven stages of development. If you successfully complete the journey, you will experience a sense of joy and fulfillment in the latter years of your life.

If you fail to fully master a stage, it becomes a potential weakness that can undermine your progress later in life. Our news media are full of such stories: people in authority (often politicians) or celebrities (people in the public's awareness) who have been discovered cheating, lying, stealing, or having inappropriate sexual relationships. Their reputations and their lives are often ruined when such stories are made public. Without exception, the cause of their demise is their subconscious or conscious attempts to satisfy their unmet deficiency needs.

We also see this happening in business. Events at Enron, WorldCom, Parmalat, Siemens, Bear Stearns, RBS, Northern Rock, and Lehman Brothers bear testimony to this fact. In every case, these organizations met their demise or were severely punished on the financial markets because their leaders were more focused on attempting to fulfill their unmet deficiency needs than thinking about guarding the reputation of the company. They compromised their futures and the futures of their organizations by allowing their need for power and recognition to get in the way of their accountability for the long-term success of the company and the well-being of employees and investors.

Until you are able to satisfy or come to terms with the needs that eluded you as an infant, child, or teenager, you will find yourself leading a dependent life, constantly searching to satisfy the needs you found elusive in your formative years. These unmet needs are the real source of *the anxieties and fears of our leaders, managers, and supervisors*. Consequently, they are also the primary source of dysfunction in our organizations. They result in what is known as *cultural entropy*.

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## Cultural Entropy

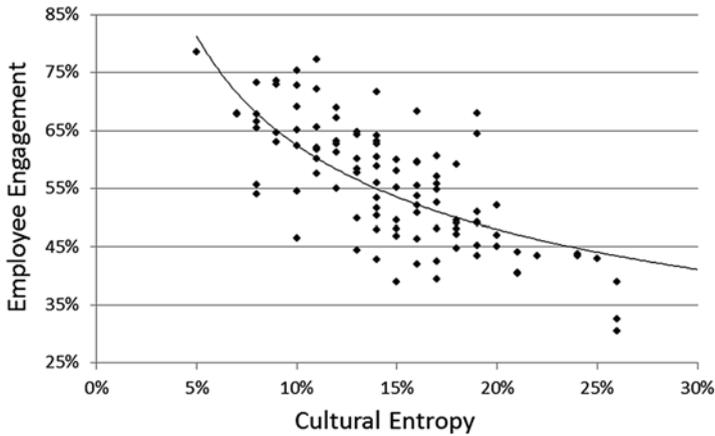
Cultural entropy is the amount of energy consumed in doing unproductive or unnecessary work. It is the degree of dysfunction (friction and frustration) in an organization or any human group structure that is generated by the self-serving, fear-based actions of employees, supervisors, managers, and leaders. As cultural entropy increases, the level of trust and internal cohesion decreases. To gain trust, the leaders have to operate with authenticity and live with integrity. They have to demonstrate that they care about their people and all their stakeholders.

The main source of cultural entropy in an organization is the fear-based actions and behaviors of the leaders, managers, and supervisors. When leaders, managers, and supervisors are anxious and fearful—when they have unmet deficiency needs and engage in dysfunctional behaviors such as control, manipulation, blame, internal competition, etc.—cultural entropy increases and employee engagement decreases.

Conversely, when leaders, managers, and supervisors engage in caring and trusting behaviors and focus on satisfying the needs of their employees and their stakeholders, cultural entropy decreases, employee engagement increases, and profitability and performance shoot through the roof.<sup>7</sup>

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<sup>7</sup>Richard Barrett, *The Values-Driven Organization: Unleashing Human Potential for Performance and Profit* (London: Fulfilling Books), 2013



**Fig. 4.1** The relationship between cultural entropy and employee engagement

Based on the experiences we have had at the Barrett Values Centre over the past 18 years, we have been able to document the link between cultural entropy and employee engagement, and cultural entropy and leadership issues.

Figure 4.1 shows the relationship between cultural entropy and employee engagement based on the research we carried out with Hewitt Associates on 163 organizations in Australia. We found that low cultural entropy leads to high employee engagement, and high cultural entropy leads to low employee engagement.

What all this means is:

- (a) Cultural entropy is a key indicator of performance. Low entropy leads to high employee engagement and financial success: high entropy leads to low employee engagement and financial disaster.
- (b) The main source of cultural entropy is the personal entropy of the supervisors, managers, and leaders. The personal entropy of supervisors, managers, and leaders leads to cultural entropy, which leads to low levels of employee engagement.

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## Personal Entropy

Personal entropy is the amount of fear-driven energy that a person expresses in their day-to-day interactions. Fear-driven energy arises from the conscious and subconscious fear-based beliefs (limiting beliefs) that people have about meeting their deficiency needs.

Limiting beliefs at the survival level of consciousness are about self-preservation: not having enough of what you want or need to feel safe and secure. These beliefs result in the display of potentially limiting values such as *control*, *manipulation*, *greed*, and *excessive caution*.

Limiting beliefs at the relationship level of consciousness are about belonging: not feeling cared for or loved enough to be accepted and protected. These beliefs result in the display of potentially limiting values such as *blame*, *being liked*, *competition*, and *jealousy*.

Limiting beliefs at the self-esteem level of consciousness are about self-worth: not being enough (or not having enough) to engender the recognition or respect of the authority figures in your life or your peers. These beliefs result in the display of potentially limiting values such as *status seeking*, *power seeking*, and an overly strong focus on *self-image*.

Almost everyone operates with some level of personal entropy. The problem with personal entropy is that, if you don't learn to master it, it becomes counterproductive to meeting your goals. If you are a leader, manager, or supervisor, you will find your personal entropy showing up in your organization, department, or team as cultural entropy. It will undermine the performance of your organization, department, or team, reduce the level of commitment of your employees, and lower their level of commitment and engagement.

Leaders with the lowest levels of personal entropy (0–6%) often display several relationship values, such as listening, accessibility, teamwork, trustworthiness, accountability, and fairness; they do not display any potentially limiting values. They operate with integrity, are committed to the organization, and come to work enthusiastic with an up-beat, positive attitude.

Leaders in the midrange of personal entropy (11–15%) may display only one or two potentially limiting values, but they display few relationship values. They tend to be more focused on organizational values such as goals and results.

Leaders in the high range of personal entropy (21% or more) display numerous potentially limiting values such as controlling, long hours, demanding, and power seeking. They come across as authoritarians. They often display potentially limiting relationship values.

As counterintuitive as it may seem, we can conclude that the most effective and successful leaders focus on people and the least effective leaders focus on results. It is not that results aren't important: they are. But to get the results you want, you have to focus on satisfying the psychological needs of your people, because these are their principal motivations in life.<sup>8</sup>

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## Levels of Leadership Consciousness

Table 4.3 provides an overview of the seven levels of leadership consciousness. The first column gives a brief description of the key function at each level of consciousness; the second column describes the main tasks and values associated with each level of leadership.

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<sup>8</sup>For more on this topic, see Chapter 3: What Employees Want of Richard Barrett, *The Values-driven Organization: Unleashing Human Potential for Performance and Profit* (London: Fulfilling Books), 2013

**Table 4.3** Levels of leadership consciousness

Levels of consciousness	Positive characteristics
Wisdom/visionary	Service to humanity: long-term perspective, future generations, ethics, ecological safety, compassion
Mentor/partner	Collaboration with customers and community: strategic alliances, employee fulfillment, empathy, environmental stewardship
Integrator/inspirer	Development of organizational community: trust, openness, integrity, creativity, shared vision and shared values
Facilitator/influencer	Continuous renewal and transformation: learning, innovation, teamwork, empowerment, accountability
Manager/organizer	Best practices: excellence, quality, systems, processes, goals, results, rewards, responsibility
Relationship manager	Internal community building: loyalty, friendship, listening, caring, accessible, communications
Crisis manager	Pursuit of profit and financial stability: focus on bottom line, strong in times of crises, employee health and safety

The following text provides a more detailed description of the seven levels of leadership consciousness. The first three levels have a healthy and unhealthy aspect because these are the levels where we develop limiting beliefs during our formative years.

### Level 1: Crisis Manager

*Healthy Aspect:* Crisis managers understand the importance of profit and shareholder returns. They manage their budgets meticulously. They look after the health and safety of employees. They are appropriately cautious in complex situations, but are willing to take risks that do not compromise the organization's future. They maintain a long-term perspective while dealing with short-term issues and goals. They promote a culture of compliance. Normally, they will go no further than they have to in satisfying legal regulations. One of the most important attributes of crisis managers is the ability to handle crises. When the survival of the organization is threatened, they know how to take control. They are calm in the midst of chaos and decisive in the midst of danger. In such situations the leader may need to take on the mantle of the authoritarian, but this should only happen during periods of crisis.

*Unhealthy Aspect:* When leaders operate as authoritarians on a regular basis, they quickly lose the trust and commitment of their people. Often, the reason leaders use a dictatorial style to get what they want is that they find it difficult to relate to people in an open and effective way. They are afraid to let go the reins of power because they have difficulty in trusting others. The greater their existential fears regarding their survival and safety, the more risk averse they become. Authoritarians can be quick to anger and are unable to discuss emotions. They bottle up their feelings and hide their true selves behind their position of authority. They are often very lonely people. If they have insecurities around money, they will exploit others for

their own ends. They are greedy in the midst of plenty and for them, enough is never enough. They are always pushing the limits of what is possible. They focus exclusively on short-term results. Fear-driven authoritarians create unhealthy climates in which to work. They hardly ever relax. They are consumed by the anxieties that are generated by their subconscious survival fears.

## **Level 2: Relationship Manager**

*Healthy Aspect:* Relationship managers handle conflicts easily and invest a lot of time in building harmonious working relationships. They do not run away or hide from their emotions. They use their relationship skills to handle difficult interpersonal issues and their communication skills to build loyalty with their employees. They deliver good news and bad news to all staff indiscriminately. They believe in open communication. They acknowledge and praise staff for a job well done. They give people recognition. They are accessible to their employees and not stingy with their time. They are actively involved with customers and give priority to customer satisfaction.

*Unhealthy Aspect:* When leaders hold subconscious fears about relationships, they find it difficult to deal with their emotions and the emotions of others: they avoid conflicts, are less than truthful in their interpersonal communications, and resort to manipulation to get what they want. They can also be very demanding. They mask their fears behind humor, and they protect themselves by blaming others when things go wrong. Relationship managers are often protective of their people, but demand loyalty, discipline, and obedience in return. They are often enamored by tradition and operate as paternalists. Paternalists find it difficult to trust people who are not part of the “family.” They are secretive and engage in mafia politics. They will get even by seeking revenge. If they are the founder of a family-owned business, their lack of trust in outsiders can severely limit the pool of talent that they are able to draw on. Because paternalists demand obedience, they tend to crush the entrepreneurial spirit of employees.

## **Level 3: Manager/Organizer**

*Healthy Aspect:* Managers bring logic and science to their work. They use metrics to manage performance. They build systems and processes that create order and efficiency and enhance productivity. They have strong analytical and technical skills. They are experts in their fields. They think strategically and move quickly to capitalize on opportunities. They are rational in decision-making. Inwardly focused managers are good at organizing information and monitoring results. Outwardly focused managers anticipate workflow problems and get things done. They plan and prioritize their work and provide stability and continuity. They create schedules and enjoy being in control. They are focused on their careers and are willing to learn new skills if it will help them in their professional growth. They embrace best

practices and want to learn the latest management techniques so they can drive toward quality and excellence. They want to be successful and they want to be the best. They have a healthy pride in their work.

*Unhealthy Aspect:* When a manager's self-esteem needs are driven by subconscious fears, they become hungry for power, authority, or recognition. They build empires to display their power or they build bureaucracies and hierarchies to demonstrate their authority. They are overachievers and will compete with their colleagues so they can come out on top and thereby gain status, recognition, or acknowledgment from their peers or bosses. They are proud of their achievements and will talk about them endlessly. They display signs of arrogance. They will play office politics to get what they want. They will want to buy a big house, join the best golf club, or drive the flashiest or most exclusive cars to show off and feel good about themselves. They are often meticulous about their wardrobe. They are more concerned about how things look rather than how they are. Image is everything. Often they derive their self-esteem through their work. Consequently, they tend to work long hours and neglect themselves and their families. They lead unhealthy lives because they are out of balance. They are consumed by their work because this is where they find their self-esteem. Their self-esteem is derived externally from others.

#### **Level 4: Facilitator/Influencer**

At this level of consciousness, leaders focus on developing the healthy aspects of their personalities and managing, mastering, or releasing the unhealthy aspects. They seek to be accountable and responsible for all their thoughts, feelings, and actions.

Facilitators readily seek advice, build consensus, and empower their staff. They recognize that they do not have to have all the answers. They give people responsible freedom, making them accountable for outcomes and results. They research and develop new ideas. They consistently evaluate risks before embarking on new ventures. They resist the temptation to micromanage the work of their direct reports. They promote participation, equality, and diversity. They ignore or remove hierarchy. They are adaptable and flexible. They embrace continuous learning. They actively engage in their own personal development and encourage their staff to participate in programs that promote personal growth. They are looking to find balance in their lives through personal alignment. Balance leads to detachment and independence and allows them to become objective about their strengths and weaknesses. They are learning to release their fears so they can move from being outer-directed to being inner-directed. They are in the process of self-actualization. They are on a journey of personal growth. As they let go of the need for outer approval, they begin to discover who they really are. They become enablers of others, encouraging them to express themselves and share their ideas. They encourage innovation. They focus on team building. They enjoy challenges and are courageous and fearless in their approach to life. Facilitators are in the process of shifting from becoming a manager to becoming a leader.

## **Level 5: Integrator/Inspirer**

The integrator/inspirer is a self-actualized individual who has discovered their sense of purpose. They build a personal vision and mission and a vision and mission for the organization that inspire employees, customers, investors, and society. They promote a shared set of values and demonstrate congruent behaviors that guide decision-making throughout the organization. They demonstrate integrity and are living examples of values-based leadership. They walk their talk. They build cohesion and focus by bringing values alignment and mission alignment to the whole company. In so doing, they enhance the company's capacity for collective action. By creating an environment of openness, fairness, and transparency, they build trust and commitment among their people. The culture they create unleashes enthusiasm, passion, and creativity at all levels of the organization. They are more concerned about getting the best result for everyone rather than their own self-interest. They are focused on the common good. They are creative problem solvers. They view problems from a systems perspective, seeing beyond the narrow boundaries of cause and effect. They are honest and truthful and display integrity in all they do. They are able to see through the veil of complexity and identify what is important. This confidence and their openness allow them to reclassify problems as opportunities. They clarify priorities by referring to the vision and mission. They make decisions based on their values. Integrator/inspirers are good at bringing out the best in people and tapping into their discretionary energy.

## **Level 6: Mentor/Partner**

Mentor/partners are motivated by the need to make a difference in the world. They are true servant leaders in that they recognize and focus on building a working environment where individuals are encouraged and empowered to fulfill their potential. They create mutually beneficial partnerships and strategic alliances with other individuals or groups who share the same vision and embrace similar values. They collaborate with customers and suppliers to create win-win situations. They recognize the importance of environmental stewardship and will go beyond the needs of compliance in making their operations environmentally friendly. They display empathy. They create an environment where people can excel. They are active in building a pool of talent for the organization by mentoring and coaching their subordinates. They are intuitive decision-makers. They are inclusive. They are on top of their game. They are active in the local community, building external relationships that create goodwill and build resilience. They display emotional intelligence, social intelligence, and intellectual intelligence.

## **Level 7: Wisdom/Visionary**

Wisdom/visionary leaders are motivated by the need to be of service to the world. Their vision is global and they have a holistic perspective on life. They can handle multiple levels of complexity. They are focused on the questions, "How can I help?"

and “What can I do?” They are concerned about the state of the world and social justice. They also care about the legacy they are leaving for future generations. They are not prepared to compromise long-term outcomes for short-term gains. They use their influence to create a better world. They see their own mission and that of their organization from a larger, societal perspective. They are committed to social responsibility and ethics. For them, the world is a complex web of interconnectedness, and they know and understand their role. They act with humility and compassion. They are generous in spirit, patient, and forgiving in nature. They are at ease with uncertainty and can tolerate ambiguity. They enjoy solitude and can be reclusive and reflective. Level 7 leaders are admired for their wisdom and vision. They are destined to become the elders of our society.

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## Full-Spectrum Consciousness

Full-spectrum leaders display all the positive attributes of the seven levels of leadership consciousness:

- They create an environment of financial security and physical safety for themselves and those in their charge.
- They are open in their communications and create a culture of caring and belonging that engenders employee and customer loyalty.
- They measure and monitor the progress they are making toward achieving the organization’s goals, and they keep the organization focused on quality, excellence, and continuous improvement. They take pride in the organization’s performance and encourage employees to pursue their professional growth.
- They understand themselves and their deepest motivations. They are responsible and accountable for all their actions. They empower their staff to act with autonomy and support them in their personal growth. They embrace a set of shared values that resonate with employees and guide them in their day-to-day decision-making.
- They have a sense of purpose. They create a shared vision for the future of the organization that aligns with their purpose and are a source of inspiration for all the stakeholders of the organization.
- They collaborate with partners who share a similar sense of purpose and similar values so they can make a difference in the world. They mentor and coach their subordinates to help them grow and develop and find personal fulfillment through their work.
- They align the needs of the organization with the needs of humanity and the planet to achieve long-term sustainability for everyone and perform acts of selfless service with humility and compassion.

Not everyone has the ability to attain full-spectrum personal consciousness; few have the competencies to attain full-spectrum leadership. If you approach this task from the level 3 consciousness of achievement, you will not succeed because this is

not a pass-or-fail endeavor. It is not about being the top of your class; it is about being authentic, operating with integrity, and fulfilling your potential. It is about becoming the best for the world, not the best in the world.

The quickest way to become a full-spectrum leader is to seek feedback from your subordinates, peers, and boss. The feedback should always focus on how you can become a better leader. Self-knowledge is the key. We all have our blind spots. That is why we need feedback. It is important to remember not to be defensive when receiving feedback. Everyone's perception is their reality. This is why it is important to evaluate all the feedback you get from an objective standpoint. However, when you continually get the same negative feedback, you can be sure that there is an issue that needs your attention.

### Chapter Summary

Here are the main points of this chapter:

- Values-driven organizations are the most successful on the planet.
- Values are the energetic drivers of our aspirations and intentions.
- Our values are always a reflection of our needs. Whatever we need, we value.
- We have two types of needs: basic needs and growth needs.
- There are seven stages of psychological development.
- The unmet needs from our early development are the source of personal entropy.
- The personal entropy of the leaders of an organization creates cultural entropy.
- Cultural entropy is source of poor performance because it reduces employee engagement.
- There are seven levels of leadership consciousness.

### Discussion Questions

1. Read through the seven levels of leadership consciousness and identify which of these descriptions best describes you as a leader.
2. Identify your most important values. Go to [www.valuescentre.com/pva](http://www.valuescentre.com/pva) and complete your free values assessment.
3. Ask for feedback from your colleagues and spouse about how you can improve your interactions.
4. Think about the leaders you admire and ask yourself what qualities they have that you would like to emulate.
5. Think about the situations that upset you the most. Inquire within to find out the fears that create your upset.

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## Abstract

Organizations have evolved into complex entities that exist within even more complex and dynamic societal and global systems. Understanding the complexities and facing today's challenges may require different leadership skills. Traditional leadership theories, vocabulary, and perspectives on leadership vision are insufficient in guiding the knowledge economy. Vision can mean a long-term goal or an idealized future state, but vision can also mean the ability to see. This chapter explores a new perspective on leadership vision by turning to new science theories such as the quantum field theory and the holographic principle.

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## Introduction

Leadership studies have consistently acknowledged the essence of vision as a significant component and determinant of leadership performance. The leadership process often begins by articulation of a vision. This chapter explores a new perspective on leadership vision. Previous studies on leadership have shown that a good vision helps the organization succeed in a variety of ways that include motivating followers to achieve greater performance in the future, reinforcing norms and values, articulating a common goal and purpose, giving meaning to organizational life, and leading to the accomplishment of collective goals, greater than the sums of the parts.

There appears to be consensus among scholars on the definition of vision. Vision has been variously defined as an idealized verbal portrait of what the organization aspires to one day achieve (Rafferty & Griffin, 2004; Waldman & Yammarino, 1999;

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Whittington, Goodwin, & Murray, 2004), a tangible representation of the long-term goals for the company and its idealized future state (Conger, 1999; Levin, 2000), and future idealizations of shared organizational goals established by the leader (Bass, 1985; Berson, Halevy, Shamir, & Erez, 2015; House, 1977; Tichy, 1983). These descriptions of vision have three common characteristics. Vision is future oriented, an idealized utopia, and has a long-term time frame. In addition, vision is crafted as a generalized, broad statement that would lend itself to multiple interpretations. Most studies on leadership have focused on how the vision is articulated and communicated (Carton, Murphy, & Clark, 2014; Nemanich & Keller, 2007; Strange & Mumford, 2002; Shamir, House, & Arthur, 1993; Gioia & Chittipeddi, 1991; Venus, Stam, & Van Knippenberg, 2013). The process of creating a vision is described as sensemaking of complex environmental variables and future events into reducible mental models that can be easily articulated to the followers. Such a creative process would require vast gestalts of knowledge, the ability to see systems and the whole, and the openness to sense the emerging future. In their study of the vision process, Strange and Mumford (2002) have found that the vision process arises from the leader's prescriptive mental model. However, few studies have taken a deeper look into the concept of vision itself, evaluated the content of the vision (Larwood, Falbe, Kriger, & Miesing, 1995), and explored what it takes to craft a good vision and how the vision aligns to follower expectation and goals. In this chapter, we explore the concept of vision, the depths of vision creation, and the process of deriving the vision content. Vision can mean a long-term goal or the ability to see, and we explore both concepts in this chapter.

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## Current Theories on Leadership Vision

Current leadership theories have conceived vision as an idealized abstraction of long-term goals. Consequent to that, vision statements often use abstract and imagery language and emphasize values, distal goals, and utopian outcomes (Berson et al., 2015). Goals are utopian while the path to achieving those outcomes is cast in general, if not vague. Vision literature further implies a tacit agreement and understanding of outcomes between the leader and the followers. However, modern organizations have evolved into complex entities that exist within even more complex and dynamic societal and global systems. In analyzing our current understanding of leadership vision, there are three main areas of interest:

1. Over time organizations have transitioned from simple linear structures to knowledge-intensive entities. Similarly, the contextual environment has become a vast global dynamic landscape. The organizational environment is increasingly unstable with disruptive changes and uncertainties.
2. The world is increasingly complex with globalization of organizational landscapes, changing technologies, constant transformations within organizations, and intense interactions with multiple stakeholders. Effective organizations are adaptive systems where the complexity of their organizations is matched with the complexity of the environment (Boisot & McKelvey, 2010).

3. The previous romanticized view of leadership presumes that the leader has the cognitive capacity and wisdom to direct attention and focus to the right direction, accurately comprehend complexity, and define the path forward for the organization. There is a tacit assumption that the leader is capable of aligning personal interpretive orientation, values, and beliefs with those of the followers through an effective frame alignment. However, the leader's individual goals may be at odds with the followers or the collective entity. The leader's perception and interpretation of the environment may also be in dissonance with that of the followers.

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## Issues with Vision Research

A century of leadership research has generated many theories. However, the vision aspect has been presumed or largely ignored. Research on vision is also problematic in some specific areas. Leadership scholars have, in many instances, not aligned the vision time frame with goals or performance. A greater concern is the consistent overemphasis on objective evaluation of successful leadership visions when, in fact, vision goals are often vague and utopian. A leader's vision is an aspiration to strive for, and the use of subjective time periods to measure effectiveness of the vision is at best an academic exercise. Objective measurements are reductionist and may not adequately capture essential components such as passion, emotion, and long-term future projections that a vision is meant to accomplish. Finally the vision process is blinded by our own bounded rationality that dictates what we think, how we behave, and how we make sense of the world. Many leadership scholars lack the tools and methods to capture the leader's vision and often resort to fragments of historiometric and other archival data. Scharmer and Kaufer (2013) note that "our inherited leadership vocabulary is no longer fit to meet the challenges of our time" (p. 111).

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## New Paradigm on Leadership and Vision

For the last two decades, management scholars have been inspired by other disciplines to better understand how the world works and human organizations thrive. One such example is applying the real-world lessons learned from new science, such as the chaos theory and quantum physics, to leadership and management (Wheatley, 2009). New science discoveries have shifted management perspectives and practices to some extent. For example, we may refrain from maintaining order by rigid control because we have learned that order can emerge from chaos and that natural systems have the ability to self-organize themselves. Natural systems show us that "strange attractors" in chaos bring order, as seen in snowflakes. Quantum physics has inspired us to see the primacy of the coherent whole with inseparable, interconnected parts, which has led to greater understanding of biophysics (Bischof, 2000) and organizational studies. In this section, we discuss theories that have influenced the way we understand leadership and organizations in recent years.

## Complexity Leadership Theory

A complexity perspective provides a more realistic setting and context of the current organizational environment. Ever since Peter Drucker identified the emergence of the knowledge worker (Drucker, 1967), the knowledge economy and consequent knowledge organization and the knowledge worker are increasingly dominating the organizational corporate landscape. More organizations are relying on intellectual capital rather than manufacturing and primary extraction activities. Organizations create value to their stakeholders. These organizations of the twenty-first century deeply embrace innovation, knowledge, technology, learning, and adaptation as core competences. In addition, they have to constantly adapt to environmental changes through innovation and continuous learning. Adaptation and change are not a matter of choice but a means of survival in an increasingly complex world in which we live. Kahane (2004) identified three complexities that are at the root of the toughest problems leaders face today. They are (1) dynamic complexity: cause and effect distant in time and space, (2) social complexity: diverse stakeholders with different agendas and worldviews, and (3) generative complexity: emergent realities wherein solutions from the past no longer fit (p. 4). The implication is that the framework and assumptions in traditional leadership theories and perspectives on leadership vision are insufficient in guiding the knowledge economy.

A realistic view of current leadership demands and the contextual environment must incorporate the complexities involved in developing an effective vision. A complexity leadership perspective is suited for this purpose. From a complexity leadership theory (CLT) perspective, leadership is conceived as a complex interactive dynamic from which adaptive outcomes such as learning, innovation, and adaptability emerge (Uhl-Bien, Marion, & McKelvey, 2007). CLT is based on four premises that comprise of context and history, emergent leadership, adaptive leadership that is distributed through the organization and adaptive challenges that require new learning, innovation, and behavior (Uhl-Bien et al., 2007). Traditional ways of developing a leadership vision in a complex environment are, at best, insufficient in assessing and responding to all the variables. Due to environmental dynamics, organizational actors are constantly changing; leadership tenure in modern organizations is often short lived and fluid because of competing institutional challenges, demands for agile leadership competence, and low tolerance for failure among stakeholders. Knowledge workers as followers/employees are to a large extent self-governing free agents with multiple loyalties to their organization, the environment, the profession, and buttressed individual values. As a consequence, it is not always guaranteed that the vision is reflective of the existing leaders' or followers' values over time. Uhl-Bien et al. (2007) propose that "Much of leadership thinking has failed to recognize that leadership is not merely the influential act of an individual or individuals but rather is embedded in a complex interplay of numerous interacting forces" (p. 302).

## Quantum Field Theory

Contrary to the classical view of the world in which individual particles do their own thing, quantum theory suggests that the universe is made of subatomic waves of energy and finds form only through observation (Capra, 1999). This subatomic matter is interconnected energy constantly exchanging within a field and functioning at a particular frequency to maintain order and greater coherence in the universe (Bohm, 1980; Laszlo, 1995). Laszlo (1995) suggests that the energy is able to self-organize into a coherent state linked by an electromagnetic field. It's not easy for those of us who are not physicists to comprehend this technical information, but we can see the significance of what it can teach us. How this information from new physics relates to leadership is that it may shift the way the leader views the world and an organization: whether the leader sees isolated parts or the leader sees webs of interconnectedness. Although we are accustomed to seeing things and categories, which make it easier for us to grasp reality, we may not be able to easily see the underlying complexities. We begin to see how interconnecting parts play into a coherent whole.

Laszlo (1995) presents a theory that the quantum vacuum is “the subtle energies that underlie all matter in the universe” (p. 113) and that quantum vacuum, which he equates with Akashic field, is the place from which “all things come to exist in space and in time” (p. 130). Basic qualities of quantum vacuum are summarized by Zeiger and Bischof (1998).

- Holistic (vacuum is the purest representative of the quantum reality which integrates infinite dynamics and complete silence/non-interactivity)
- Containing all possibilities (field of unrestricted pure potentiality)
- Self-interacting (self-reference/consciousness)
- Ideal order (state of maximum symmetry)
- Unifying (integrating matter and forces)
- Omnipresent (all-pervading wholeness)
- Interconnecting (provides fundamental, nonlocal, interconnecting level of reality)
- Creative (self-active source of manifestation, source of asymmetry)
- Transforming (source of all change)
- Balancing (containing and integrating opposite tendencies) (p. 4)

One of the key lessons for leadership vision is that the leader should have the ability to see “the field” and access all possibilities. Contrary to the Western view of taking charge and controlling the outcome, the leader can learn to get the ego out of the way so that the possibilities can emerge. Another important lesson may be to see and accept that opposites can be part of the same thing so that the leader can begin to envision the world with nonduality.

## Holographic Principle

A central question is whether vision is relevant or even necessary, given the complexities and dynamics of the environment and the need for constant adaptation. Even in stable environments, there is abundance of anecdotal evidence of effective visions, but little empirical evidence. There is historical evidence of leadership visions that have led organizations and other collectives to rise beyond their expectations and fulfill long-term goals. Other vision statements have transcended time and are as relevant today, long after the respective leaders have departed.

An effective vision requires the leader to have an understanding of the past to avoid past mistakes. The leader requires deep knowledge of the present, including the connectivity and interactions of various components of the whole system. The capacity to use available information to make accurate projections and predictions of future events is essential. Clearly, the challenges of developing an effective vision are far more complex and have received marginal attention in leadership research.

An emerging paradigm that may help us better understand the visioning process in our complex world is the holographic perspective. The holographic perspective is a nascent theory that continues to gain empirical support in physics, biology, neuroscience, and psychology. In general terms, the holographic principle describes the human brain's ability to transcend time and space while constructing reality. Interaction with reality at a primary level may explain precognition, time distortion, and rapid learning. The holographic principle provides a framework and process for capturing whole components of knowledge of the past and the present. The principle also facilitates the process of "peeking into the future," different states of consciousness, precognition, and transpersonal psychology. Previous leadership studies have acknowledged that globalization has introduced new leadership challenges that transcend geography, distance, time zones, and cultures (Berson et al., 2015; Swaab, Galinsky, Medvec, & Diermeier, 2012). Leaders have to further connect with real people across time and space across the global landscape.

The holographic principle has its foundations in theoretical physics. Albert Einstein's theory of relativity proved that space and time were not absolute but relative to each other and that mass could also be translated into energy. The most famous equation,  $E=mc^2$ , led to other related discoveries in quantum physics, string theory, and the holographic principle. Our focus is on the holographic principle, whose development can be attributed to many eminent scholars including the work of Karl Pribram and David Bohm (Wilber, 1982). A hologram is a three-dimensional image that is created from two light waves using a laser beam. The critical characteristics of a hologram are that it can be viewed as a whole from any position and every part of the hologram contains the whole image. You can use a piece of the hologram to see the whole three-dimensional object. This is the holographic principle, "all of the object is in

every part” (Talbot, 1991). Evidence of the holographic principle has started to emerge in quantum physics. Alain Aspect, a French physicist discovered that, under certain conditions, electrons can communicate with each other regardless of the distance and barriers between them (Aspect, 1982). This principle has been applied in other disciplines such as biology, mathematics, and psychology. In a grotesque biological experiment, rats were trained to navigate a maze, creating an engram of the maze in their brains. However, even after cutting and slicing significant parts of the brain, the rats could still navigate the maze (Talbot, 1991), suggesting that the brain’s memory is distributed and the brain’s deep structure is distributed, analogous to the hologram. While trying to disprove the holographic principle, Paul Pietsch, an anatomist, sliced and chopped brain tissues of salamanders but found that the salamanders would revert to normal feeding behavior as long as any part of the brain tissue was put back (Pietsch, 1981).

Previously, Carl Jung had independently arrived at the concept of the *collective unconscious*, the inherited part of the human psyche that is not developed from human experience. These archetypes, thought forms, and images may be at odds with traditions and cultural rules, reflecting deep innate projections (Jung, 2014), independent of the environment. From a holographic principle, the collective unconscious appears to reflect a hologram of motifs from our ancient ancestors that is potentially present in the human community. Individuals with the ability to tap into this hologram have significant holographic clarity of the past and the present and can more accurately project the future. This may, in part, explain the existence of telepathic powers and precognition. By extension, it may explain the unique ability of some leaders to articulate enduring visions for their collective that transcends time and space. In more recent times, Stanislav Grof, a psychiatrist, has developed experiments that connect transcendental experiences with the physical environment and time. Grof submits that our consciousness has the capacity to directly access the earliest history of the universe—witnessing dramatic sequences of the big bang, the formation of the galaxies, the birth of the solar system, and the early geophysical processes on this planet billions of years ago (Grof, 1994, pp. 113–114). In a series of experiments, Grof attributed telepathy and other transpersonal experiences by individuals during altered states of consciousness to the holographic paradigm (Talbot, 1991).

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## Expanding Our Understanding of Vision

Although other disciplines such as new science have created shifts in our understanding of leadership, we have not taken a deeper and more critical look into the concept of vision. As we discussed earlier, there is general consensus in the definition of the term vision, which is an idealized portrait or a long-term goal. Vision, however, can also mean the ability to see, not the physical ability to see things but

the ability to see and grasp the real issue. It is critical for the leader to have the ability to see beyond the façade and know what he or she is looking at.

As mentioned earlier, the current understanding of leadership vision is not sufficient considering dynamic, social, and generative complexities in mind. In this section, we propose different perspectives of the concept of vision.

## **Vision as Focus of Inquiry**

What we choose to see and focus on carries power and energy. Appreciative inquiry emphasizes what gives life to a living system, and it is rooted in the notion that what we study grows and what we appreciate (pay attention to) appreciates (increases in value). Our minds' anticipatory images and intentions help create the future. Giving repeated attention to certain thoughts and images causes changes in our brains, making us more predisposed to think and feel these thoughts. What we visualize and the questions we ask lead us to the focus of inquiry. Mundane examples, such as riding a bicycle or a horse, remind us that we need to be careful about where we look. It's almost eerie that horses always know where the rider is looking and take you where you are looking. Vision leads us to the focus of inquiry.

If vision is based on what to avoid, the very thing you try to avoid becomes the focus. If we consistently look at deficits, we direct more energy to them. Thought and vision direct energy. Being mindful about what we focus on helps us to see the world differently, as we don't see the world as it is but see it as we are.

## **Systems Vision**

As we face increasingly complex problems, it is critical for leaders to understand systems. Our habit of seeing things instead of processes and cause and effect rather than webs of interconnectedness is deeply seated. We cannot truly understand the whole by breaking it down to parts, understanding each part, and putting the parts together. Bohm (1980) argues that seemingly separate entities are closely connected and that each part contains information about the whole, like the DNA embedded in each cell. It's called enfoldment. It is similar to the notion of the universe being holographic, which means that every part of the hologram contains the image of the whole, which is enfolded in every part of the universe (Talbot, 1991).

The first step in understanding systems is knowing that we are all caught in a system that dictates how we think and behave, which is reinforced by our thinking and behaving. Being trapped in our own system, we cannot easily see larger systems and sense the consequences that our actions might create in another system. One important lesson in systems thinking is recognizing the interdependencies and learning "the ability to make deep connections across time and

space” (Senge & Krahnke, 2014). Many of us may think of empathy as a mere emotional reaction. Empathy that is broader than that of emotional and cognitive levels is what Senge and Krahnke (2014) call transcendent empathy, which is “the ability to transcend our ego and see and sense larger systems” (p. 194).

Leaders also need to be cognizant of the dynamic complexity, which means the cause and effect are distant in time and space. Lack of awareness of this complexity would leave a leader being unable to sense other systems and continuing to react to symptoms instead of getting to the root of the problem.

## “The Field” Vision

An earlier section discussed the quantum field theory. The field is the place from which “all things come to exist in space and in time” (Laszlo, 1995, p. 130). According to Laszlo (1995), the field is where everything there ever was and will exist. The past has not gone away, so there is not a sense of linear time as we know it and the past is a part of everything we do (Storoy, 2015). Seeing the field means being able to see all possibilities as if one can transcend linear time. There has been an interesting scientific discovery from neuroscience. Neuroscientists conducted a study on mental time travel and found that we use the same region of our brain to remember the past and to envision the future (Zimmer, 2011). A patient with brain injury could not remember anything from his past, and at the same time, he was not able to imagine his future either (Zimmer, 2011), so the past and the future are intimately intertwined in our brain. Based on Zimmer’s study (2011), episodic memories of the past were crucial to predicting the future. Quantum field theory and neuroscience discoveries, although from different perspectives, point to transcending our concept of linear time and making a glimpse into the future not so impossible.

## Vision and Intention

In many organizations, they craft their mission and vision statements, and once the statements are written, they tend to be forgotten. No matter how great the vision is, it needs more than just creating it in order for the vision to manifest or for it to be meaningful. It not only requires thoughtful planning but it also needs intention. An aspect of vision that is not adequately discussed is that vision has to be nurtured, just as a planted seed needs water, sunlight, and even love to manifest as a plant or flower. Lynne McTaggart has done a number of intention experiments to scientifically prove the power of intention (McTaggart, 2007). In her recent experiment (lynnemctaggart.com), two patients suffering from anxiety (one target and the other control) and an intender (who will be sending intentions to the chosen target) were hooked up to an EEG to monitor their brain waves. Two participants’ brain maps were measured before and after the

experiment. The experiment results showed that the chosen target's alpha waves increased, indicating increased relaxation. Although experiments such as this may be controversial among mainstream scientists, studying the effects of energy is gaining attention.

Intention is also closely tied to one's sense of purpose. Viktor Frankl, in his *Man's Search for Meaning*, wrote about how he had survived the concentration camp by envisioning what he intended to do in the future (1959). Meaningful purpose creates a much stronger energy of intention, and the vision keeps the purpose alive and vivid with anticipatory images.

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## Conclusion

In this chapter, we have explored issues and challenges of studying leadership vision. There is an evident disconnect between the reality of leadership vision and the state of the theory. Effective leaders are expected to demonstrate deep cognitive, emotional, and spiritual connections with followers and an accurate projection of the future. In the absence of a viable framework within the leadership literature, we have proposed a radical holographic principle as a possible framework to explore leadership vision. The holographic principle is a relatively new perspective, with many of its conjectures undergoing empirical scrutiny. However, the principle aligns well with the vision process through its dimensions of cognitive, emotional, spiritual, and transpersonal connections; environmental complexity; perspective of time and space; and nonlocal communication. These variables are essential attributes in the process of developing a good vision. Other fields such as neuroscience, physics, biology, psychology, and psychiatry have made leaps and started validating the concept.

The integration of hard sciences and transcendental experiences is certainly controversial. Besides the skeptics, there are methodological challenges in integrating Western sciences with Eastern philosophies. Our submission is that great leaders who have developed great visions have encountered or experienced the holographic principle by tapping into the depths of their unique cognitive, emotional, and even spiritual beings to develop a better understanding of themselves, their followers, and the contextual environment over time. This holographic view facilitates the emergence of an enduring vision, in many cases not permanent but one that goes through continuous transformation and iterations as more information unfolds. Gandhi's vision of non-violence did not emerge after struggling with many competing and often contradictory goals. Similarly, Mandela's vision of a unified society that embraced forgiveness was work in progress for many decades.

**Chapter Case 5.1: U.Lab, Vision of the Twenty-First-Century Higher Education**

We are facing major disruptions on many levels. The old system is dying, and something new is about to be born. Otto Scharmer from MIT asks, “How can we sense and actualize the future that we think is possible?” We may be on the brink of a major shift in human consciousness. What is required of a leader in the twenty-first century will be very different from that of the past. In our complex world, we need to have the courage to let go of the knowledge or ways that have ceased to be relevant and to have an open mind to explore the unknown. A system that is experiencing a profound disruption is higher education. It is not designed to be agile and transformative, to allow younger generations to grasp the complexities of the world, and to equip them to solve the problems we face today.

To this end, Otto Scharmer has provided a leadership vision that confronts this challenge. According to Scharmer, current higher education is overpriced, out of touch with the society’s needs, and outdated in its methods and purpose. Technology has changed the nature of education, but the old order is still in place. Scharmer’s educational framework of U.Lab is slowly transforming business, society, and individuals in far reaches of the planet. The disruptive U.Lab model is based on proving higher education that is free (accessible to everyone), empowering (putting the learner into the driver’s seat), and transformational (providing new learning environments to activate the deepest human capacities).

U.Lab is an online platform developed by MIT and Harvard as a massive open online course (MOOC). The platform invites individuals and groups across different sectors, systems, and cultures to connect. Both live sessions and recorded presentations are shared by everyone. U.Lab is likely to change the content and delivery of higher education in multiple ways. By taking learning to the streets, students learn in profoundly different ways by engaging in the real world. Education will no longer be a preserve for those that have access and privilege but a unifying force that connects peoples from all communities to enhance their well-being. U.Lab facilitates deep learning and the development of real solutions. By linking the power of entrepreneurship with passion and compassion (intelligence of the heart), students learn that today’s complex challenges cannot be addressed by treating the symptoms. Education is no longer an abstraction of understanding big data. Students learn to move from big data to deep data and to connect the loop between awareness and collective action. They learn to critically look at the root causes and the paradigm of system thinking through co-sensing and co-shaping the emerging future. U.Lab leads to discovery of self-knowledge—who is myself and what is my work? Leadership in the twenty-first century requires us to connect to our sources of self-knowledge. U.Lab provides transformative experiences by activating the self-organizing potential of networks to generate transformative, deep learning experiences.

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Scharmer's vision of U.Lab responds to complexities of the twenty-first century in more effective ways than traditional models of education. The role of leadership is decentralized. Decentralized leadership ensures that the most effective leaders are at the helm in different parts of the process. Leadership vision is crafted not by an individual leader but by emergence of a common vision through the sharing of multiple visions. The subject matter of knowledge is decentralized. U.Lab ensures that knowledge is created and shared in real time. The community of subject matter experts is constantly connecting old gestalts of knowledge with the current state of knowledge while hypothesizing the future. The new model of education connects (1) the head, hand, and heart; (2) business, society, and self; (3) outer awareness and the inner source of self-knowledge of a leader; and (4) leaders in global social fields. Ultimately, each member of the community is connected in ways that had not been thought of in the past, lending to the notion of each part being similar to the whole. This co-creation and co-sharing of knowledge is a cornerstone of the holographic effect principle; every part of the system has whole knowledge.

### Discussion Questions

1. In what ways do you think the current higher education is outdated?
2. What are some challenges leaders face as the systems in which we operate become more complex and interconnected?
3. In what ways is Scharmer's vision of education relevant to confronting the twenty-first century challenges?
4. After you read the case, how has your concept of leadership changed?

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# Leadership and Authenticity: The case of Buurtzorg Nederland

# 6

Puneet Kumar Bindlish and Sharda Nandram

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## Abstract

The research question of this chapter is to study the relationship between leadership and *Yoga* where *Yoga* is seen as an approach to view the world and a way to enhance virtuous behavior. So far leadership has been studied as style, an attribute, or trait. New models propose it as an activity. Here we propose leadership as a cognition and a virtue. The virtues of people are fueled by their authentic nature. Leadership and authenticity have been looked upon from various philosophical perspectives. The following pattern has emerged while studying a good practice in the community care “*Buurtzorg Nederland*.” There are three expressions of authentic virtues in this case: needing, rethinking, and common sensing. The Yogic intellectual capacity of *Vivekam Buddhi* acts as a way to enhance authenticity. It is argued that *Yama* and *Niyama*, that embody the psychological limbs of *Yoga*, act as the authentic virtue which creates the foundation for the Yogic Leadership. The basic Yogic principles of *Abhyasa* and *Vairagya* have been found in the role of leadership as a way to enhance authenticity as a virtue. They act like determinants along with *Vivekam Buddhi* (discriminative wisdom) in the proposed conceptual model of authenticity among leaders who takes a client center or customer center perspective in their organizing processes and decision-making design

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## Introduction

In general, after analysis of various issues being faced at various levels, viz., individual, family, institutional, nation, or global levels, it has been revealed that leadership crisis seems to be one of the common causal themes at all levels and even through history. After examining management issues, the understanding remained similar with regard to the need for focus on leadership. Bennis and Nanus (2007), one of the foremost researchers in the field, identifies worldwide pandemic, a biological or nuclear catastrophe and “leadership of human institutions” as major challenges to world stability. Initiators of the Millennium Project (2009) propose 15 Global Challenges that humanity is facing and for which we believe a new type of leader could be more effective. The kind of challenges are what Schumacher (2011) mentions divergent problems for which there is not one single solution to make all stakeholders get better off. He distinguished between convergent and divergent problems. He said that distinguishing between different types of problems is one of the arts of living. Problems that we can find a solution or answer for are convergent problems. Problems for which we do not find a solution are divergent. According to him divergent problems are concerned with the universe of living and there is always a degree of inner experience and freedom one needs to agree with. Many of the challenges we are facing in organizations today are divergent problems. A holistic approach, stemming from our inner consciousness incorporating the values of love, caring, and freedom, helps us to address and solve divergent problems. Such global issues are divergent in nature and require an integrative view to serve as many as possible. It may open up in us the insights of what really matters which may end up with reprioritizing things that at first instance seemed too important to let go. It requires a kind of integrative leader who reaches out to the global society by applying a meta-competence of overseeing the big picture and who is able to stick to the authentic purpose of the issue or organizational goal while at the same time having the ability to decentralize and get stakeholders engaged at the local level of the organization by creating space for their authenticity. Avolio (2007) asserts that such challenges can be solved only through an exemplary leadership emanating from an integrated theory of leadership.

Leadership can no longer be simply described as an individual characteristic or difference, but rather is depicted in various models as dyadic, shared, relational, strategic, global, and a complex social dynamic (Avolio, 2007; Yukl, 2006). Montuori (2010) proposes transformative leadership where he integrates the perspective of complex, interdependent, and interconnected relationship between humans and nature. Bindlish et al. (2012) suggest how leadership and spirituality as fields of research are converging. Nandram and Borden (2011) suggest an integral leadership model by incorporating the workings of our consciousness levels and their expressions in behaviors such as morality, ethics, intuition, harmony, and contentment. By considering the role of consciousness there is space for including authenticity. Future research would need to offer additional evidence for the constructs such as moral perspective, self-concept, clarity of perception, well-being, spirituality, and clarity in judgment. The Yogic Philosophy provides input for understanding such

concepts. Nandram (2010, 2011) and Dutt, Bindlish, and Nandram (2013) have applied the Yogic Philosophy to understand leadership and propose further research through empirical data such as case studies. The leadership development has to be revisited to ascertain the authenticity in the outlook and overall conduct of the leaders but also his followers (Van Vugt et al. 2008). Shared Leadership (Pearce & Conger, 2003) is such a concept that aims to create room for the follower and the leader and which taps from their authenticity. It is described as a form of leadership where leadership is an activity that can be shared and distributed among the employees of an organization or teams in the organization. It depends on the needs of the situation and the capabilities of the employees and the leader in an organization.

The concept of yogic leadership has emerged from the data while studying the good practice of a Dutch Community Care Organization named Buurtzorg Nederland. The research question of this paper is to study the relationship between leadership and Yoga where Yoga is seen as an approach to view the world and a way to enhance virtuous behavior. Views of the world are based on attitudes, preferences, and cultural framings. We can label it also as cognitions. Virtuous behavior is about doing the right things in a natural way. So far leadership has been studied as style, an attribute, or trait. New models propose it as an activity. Here we propose leadership as a cognition and a virtue. Cognitions are all processes by which sensory input is transformed, reduced, elaborated, stored, recovered, and used (Neiser, 1967). Usually it is about the knowledge structures that people use to make assessments, judgments, or decisions involving their tasks, in this case ‘serving the client of the community care’ which we studied as a main concern following the Grounded Theory Methodology (Glaser, 2007) at Buurtzorg Nederland. We believe that integrating both cognition and virtue in leadership will have sustainable outcomes. We do not aim to present the results of the whole study but only focus on the findings of leadership.

The virtues of people are fueled by their authentic nature. Leadership and authenticity have been looked upon from various philosophical perspectives. The following pattern has emerged. There are three expressions of authentic virtues in this case: needing, rethinking, and common sensing. The Yogic intellectual capacity of *Vivek Buddhi* will act as a way to enhance authenticity. It is argued that *Yama* and *Niyama* which embody the psychological limbs of Yoga act as the authentic virtue which creates the foundation for the Yogic Leadership. The basic Yogic principles of *Abhyasa* and *Vairagya* will be applied to understand the role of leadership as a way to enhance authenticity as a virtue. They act like determinants along with *Vivekam Buddhi* (discriminative wisdom). The next section provides some of the perspectives to set the context of the chapter and the findings of the study.

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## Leadership and Authenticity

Bass (2008) highlights the importance of leadership research—“*In industrial, educational, and military settings, and in social movements, leadership plays a critical, if not the most critical, role, and is therefore an important subject for study and*

**Table 6.1** Four clusters of qualities of management leadership

Intrapersonal	Influencing others	Managing complexity	Managing diversity
Self-management and self-regulation, emotional self-awareness, optimism, intentionality, resilience, empathy	Emotional expression, interpersonal connection, constructive discontent, relationship management, and trust	Intuition and creativity	Tolerance of ambiguity and flexibility

*research.*” After so much has been said about importance of leadership, the researchers still find that this is one of the most observed, written about, and least understood concept (Bennis, 1959; Burns, 1978; Bass, 1990).

There are several frameworks available through which one can understand various qualities of leadership in management domain. Bhandarker (2008) examined the existing model and attached “leader” with “management” and puts the qualities of a “management leader” in four clusters to set the business context (Table 6.1).

Subsequently, they report their primary research to establish leadership role demand from corporate sector (executives and alumni of various business schools), by analyzing a gap among perceived, actual, and desired competencies in the management graduates. The areas where significant gaps were reported are team working skills, performance focus, capability to lead, reality orientation, entrepreneurial abilities, and ambiguity tolerance. More disturbing result which was reported pertains to erosion of belief and values (like honesty, integrity, religious orientation, and esthetic orientation) by the management education process. These values are considered significant by the corporate sector when asked about desirable qualities of business leader.

Historically, domains under which these problems lie have always stressed on leadership development. From Chanakya to Aristotle, importance of formation of virtuous characters in leaders has always been stressed upon. Researchers have always warned through their research the issue of havoc that can be wreaked by bad or incompetent leaders (Kellerman, 2004; Lipman-Blumen, 2006).

In this chapter, we focus on one virtue “authenticity” which we believe, if addressed, can help develop other qualities and resolve various issues with leadership as outlined earlier. To make a quality trainable it is useful to consider it as a competence. Therefore, we consider acquiring the virtue of authenticity as a meta-competence. Such a meta-competence has the role of a unified basic competence. Nandram, Orhei, and Born (2014) define competence in an integrating framework where meta-competence is an overarching form of competence concerned with facilitating the acquisition of the other substantive competences.

In research literature, authenticity, in general at an individual entity level, is defined as *the attempt to live one’s life according to the needs of one’s inner being, rather than the demands of society or one’s early conditioning* (Wood, Linley, Maltby, Baliousis, & Joseph, 2008). Discovering the needs of one’s inner being then becomes a cognition. The Oxford dictionary describes cognition as a mental action or process of acquiring knowledge and understanding through thought, experiences,

and the senses. And living one's life accordingly becomes a virtue. Avolio and Luthans (2006) define authentic leadership as

*“a process that draws from both positive psychological capacities and a highly developed organizational context, which results in both greater self-awareness and self-regulated positive behaviors on the part of leaders and associates, fostering positive self-development.”*

For further in-depth understanding of authenticity, Kernis and Goldman (2006) provide a good overview of philosophical and psychological explanations of authenticity. They describe two main philosophical views, Heidegger's and Sartre's. Heidegger was concerned with the meaning of being. He saw authenticity in relationship to thrown-ness which is the idea that people are born into a world that they did not construct. They have little control and are insufficiently equipped to determine solutions to a question like 'who am I.' In his view, when confronted with the sense of being nothing, individuals transform their mode of being to reflect a sense of care toward others. The second view Kernis and Goldman explain is that of Sartre who said that a person's way of being is inextricably linked to their choices. A situation is a synthesis of a person's facticity and one's transcendence. If an action is governed by facticity it reflects a certain form of determinism. While an action governed by transcendence reflects a predilection toward what can be, transcendence according to Kernis and Goldman is the willful agent capable of going beyond or surpassing the situations' facticity. According to Sartre a person's being is reflected by his authentic actions and is based on his choices. In the case of Buurtzorg, the nurses and nurse assistants have the choice to express authentic actions through the facilities of Self-Managed Teams for organizing the tasks.

Kernis and Goldman (2006) also described psychological views on individuals with a spiritual quest. It would be worth mentioning some of those, here:

- These individuals are open to both subjective and objective experience, have a tolerance for ambiguity and the tendency to perceive events accurately.
- They fully live in the moment and are adaptable and flexible and experience the self as a fluid process rather than a static entity.
- They trust their inner experiences to guide their behavior.
- They are creative in their approach to life, rather than falling back on well-established modes of behavior that become restrictive. Kernis and Goldman (2006) mention this creativity as fueled by a strong trust in one's inner experiences and a willingness to adapt to ever-changing situations.
- They experience freedom; this is reflected in attitudes toward experiences.

The Indian philosopher Sri Aurobindo (1882–1950) referred to the behavior emanating from the trust on inner experience to deeper forms of knowledge coming from deeper consciousness that guides our behaviors (Sri Aurobindo, 2006). Indian wisdom tradition gives importance to the idea of self-determination as it considers the notion of karma. Everyone has his own path to follow in life and to make own choices to evolve in applying the deeper levels of his consciousness. Sri Aurobindo describes the problem of self-determination that many individuals in practice

experience. They seek the meaning of life and freedom in order to decide their destiny. But in practice, he said, it seems to be very difficult to find this self. Society defines ideas of law that oppose ideas of liberty without really understanding what self-determination is about. He said, "...there is a self, a being, which has the right to grow in its own way, to find itself, to make its life a full and a satisfied instrument and image of its being" (Mohanty, 2008, p. 32).

We assume that leaders not only have to define the context in such a way that employees can develop themselves fully as human beings, seeking their self-determination path. But, they carry an internal environment with them, which is their own authenticity. This fosters healthy growth of freedom where individuals grow freely toward perfection and not as human machines constrained to deliver toward organization's lower purposes alone. On the praxeology or the 'how-to front,' Indian philosophy has provided rich guidance esp. through the philosophy of Yoga. We believe that Yogic theories remain equally applicable on microcosm or macrocosm. Regardless of the fact that we take a single person, group, or an organization, the Yogic framework applies equally well. In this chapter, we are presenting the Yogic perspective on leadership at an organizational level and we illustrate it through the case of a Dutch Community Care organization Buurtzorg. First, we present a synopsis of the case and the overall performance before we draw further on the Yogic approach.

### **Case 6.1: Buurtzorg Nederland**

(Kreitzer, Monsen, Nandram, & de Blok, 2015; Nandram, 2015a, 2015b; Nandram & Koster, 2014)

#### **Case Synopsis**

Here we present a case study of authentic Yogic leadership at the Dutch Home Care organization Buurtzorg. The main features of the case study are that it functions on community building ideals; provides room for social, creativity, and authentic values too; acknowledges and respects the expertise of the professional; focuses on the needs of the clients; and follows an integrative strategic approach. Employees share the responsibility, empower each other, create innovative ideas, and work from an open mind and self-motivation to build trust with their clients, by serving the client in the best possible way. Buurtzorg has been voted 'best Dutch employer of the year' for several years and its management approach is recognized as a best practice internationally for the community (Gray et al., 2015).

In order to meet the demand for care that is tailored to clients' needs, caring professionals at Buurtzorg are organized into community care teams (Nandram, 2015a, 2015b). With the help of internet technology, each community care team is structured according to the type of care they provide. Buurtzorg has set up its functioning according to insights on supply chain management, people, organizations, self-directing teams, and professional autonomy. This

(continued)

means that it tries to deliver integrated, tailor-made services. The nurses are generalists who can handle a full range of activities from low-level care to highly technical care such as infusion therapy and palliative care with morphine therapy. The nurses help with personal care if needed. The nurses involve the clients' family making sure that they are fully equipped to take care of the clients in their absence. This is especially the case for chronically ill people, for example, those suffering from dementia. If required and the clients are open to it, volunteers in the community may be added to the team of helpers. They work with social workers, physiotherapists, ergo therapists, and psychiatric nurses. Here are the main features of Buurtzorg's philosophy:

1. It functions on ideals of community building.
2. It acknowledges and respects each individual's professional expertise.
3. It focuses on the needs of the clients.
4. Every employee shares in the responsibility.
5. Reflection, sharing, and dialogs coming from a spiritual foundation of authenticity.
6. Employees work from an open mind and self-motivation to build trust with their clients. Their main motivation is to serve their clients not to clear their to-do lists. At the same time the to-do lists get effectively addressed. The employees are more autonomous in their tasks and the decisions they make.
7. Their primary aim is to serve the client in the best possible way is. Integral competence is apparent in their three-dimensional focus of prevention, caring, and curing, achieving a healthy economic outcome.

Jos de Blok, founder and CEO, implemented three strategic principles. First, he reintroduced the original principles of community care. This fits the idea that work should give meaning and lead to a purpose in life which will uplift the employees' spirit. Second, he implemented a new, less hierarchical management structure in the organization which is particularly suited for the business of community care. Third, he developed Buurtzorgweb, a software package designed to enable effective schedule planning for the nurses, a forum for sharing experiences and developing innovative solutions to problems through joint effort. As a result, while nurses at other health care organizations need to fill in printed forms which, in turn need to be administered by others, nurses at Buurtzorg, can log in to their system whenever they need to access or fill in information such as client registration, treatment times, and communication history. Due to ease of use and access, this frees up nurses to do this at their leisure. This creates flexibility and the feeling of autonomy. In order to achieve a standard of quality, Buurtzorg uses the Omaha system developed in the USA. This system includes practices guide, documentation methods, and a framework for information management. Omaha is a

(continued)

### Case 6.1: Buurtzorg Nederland (continued)

computerized management information system that incorporates and integrates clinical information about clients and the services they receive. Based on their positive results of IT and Omaha quality systems other organizations in the health care industry have followed applying similar approaches.

#### Case Performance Details<sup>1</sup>

The overhead costs are kept low. The high growth in the past seven years is obvious. By the end of 2007, there were 300 clients. By the end of 2013, there were 55,000 clients served by 630 teams spread across the country. The growth is about 100 new locations in the period 2012–2013. Based on the Consumer (Client) Quality Index of 2012, it can be concluded that clients' satisfaction is high, with a score of 9.1. In 2013 this index was even higher at 9.5. The employee satisfaction score of 8.9 in 2013 is high as well, based on the study of Effectory, an independent market research institute. Buurtzorg was named best employer of the year in 2011, 2012, and 2014 (in 2013, Buurtzorg was the runner-up to KLM Royal Dutch Airlines). Figures from December 2013 show that teams were supported by a small headquarters comprised of 49 employees (39.44 full-time equivalent [FTE]), 14 coaches (12.72 FTE), and nine employees working on projects (6.77 FTE). By the end of 2013, the total number of employees was 7,188 and the turnover was 220 million euros. About one-third of employees are community nurses, one-third are nurses, and one-third are nurse assistants. By end of March 2014, the total number of employees was about 7900.

## Yogic Perspective on Organizational Leadership

Leadership is now being appreciated as a journey and not a destination (Bindlish & Dutt, 2012). If leadership is seen as a path, then there would be no one who cannot be called as a leader. This would end the dichotomy or a rigid schism between leaders and nonleaders. Eventually, this would motivate individuals for self-determination and realization, leading to authenticity in their behavior with the world outside them. For this path, yogic theories provide us rich insight into praxeological aspect of leadership in general and authenticity, in particular. Yogic theories remain the same whether we take microcosm or macrocosm. Regardless of the fact that we take a single person, group, or an organization, the yogic framework applies equally well. As the Yoga sutras (the verses from ancient yogic text—Patanjali Yoga Sutra) never explicitly says that it is for a human practitioner alone. It could be a framework for any entity, element, institution—human or nonhuman, living or nonliving.

<sup>1</sup> Source: <http://www.omahasystem.org/references.html>. Last accessed on 12-Jun-2015.

## Yoga and Authenticity

Authenticity, from a yogic perspective follows from Yoga Sutra 2.30 onward (Yoga Sutra, abbreviated as Y.S.) (Baba, 1976; Swami 2015) These sutras explain two stepping stones of this path—*Yama* (Great Vows—irrespective of individual, place, space, time, and context) and *Niyama* (similar to Yama, but context specific).

**अहिंसासत्यास्तेयब्रह्मचर्यापरिग्रहा यमः ।३०। जातिदेशकालसमयानवच्छिन्नाः**

**सार्वभौमा महाव्रतम् ।३१। शौचसन्तोषतपःस्वाध्यायेश्वरप्रणिधानानि नियमाः ।३२।**

**वितर्कबाधने प्रतिपक्षभावनम् ।३३। वितर्का हिंसादयः कृतकारितानुमोदिता**

**लोभक्रोधमोहपूर्वका मृदुमध्याधिमात्रा दुःखज्ञानानंतफला इति प्रतिपक्षभावनम् ।३४।**

Five Yamas are *non-harming or non-violence, truthfulness, abstinence from stealing, continence or non-indulgence and non-possessiveness or non-collecting mindlessly or non-grasping with the senses are the restraints* (Y.S.2.30). They become the “Great Vows”, when they become universal by not getting limited by type of birth, place, time and situation (Y.S.2.31). The Niyama observances are *purification, contentment, and asceticism of the senses, self-study and reflection on sacred words and an attitude of letting go into one’s source* (Y.S.2.32). When these codes of self-restraint are inhibited by evil ideas, habituation of the mind in the opposite direction by development of contrary thoughts (Y.S.2.33). Evil actions arising out of such thoughts are done, caused to be done through others, or approved of when done by others—these are performed through anger, greed or delusion, and can be mild, moderate or intense in nature. Contrary thought is to check oneself on these negative thoughts and understanding that these are the causes of unending misery (Y.S.2.34).

The construct of Yama has five dimensions or types of Yamas:

1. Nonharming or nonviolence (Ahimsa). This incorporates the thinking that our behavior should take others into consideration. This leads to kindness to others, cohesiveness between people, happiness and therefore, harmony with the environment.
2. Truthfulness (Satya). Those who act truthfully will attract truthful and responsible behavior in return.
3. Abstinence from stealing (Asteya). This conveys the principle that we attract opportunities and wealth based on our effort and that we should not take what is not ours.
4. Continence or nonindulgence (Brahmacharya). Following brahmacharya involves living a focused life in order to reach the higher truth, wisdom, and infinity. Everything that deviates from this focus should be avoided. Any thoughts, activities, or even relationships that do not contribute to reach the higher truth should be abandoned. It is about seeing oneself as being more than just the body.

5. Nonpossessiveness or noncollecting mindlessly or nongrasping with the senses are the restraints (Aparigraha) (Y.S.2.30). It is about unwastefulness and not taking what one does not need. This applies to food, material things, work, and money. Cultivating an attitude of gratitude to what one has eliminates restlessness and increases satisfaction.

The yamas become the “Great Vows,” when they become universal by not getting limited by type of birth, place, time, and situation (Y.S.2.31). In the case of Buurtzorg we can relate the five dimensions that emerged to these five yamas:

1. Leading a higher purpose
2. Client attunement
3. Intrapreneurial freedom
4. Craftsmanship
5. Pragmatic will by using IT

The Niyama observances also have five dimensions:

1. Purification, pure action (*Sauca*)
2. Contentment, aiming modesty, and satisfaction (*Santosha*)
3. Asceticism of the senses, and eliminate waste and enhancing creativity (*Tapas*)
4. Self-study and self-observation and exploration of talents (*Svadyaya*)
5. Reflection on sacred words and an attitude of letting go into one’s source and to surrender to what is out there (*Isvaraprnidhana*) (Y.S.2.32).

Yamas could be seen as a more abstract level construct and Niyama as a more concrete level construct as it is put in the specific context. One could also state that Yama is the vision and Niyama is the operationalization of it to make it applicable in a situation. A person may be convinced of nonviolence as an important human virtue and thus say that we should not harm others and consequently not use violence. Mahatma Gandhi preached the vision of nonviolence or the vision of truthfulness. But only if it is being put into practice it has an impact. He put it into practice by avoiding any kind of violence in his war toward independence of India. He also practiced truthfulness by experimenting with all he was preaching. He considered his own life as an experiment. When people ask him for advices he will only give advices based on his own experiences and not based on superficial thoughts or ideals while he had a vision. Only if this could be put into practice it had a value. He applied Yama and Niyama.

In the case of Buurtzorg the niyamas are described in terms of properties of each yama dimension. For example, if we talk about leading the higher purpose then the niyama can be found in the following observations about the role of the leader: his belief that humanity should prevail over bureaucracy. His firm belief that things can be organized by decreasing bureaucracy and by positioning the client at the center

of the process of organizing. Another one is practicing various roles such as an integrator to do what needs to be done in the organization, a manager, a change agent in his industry, and a nurse. Another expression of a *niyama* is his application of smart communication by placing himself in the role of the receiver of the information. He avoids to overburden employees and clients with information that is not necessary for the primary tasks. He follows an open communication to be sure that things are transparent so that trust can be build. He gives only information that makes sense and which could be understood by the majority.

When these codes of self-restraint are inhibited by evil ideas, habituation of the mind works in the opposite direction by development of contrary thoughts (Y.S.2.33). Evil actions arising out of such thoughts are done, caused to be done through others, or approved of when done by others—these are performed through anger, greed, or delusion and can be mild, moderate, or intense in nature. Contrary thought is to check oneself on these negative thoughts and understanding that these are the causes of unending misery (Y.S.2.34).

From yogic perspective, observing authenticity would translate to observing “*yama maha-vrat*” (or *great vows*) under all conditions, i.e., universal observance (Y.S. 2.30) and observing *niyama* as per the context (Y.S. 2.32). As per Yoga Sutra 2-31, these variability in conditions can occur due to change in:

1. *jati* = changes due to type of birth, community, state of life
2. *desh* = changes due to location, space, or place
3. *kala* = changes due to time
4. *samaya* = circumstance, condition, consideration, or any other contextual changes

Further, *Yama* has to be observed in nine ways (3×3). The nine possible situations under which authenticity is considered as violated or an anti-Yama act is considered to have occurred are given as follows (Table 6.2).

One can ask how these conditions work if the Yama cognitions are not violated. The data from the Buurtzorg (BZ) case gives input for such conditions. Three cognitions emerged: needing, rethinking, and common sensing. This thinking process is labeled as part of the Integrating Simplification Theory (Nandram, 2015a, 2015b). These principles are explained by using the 3 by 3 *yama* conditions in Table 6.3.

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## Consequences of Authenticity

Further, the yoga scriptures describe the fruits that accrue after observing *yama* and *niyama*, or authenticity. Once *yama* and *niyama* are firmly established or entity observes *yama* and *niyam* in the manner as described earlier, the fruition or consequences would occur as a result of, are dependent on, and are subservient to the entity. Here in these cases we are considering an organization as an entity.

**Table 6.2** Possible conditions of authenticity violation per Yogic perspective

Yama Cognitions→	<i>Manas</i>	<i>Vachana</i>	<i>Karmana</i>
Yama Processes √	Thinking of an anti-Yama act	Speaking of an anti-Yama act	Doing an anti-Yama act
<i>Krit</i>			
Anti-Yama act by self (entity)	Thinking about anti-Yama act by self (entity)	Speaking of an anti-Yama act by self (entity)	Doing of an anti-Yama act by self (entity)
<i>Karit</i>			
Anti-Yama act got done through someone else	Thinking about anti-Yama act by someone else upon entity's direct effort	Speaking of an anti-Yama act by someone else upon entity's direct effort	Doing of an anti-Yama act by someone else upon entity's direct effort
<i>Anumodit</i>			
Anti-Yama act got done through instigation	Thinking about anti-Yama act by someone else upon entity's instigation or an indirect effort	Speaking of an anti-Yama act by someone else upon entity's instigation or an indirect effort	Doing of an anti-Yama act by someone else upon entity's instigation or an indirect effort

अहिंसप्रतिष्ठायां तत्सन्निधौ वैरत्यागः ।३५। सत्यप्रतिष्ठायां क्रियाफलाश्रयत्वम् ।३६।

अस्तेयप्रतिष्ठायां सर्वरत्नोपस्थानम् ।३७। ब्रह्मचर्यप्रतिष्ठायां वीर्यलाभः ।३८।

अपरिग्रहस्थैर्ये जन्मकथन्तासम्बोधः ।३९। शौचात् स्वाङ्गजुगुप्सा परैरसंसर्गः ।४०।

सत्त्वशुद्धिसौमनस्यैकाग्र्येन्द्रियजयात्मदर्शनयोग्यत्वानि च ।४१।

सन्तोषदनुत्तमसुखलाभः ।४२। कार्येन्द्रियसिद्धिरशुद्धिक्षयात्तपसः ।४३।

स्वाध्यायादिष्टदेवतासम्प्रयोगः ।४४। समाधिसिद्धिरीश्वरप्रणिधानात् ।४५।

When harmlessness establishes in the entity, enmity is abandoned in entity's vicinity (Y.S. 2.35). When truthfulness or honesty is achieved, the actions of his work result as per his own will (Y.S. 2.36). Once the abstinence from theft is established, all precious things come to him (Y.S. 2.37). When continence is established, vigor is attained (Y.S. 2.38). When the non-acceptance gets firm, right perception of past and future births comes (Y.S. 2.39). By purification comes the disinterest and dislike for one's own body and towards coming in contact with others' bodies (Y.S. 2.40). Through purity of body and mind, comes purity of essence, feeling of gladness, one-pointedness, control over senses and fitness for self-realization (Y.S. 2.41). Contentment leads to highest state of happiness (Y.S. 2.42). Through penance impurities are destroyed, thus leading to a perfection over body and senses (Y.S. 2.43). From self-study comes communion with that natural force or deity (Y.S. 2.44). Success in spiritual absorption comes with perfected meditation upon *Ishwara* or supreme consciousness (Y.S. 2.45).

**Table 6.3** Possible conditions of authenticity stimulation in the Buurtzorg case

Yama Cognitions → Yama Processes √	Rethinking principle ( <i>Manas</i> ) thinking of an a Yama act	Needing principle ( <i>Vachana</i> ) speaking of a Yama act	Common sensing principle ( <i>Karmana</i> ) doing a Yama act
<i>Krit</i> Yama act by focusing on self (entity)	Thinking about Yama act by BZ: Are we doing the right things?	Speaking of a Yama act by BZ: Why do we do things as we always do?	Doing of a Yama act by BZ: How do I bring a simpler way into practice
<i>Karit</i> Yama act got done by including others in your cognitive view	Thinking about Yama act including others: What is really going on?	Speaking of a Yama act including others: What are the needs of the client?	Doing of a Yama act by including others: What do I require for following a novel approach?
<i>Anumodit</i> Yama act got done through inspiration/ impacting others	Thinking about Yama act by impacting or inspiring others: Is there a simpler way of doing things to help the client?	Speaking of a Yama act by impacting or inspiring others: How do the things we do help the client?	Doing of a Yama act by impacting or inspiring others: How does the new practice improve the client focus?

## Inculcating Authenticity

Yoga provides an eightfold path toward self-determination and later self-realization. Therefore, this path can be seen as also a path toward attaining leadership through authenticity. The eightfold path can also be seen as life cycle of an entity's evolution as it journeys through the path of leadership. This path has been applied to explain leadership of the successful Indian multinational Wipro (Nandram, 2010) and for explaining the path of the youngest Everest Climber from North East in an article of Dutt, Bindlish and Nandram (2013). The selected Yoga sutra (verse) which introduces the eightfold path has been given as follows.

**विवेकख्यातिर्विपल्वा हानोपायः ।२६। तस्य सप्तधा प्रान्तभूमिः प्रजा ।२७।**

**योगाङ्गाऽनुष्ठानादशुद्धिक्षये ज्ञानदीप्तिराविवेकख्यातेः ।२८।**

**यमनियमासनप्रणायामप्रत्याहारधारणाध्यानसमाधयोऽष्टावङ्गानि ।२९।**

The unwavering *discriminative knowledge* is the means of avoidance (Y.S. 2.26). Seven-fold Intellectual vision comes to one who has attained this degree of discriminative knowledge (Y.S. 2.27). On the destruction of impurity by performing the component parts of yoga, the illumination goes up to the discriminative wisdom (Y.S. 2.28). *Restraint, observance, posture, breath-control, abstraction, concentration, meditation and spiritual absorption are the eight components parts of yoga* (Y.S. 2.29).

**Note:** Though detailed description of the path is outside the scope of the present chapter, but reader is strongly recommended to explore further through readings mentioned in Bibliography/references section.

Yoga scriptures also throw light on how to prepare for observing yama and niyama, or in our adaptation—authenticity (Y.S.—#1.12-1.16). To be able to observe Yama, one needs to be gradually imbibe practice (*Abhyasa*) with nonattachment (*Vairagya*) and discriminative knowledge (*Vivekam*).

**अभ्यासवैराग्याभ्यां तन्निरोधः ।१२। तत्र स्थितौ यत्नोऽभ्यासः ।१३। स तु**

**दीर्घकालनैरन्तर्यसत्कारसेवितो**

**दृढभूमिः ।१४। द्रष्टानुश्रविकविषयवितृष्णस्य वशीकारसंज्ञा वैराग्यम् ।१५। तत्परं**

**पुरुषख्यातेर्गुणवैतृष्ण्यम् ।१६।**

The control over these thought patterns comes from Practice and Non-attachment (Y.S. 1.12). Steadiness in restraint is the peaceful flowing of the mind freed from the exhibitiv operations that bring a stable and tranquil state (Y.S. 1.13). That restraint being served for a long time with utmost seriousness, becomes firmly established (Y.S. 1.14). When a person has no craving for visible objects and what is described in the scriptures also and attains a desireless state that is called Non-attachment (Y.S. 1.15). That non-attachment is the highest when there comes the indifference to even the subtle qualities derived from the revelation of the nature of pure consciousness or *Purusa* (Y.S. 1.16).

*Abhyasa* (or practice) means making persistent efforts toward a state of stable tranquility, in daily life it resembles the attitude to follow a discipline. *Vairagya* (or Non-attachment) is about inculcating an attitude of letting go attachments, aversions, fears, and false identities that are becoming obstacles toward self-realization. For these two to work together, *Vivekam* (or discriminative wisdom) is required. These three work together as *Abhyasa* helps to maintain the persistence in ideal direction (vision), *Vairagya* facilitating the inner journey (being close to one's natural tendencies), and *Vivekam* helping to avoid getting diverted into the pains and pleasures along the way or to make decisions based on wisdom, when there is potential conflict. In the case description it has been explained how these three concepts appear at Buurtzorg.

### **The Cognition of Organizing Leadership at Buurtzorg: *Abhyasa*, *Vairagya*, and *Vivekam* *Buddhi***

In the Buurtzorg case we can find *Abhyasa* as an art of sincere devotion toward realizing the goal or the vision of the organization. It occurs among the leader, the nurses, the coaches, and the nurse assistants. We also found the art of *Vairagya* as an in-depth understanding of the different paths and experiences to serve the vision. The leader is balancing in a natural way between *Abhyasa* and *Vairagya*. He is running the company with disciplinary attitude to serve the economic bottom line to have an economic viable organization and he integrates several roles to function as a leader. Through the several roles he is updated with the important information and there is a low chance of principal-agent conflict. For the daily activities he has an attitude of *Vairagya* of letting go as he cannot be in charge of daily decision-making processes as the organization functions in a flat structure with self-managed teams all over the country. Here he follows the natural tendency of the nursing practice which requires trusting craftsmanship of the nurses. These self-management teams have their autonomy and are not controlled daily but only managed on their output. How they realize the output, thus what path they follow, is up to them. They lead themselves. There are procedures of getting the tasks done which they can follow and there is a back office that serves for administrative tasks. The freedom that they are given can be only done if a leader trusts that they are capable of doing the needful. He has to be clear in his mind and should be able to observe things that are not going on well. This requires the capacity of using his *Vivekam Buddhi*, the discriminative power in his perceptions. Because of the simplification that he has chosen for organizing the tasks in the organization such a perception (*Vivekam*) is feasible. Another way to ensure he uses his *Vivekam Buddhi* is his inductive way of functioning when it comes to new situations which consist of using his intuitive ability mainly as a nursing expert. His *Vivekam Buddhi* seems to be fueled by his expert intuition mainly and his firm belief in his vision. Nurses and nurse assistants seem to use the *Vivekam Buddhi* as well under the label of *fingerspitzengefühl* (German word for intuition) in circumstances where their professional knowledge and experiences are not enough because the situation seems to be very new or there is not

enough data to predict the future potential of a client. The coaches use their Vivekam Buddhi in the form of 'trying to read between the lines' when they want to really understand the message of the leader. Here they systematically connect his message to the vision of the organization. Because they are located in several geographic regions they do not meet the leader daily. Their relationship is based on trusting that they follow the Buurtzorg vision and that the leader is consistent in conveying his messages aligned with the vision he had formulated.

### **Yogic Praxeology for the Case Buurtzorg Nederland**

#### *The Eightfold Path*

When we consider the Eight limbs of Yoga as the foundation of a life cycle of any entity, in this case the entity is Buurtzorg, then we conclude that the company is still in the Yama and Niyama stages. Due to new reforms and new rules and regulations that the community care is going through in the Netherlands the organization also needs to find its way in their strategic positioning of whether to redesign their strategic and operational focus.

It is expected that after finding their balance they can move toward the third stage of asanas. This stage develops self-control, freeing the mind from stress, mental balance, and comfort. It is confirmed that the organization wants to focus on a healthy working life style and a healthy balance between private and workplace (Nandram, 2015a, 2015b). The third stage requires an alignment of their development (growth) to the geographical and physical potential of the organization. As the organization is gaining more and more attention abroad it has to reposition its operational plans continuously which may result in exhausting some of the stakeholders such as the nurses. After reestablishing the third stage subsequently they could move further to the other limbs in the coming years.

Let us describe a few expressions that were found in the yama and niyama stages of development from a Yogic Praxeology (How-to):

*Ahimsa*: actions that take others into consideration.

At Buurtzorg the client is the main other followed by the employee. A violation that could be felt by some stakeholder within the industry is that not all others are taken into consideration but this is a well-considered approach of the organization by putting the client at the center. It is being considered as a strength and unique aspect of organizing.

*Satya*: speak the truth.

At Buurtzorg transparency is a highly valued virtue and open communication is being encouraged. A violation could take place due to the structure of Self-Managed Teams where the teams are leading themselves. This principle is based on trusting the employees. Controlling whether teams share a true picture of themselves or not is not part of the process. The outcomes matter and only if teams themselves seek for solutions that may be present or a lack of truthfulness is being dealt with. This could be seen as a weak point as

(continued)

violating satya will only be alarmed when results are not realized or when there are conflicts in a team which may have been avoided if noticed earlier.

*Asteya*: do not take what does not belong to you and don't harm others.

This could be seen from different perspectives but it is mainly applicable in the context of helping the client. By considering clients complaints or those of their families, insights could be gained in violation of *asteya*.

*Brahmacharya*: use your energy in a way which involves control of the senses/focus on what is important.

We can conclude that at Buurtzorg there is the focus on helping the client. Nurses put a lot of their energy, effort, and time in serving the client. Sometimes this approach harms their own private life leading to imbalances in private and work life.

*Aparigraha*: take/consider only what is needed.

The needing principle is one of the main principles in the Buurtzorg way of organizing. It is also meant as reducing wastage of any kind (time, effort).

*Sauca*: Healthy life style and habits.

In general, it is expected that intrinsically the members of the organization follows a healthy life style and encourage healthy habits. It seems that some violation happened. There is an increase in sickness leave: in April 2013 it was 5.8 %; in April 2014 it was 6.2 %, and in April 2015 this has increased up to 7.1 %.

*Santoshā*: modesty and satisfaction.

There are several expressions of simplicity in dress code; expenditures, highly content stakeholders including the client, their families, and employees.

*Tapas*: elimination of waste.

One of the main forms of *tapas* is the elimination of bureaucracy as it is being considered as a form of waste, an obstacle for serving the client, an obstacle in talent development and professionalism of employees, and an obstacle for developing an approach to reach out to as many as possible clients. As this is related to the leading force of the purpose of the organization it is expected that hardly violation of *tapas* could take place.

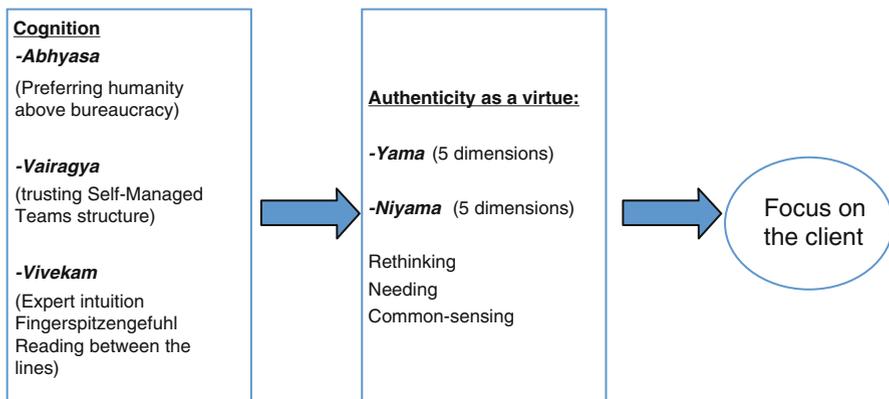
*Svadhyaya*: self-observation.

The organization has been grown in popularity and is seen as a good practice which could unintentionally lead to a violation of *svadhyaya*. Members of the organization become less aware of points of improvements and development as they lack any norm to mirror themselves.

*Isvāpranidhāna*: surrender to a higher power.

At Buurtzorg the higher power is the higher purpose of the organization, its main reason of existence, which is serving the client in the best possible way by putting humanity above bureaucracy.

The Integrative Yogic Leadership model results in the following conceptual model, to be studied and validated in future research in other organizations (Fig. 6.1).



**Fig. 6.1** Yogic leadership model

### Case Exercises and Discussion Questions

1. From the case or independent research about the company, identify instances of violation of authenticity as per Yogic perspective (see Table 6.2: Possible conditions of authenticity violation per Yogic perspective)
2. From the case or independent research about the company, identify instances of manifestations of consequences after following of authenticity as per Yogic perspective (see Yoga Sutra 2.35–2.45)
3. Identify ways in which the company inculcated authenticity, citing specific instances of *Vivekam* (Discriminative Wisdom), *Abhyasa* (Practice), and *Vairagya* (Nonattachment)
4. Map the evolution or life cycle of the company on the Yogic eightfold path of an entity's self-determination and realization

### Food for Thought

1. Can Yogic perspective be applied to map a life cycle of a company?
2. How could this perspective be percolated to an individual level from organizational level?

### Chapter Summary

- There are various problems being faced at different levels, viz., individual, family, institutional, nation, or global levels. Leadership is being seen as the most important root issue for these problems and solution lies in bringing authenticity to an integrative view of leadership.
- Authenticity is living one's life according to the needs of one's inner being. Therefore, it gets closely associated with self-determination and realization. In leadership, it could mean a process that brings together capacities of one's intrinsic being and a highly developed organizational context, resulting in a greater self-awareness and self-regulated positive behaviors.
- Authenticity, from a Yogic perspective follows from first two stepping stones of yoga's eightfold path—*Yama* (Great Vows—irrespective of individual, place, space, time, and context) and *Niyama* (similar to Yama, but context specific).
- The five Yamas are nonharming or nonviolence, truthfulness, abstinence from stealing, continence or nonindulgence and nonpossessiveness or non-collecting mindlessly or nongrasping with the senses are the restraints. They become the “Great Vows,” when they become universal by not getting limited by type of birth, place, time, and situation.
- On the basis of three possible expressions of authenticity as virtue (thinking, speaking, doing) and further three possible processes (doing by self, done through someone, instigating someone to do/impacting others), *Yama* has to be observed in nine ways (3 × 3).
- Five *Niyama* observances are purification, contentment, and asceticism of the senses, self-study and reflection on sacred words, and an attitude of letting go into one's source.
- Observing *Yama* and *Niyama* leads to various consequences or fruitions. When harmlessness establishes in the entity, enmity is abandoned in entity's vicinity. When truthfulness or honesty is achieved, the actions of his work result as per his own will. Once the abstinence from theft is established, all precious things come to him. When continence is established, vigor is attained. When the nonacceptance gets firm, right perception of past and future births comes. By purification comes the disinterest and dislike for one's own body and toward coming in contact with others' bodies. Through purity of body and mind comes purity of essence, feeling of gladness, one-pointedness, control over senses, and fitness for self-realization. Contentment leads to highest state of happiness. Through penance impurities are destroyed, thus leading to a perfection over body and senses. From self-study comes communion with that natural force or deity. Success in spiritual absorption comes with perfected meditation upon Ishwara or supreme consciousness.

(continued)

### Chapter Summary (continued)

- Restraint, observance, posture, breath control, abstraction, concentration, meditation, and spiritual absorption are the eight components parts of yoga.
- The inculcation of authenticity through Yogic perspective is done through *Abhyasa* or Practice and *Vairagya* or Nonattachment under *Vivekam* or discriminative wisdom.

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## Abstract

As an umbrella concept covering multiple domains, emotional intelligence has been gaining attention for its contribution to productive teams and effective leadership. We examine the role of emotion perception, expression, and management in professional and personal development, as well as discuss multiple models of emotional intelligence and their corresponding measurement instruments as applied to organizational settings. Recent empirical studies highlight the function of emotional intelligence in effective leadership within the fields of health-care, finance and banking, project supervision, information technology, and change management.

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## Introduction and Background

As scholars continue their search to delineate relevant aspects of leadership styles and effectiveness (Rajah, Song, & Arvey, 2011), all agree on the significance of the core intrapersonal and interpersonal aptitudes: espousing a wide range of ideas; acknowledging others' viewpoints; evaluating contradictory information and working with uncertainty; thriving in cross-cultural teams; and developing as emotionally resilient, open to ideas, self-reliant, and affectively attuned (Gregory & Levy, 2011; Walter, Cole, van der Vegt, Rubin, & Bommer, 2012). Identifying commonalities in the GLOBE studies (Dorfman, Hanges, & Brodbeck, 2004), which

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included 17,000 participants from 62 countries, resulted in a portrait of a universally desirable leader: a person of unwavering integrity, remarkably charismatic, with stellar communication skills. Ultimately, high-functioning global leaders exhibit excellence in multiple intelligences, including cultural, moral, and emotional (Dunn, Lafferty, & Alford, 2012).

With growing recognition of the importance of multiple intelligences required for successful leadership (in addition to rational and logic-based verbal, as well as quantitative competencies), emotional intelligence is one of the most recent additions to the list. Indeed, in order to thrive in any activity that includes interaction with other human beings, one must not only be aware of his or her own emotions and be able to manage them—one also has to understand and manage the emotions of others (Lindebaum & Fielden, 2011; Rajah et al., 2011). Hence, interest in the role of emotion in professional and personal life has been blossoming, with many authors continuing to emphasize the significance of managing emotions for both organizational and personal success (Chervil, 2014; Codier, 2014; Metcalf & Bann, 2013).

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## Emotions: An Overview

Understanding the interplay of emotional intelligence and leadership first requires an examination of emotions, including why they developed and their role in communication. While the first explicit description of emotions (virtue and vice) has been attributed to Aristotle, the systematic study of emotions began in earnest with Darwin, who proposed that emotions developed from adaptive behaviors that helped the survival of the species. Those who espouse this perspective view the functions of emotions in the context of evolution by natural selection (Darwin, 1872). In this sense, emotions have adaptive functions. For example, disgust was originally associated with the act of spitting out unpleasant or poisonous foods. As such, the facial expression of disgust developed as a reflection of those actions, with an open mouth and projecting tongue. Similarly, sadness produces tears, which helps to cleanse the eyes of potential pollutants. Over time, such behaviors became “serviceable habits” in which the beneficial action remained, even after its original function disappeared. In this way, human emotions are a remnant of our shared evolutionary heritage. They are, in fact, vestiges of actions that at one time served fundamental survival purposes.

## Intrapersonal Versus Interpersonal

Emotions also play an essential role in communication, a key leadership component, both intrapersonally and interpersonally. In early theory development, emotions were considered as primarily intrapersonal phenomena, which directly serve to benefit the survival of the species. The intrapersonal effects of emotions are

generally depicted as the influence of one's emotions on his or her own behavior and corresponding outcomes, while the interpersonal effects of emotions are viewed as the influence of one's emotions on another's behavior.

Previous research on the effects of emotions has yielded a variety of findings concerning emotional influence on the individual's, as well as on other's thoughts and behaviors. For example, happiness tends to increase one's creativity, activate top-down processing, and speed decision-making times through elimination by aspects (Isen & Means, 1983; Tversky, 1972). Anger tends to activate more punitive heuristics in the individual, make people less likely to trust others, and increase the possibility of risk-seeking choices (Lerner & Tiedens, 2006). More recently, the study of emotion shifted toward a more interpersonal perspective. For instance, anger expressed at another signals a need for group members to address their attention toward that person (Frijda, 1988).

Extending beyond the individual, there is an implied benefit to the social functions of emotions. The social-functional approach focuses on the role that emotions play in conveying intentionality and future behavior toward others (Keltner, Haidt, & Shiota, 2006; Morris & Keltner, 2000). This approach to role of emotions in communication hypothesizes that emotions coordinate the interactions that are associated with the configuration and maintenance of social relations (Keltner & Kring, 1998). Facial expressions, tone of the voice, and posture communicate how individuals are feeling about others and can move us toward or keep us away from other people (Levenson, 1994).

Overall, both scholars and practitioners argue that emotions can direct, as well as interrupt, behaviors, feelings, and actions, and that it is up to the individual to interpret a particular event and his or her own subsequent behaviors. Often, people react differently to similar situations, as more than one emotion can be experienced simultaneously. Despite their perplexing nature, the topics of emotions and performance continue to rouse researchers across multiple disciplines as they are recognized as essential to practices in the workplace. Rather than simply ignored, emotions should be studied extensively in conjunction with leadership because modern leaders are expected to possess extraordinary abilities to impact the feelings of their constituents, especially in the context of transformational leadership.

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## Emotional Intelligence

Humans have clearly benefited from the development of emotions, and presumably, from being attuned to the emotions of those surrounding them. Like general cognitive ability ("g") assessed by the intelligence quotient (IQ), which encompasses one's capacity to learn and use information, it was surmised that identifying, understanding, and managing emotions might also form a competence. As with other aptitudes, emotional intelligence was viewed not just as a single capability but rather as a collection of related skills.

## Three Prevailing Models of Emotional Intelligence

With proliferating research into emotional intelligence over the past decades, a variety of instruments now exist to explore this field. Researchers, however, have divergent views as to exactly what these instruments should measure and how they should be administered. The literature points in several directions in terms of emotional intelligence definitions, and observations from differently designed instruments vary in the levels of their reliability and predicted outcomes, including social behaviors, stress management, and academic performance, to name a few. Two of the most important focal points include what emotional intelligence predicts and what encompasses the highly emotionally intelligent person (Matthews, Zeidner, & Roberts, 2002).

Some researchers equate emotional intelligence to good character, social skills, or motivational drives (Goleman, 1995). There are also general personality scales to measure attributes of self-esteem, social dominance, empathy, and self-actualization (Bar-On, 1997). While it is not always directly evident which kinds of evaluations are best suited to help assess the sets of subjects' aptitudes and serve as starting points in helping them through their professional, social, and academic careers to higher levels of achievement and self-fulfillment, there are over 60 emotional intelligence inventories and assessments listed in Schutte and Malouff's (1999) book, *Measuring Emotional Intelligence and Related Constructs*. Three of these stand out as useful business tools: (a) *Mayer–Salovey–Caruso Emotional Intelligence Test* (MSCEIT), (b) *Emotional Quotient Inventory* (EQ-i), and (c) *Emotional Competence Inventory* (ECI).

### Mayer–Salovey–Caruso Emotional Intelligence Test

Developed by Mayer, Salovey, and Caruso, the originators of the term emotional intelligence, the MSCEIT measures four branches of emotional intelligence: (1) identifying emotions (i.e., the ability to recognize how one's self and others are feeling); (2) facilitating thought (i.e., the ability to generate an emotion and reason with this emotion); (3) understanding emotions (i.e., the ability to understand complex emotions and how they transition from one stage to another); and (4) managing emotions (i.e., the ability to regulate emotions in self and others). In this model, emotional intelligence is viewed as consisting of four separate components. The order of the four branches (from perception through management) represents the degree to which that ability is integrated within the rest of an individual's major psychological subsystems (Mayer, 1998, 2001).

As the only pure "ability measure" of emotional intelligence, the MSCEIT involves scenarios that require takers to use their ability to "read" emotions in faces and to solve emotional problems. The MSCEIT is scored similarly to a standard intelligence test. As such, the test-taker's answers are compared to those of thousands of other people and to those from a body of experts. Subjects are then provided with a score range in order to help them interpret test results (e.g., "develop," "consider developing," "competent," "skilled," and "expert"). The overall score is an estimate of a person's actual ability (Mayer, Salovey, & Caruso, 2002).

### **Bar-On's EQ-i**

Based on 19 years of research and tested on over 48,000 individuals worldwide, the Bar-On Emotional Quotient Inventory is designed to measure a number of constructs related to emotional intelligence. Bar-On uses EQ (emotional quotient) to describe his view of emotional intelligence as “an array of non-cognitive ... skills” that are useful in predicting success in specific areas of life. The EQ-i is a self-report assessment, in which one's score is a reflection of one's own answers to the test questions. The assessment consists of 133 items, gives an overall EQ score, as well as scores for the following five composite scales and 15 subscales: Intrapersonal Scales (e.g., self-regard, emotional self-awareness, assertiveness, independence, and self-actualization), Interpersonal Scales (e.g., empathy, social responsibility, and interpersonal relationship), Adaptability Scales (e.g., reality testing, flexibility, and problem solving), Stress Management Scales (e.g., stress tolerance and impulse control), and General Mood Scales (e.g., optimism and happiness).

### **Goleman's Emotional Competency Inventory**

Goleman defines emotional intelligence as “the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships” (Goleman, 1995, p. 317). He views emotional intelligence as a set of competencies that can be measured by his Emotional Competency Inventory (ECI). The assessment is a 360° feedback tool, in which the score is a reflection of feedback from one's supervisor(s), peers, and direct reports. The instrument is designed for use only as a development tool, not for hiring or compensation decisions. However, the current ECI model has since changed from the original model published in Goleman's (1985) book, *Working with Emotional Intelligence*. These changes include five clusters reduced to four and 25 competencies reduced to 20.

Goleman admits to having based his work on the original findings of Salovey and Mayer: “While they have continued to fine tune their theory, I have adapted their model into a version I find most useful for understanding how these talents matter in work life” (1998, p. 318). He agrees with Salovey and Mayer on the following points: emotions contain information; moods influence thought; every mood is useful; and being emotionally intelligent has financial benefits.

All three emotional intelligence tests and their developers have shown through research and practice that emotional intelligence can be measured as an ability (Mayer, Salovey, & Caruso, 2004), a skill (Bar-On, 1997) or a competency (Goleman, 1985). A great deal of criticism in the emotional intelligence area, however, pertains to self-report scales (Church, 1997; Higgs, 2001; Zeidner, Mathews, & Roberts, 2001). Therefore, the advantages of the ability-based approach include the clarity of definition, the difficulty of faking the ability, and the unique contribution in prediction based on objective data not subject to response style biases (Boyatzis, Goleman, & Rhee, 2000).

## Emotional Intelligence Components and Leadership

Generally, the concept of emotional intelligence encompasses an “ability to monitor one’s own and others’ feelings and emotions, to discriminate among them, and to use this information to guide one’s thinking and actions” (Salovey & Mayer, 1990, p. 189). While multiple theoretical models have emerged, as discussed earlier, emotional intelligence can be considered to be composed of aptitudes in the following five areas: self-awareness, self-regulation, motivation, empathy, and social skills (Goleman, 2003; Mayer, Salovey, Caruso, & Sitarenios, 2001). Each of these areas plays a fundamental role in contributing to increased effective leadership.

### Self-Awareness

One of the first elements in effective leadership is to “know oneself.” This involves a wide range of self-knowledge, from being aware of one’s own emotional state to knowing one’s strengths and limitations. In fact, the starting point to change requires an awareness of what is working as a leader, as well as what isn’t. A self-aware leader then has the opportunity to intervene and potentially impact other team members (Eisenberg & Fabes, 1992). In this way, “thinking” and “feeling” are combined in techniques that leverage both information sources to affect the outcome (George, 2000; Mayer & Salovey, 1997).

### Self-Regulation

Emotion regulation is the ability to understand, accept, and regulate one’s emotional experiences (Côté & Morgan, 2002; Gross, 1998a; Gross & Thompson, 2007; Hochschild, 1979). It describes the processes through which people shape the emotions they are currently experiencing, as well as the way in which those emotions are felt and communicated (Gross, 1998b). As children, we tend to experience and express our emotions with little regard for self-constraint. Our emotions can be overwhelming, but with time we learn to gain some element of control over them. As we grow older, we develop an ability to control both the emotions that we feel and the expression of those emotions toward others. Research has shown this as an advantage, such that young children who are able to control their emotions early in life by delaying gratification were more likely to become higher cognitively and socially competent adolescents which, in turn, resulted in better academic achievement (Mischel, Shoda, & Rodriguez, 1989). Emotion regulation is an essential part of the personality process and there are clear indications that having the capacity to effectively manage one’s emotions can have an impact on one’s leadership abilities.

In addition to the influence of emotion regulation on organizational leadership, it has also been noted to impact job satisfaction and performance (Cropanzano, Weiss, Suckow, & Grandey, 2000). For example, the process of emotion regulation has been demonstrated to be helpful in decision making (George, 2000), as well as in negotiations, in terms of decreasing the possibility of conflict (Allred, Mallozzi, Matsui, & Raia, 1997).

## **Motivation**

The ability to motivate is directed both inwardly, as self-motivation, and outwardly, as inspiration to instill in others a desire to increase their commitment and level of participation toward the group task. Self-motivated individuals have been shown to have higher levels of confidence in their ability to manage and impact the events around them (Sosik & Megerian, 1999). These feelings derive from a sense of self-efficacy, or belief in oneself that success is possible. Of course, this confidence to achieve the group goals acts as “inspirational motivation” of others, which has been identified as a key element in transformation leadership (Palmer, Walls, Burgess, & Stough, 2001).

## **Empathy**

Empathy, viewed as the sensitivity and attunement to others’ emotions and interests, has been highlighted as an important aspect of effective leadership in the research literature for several decades. Originally portrayed as “leader empathy,” this form of connection allows a leader to better listen to and understand his or her followers, thereby conveying an increased level of trust that group members are being heard (Bass, 1960). Furthermore, overall emotional sensitivity to group members has been hypothesized to be positively correlated with higher quality relationships between leaders and group members in forming stronger connections (Riggio & Reichard, 2008).

## **Social Skills**

As emotions are fundamental motivators of behavior, knowing the emotions of those around us has advantages. Just as with the capacity to regulate one’s emotions, the ability to recognize emotions in other people can be equally advantageous. There is now little contention that “emotions guide specific judgments and perceptions to respond to significant problems or opportunities” (Barrett & Campos, 1987; Schwarz, 1990). From an evolutionary perspective, sensing when the individuals surrounding us are themselves fearful can provide a key survival advantage by providing advance warning of impending danger (Darwin, 1872). From an interpersonal viewpoint, detecting the anger of another might signal the need to adjust one’s behavior. Increased emotion perception can provide for increased group cohesion, as well as for improved group and organizational communication and efficacy. All of these elements contribute to more effective leadership outcomes.

Both expressing and accurately perceiving others’ emotions are important in a leadership position. The social skills involved in reacting to others’ emotional states can directly influence their subsequent behavior. For instance, even simple expressions, such as smiling, tend to lead to increased compliance levels and pro-social behaviors, resulting in higher customer satisfaction and restaurant tips (Brown & Sulzer-Azaroff, 1994; Tidd & Lockard, 1978). Other studies have revealed that people who present with higher levels of emotion expressivity are more likely to elicit cooperative behavior in a negotiation (Schuga, Matsumoto, Horita, Yamagishi, & Bonnet, 2010). All combined, these social skills can to be powerful contributors in leading others.

## Emotional Intelligence at Work

The economic value of emotional intelligence has been mentioned extensively in recent organizational behavior research. In general, emotionally intelligent individuals and organizations stand out: they are more productive and promote productivity in others. As work teams become more specialized in the information age, emotional intelligence is emerging as an essential competence, alongside technical capabilities, in effectively communicating and collaborating with others. Within leadership and organizational behavior, research literature suggests that those lower in an organization hierarchy are more likely to appreciate emotional intelligence in their supervisors (Adams, 2013; Bartock, 2013). A positive relationship has also been found between subordinates' commitment to their organization and their supervisors' emotional intelligence (Harms & Crede, 2010). Accordingly, contemporary global organizations are challenged with the task of improving the emotional intelligence in their leaders. Through enhancing their own emotional intelligence, business leaders are able to have positive interactions with their followers and create a safe, caring, and rewarding environment, thereby helping the staff achieve greater levels of professional and personal success.

Since leadership can be defined as an emotional relationship of trust (Northouse, 2013; Rehfeld, 2002), emotional intelligence is clearly a factor in leadership effectiveness. Recently, leadership effectiveness has been examined extensively in connection with emotional intelligence as a critical factor for organizational success, with strong positive correlations found between managers' emotional management skills and employee motivation and productivity (Bartock, 2013; Drager, 2014; Park, 2013). Leaders with high levels of emotional intelligence successfully manage complex challenges through building trust, self-confidence and courage, understanding the needs of others, communicating openly and directly, showing genuine concern for others, and collaborating (Russell, 2014). Not surprisingly, such outcomes cite leaders' emotional intelligence as a predictor of team performance (Love, 2014). Consequently, the link between leadership effectiveness and emotional intelligence has become an increasingly focal point for scholars and practitioners in the field of management (Gooty, Connelly, Griffith, & Gupta, 2010; Harms & Crede, 2010).

While emotional intelligence has been described as the "*sine qua non* of leadership" (Goleman, 2003, p. 229), it is important to keep in mind that it is only one aspect in a complex array of interrelated thoughts and behaviors. Several studies have revealed that general cognitive ability ("g"), as well as specific "big five" personality factors are also highly correlated with leadership emergence and ability (Judge, Bono, Ilies, & Gerhardt, 2002; Lord, De Vader, & Alliger, 1986). Moreover, other situational determinants, not addressed in current emotional intelligence models, may influence leadership effectiveness, including cultural, hierarchical, and gender differences (Antonakis, 2003).

In addition to recognizing the potential boundary conditions for emotional intelligence in predicting leadership competency, it has been even argued that certain elements of emotional intelligence may be unneeded or even

counterproductive in a leadership capacity. For example, in some industrial settings being overly attuned or sensitive to another's reactions could result in a leader second-guessing him or herself, thereby decreasing leadership effectiveness (Elfenbein & Ambady, 2002). In these circumstances, a group may actually benefit more from their leader remaining unaware or "immune" to potential negative or misinterpreted information (Antonakis, 2003). As research progresses, it may be revealed that particular elements of emotional intelligence are more applicable in certain situations than others.

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## Recent Directions in Leadership and Emotional Intelligence Research

As research into leadership effectiveness acquires more of a transdisciplinary nature, we discuss the most recent investigations into the connections between leadership and emotional intelligence within the fields of healthcare, finance and banking, project supervision, information technology, and change management with specific focus on recent empirical studies in 2012–2015.

### Finance and Banking

Within the sphere of accounting, professionals are now required to provide additional functions, such as information facilitation, along with the traditional tasks of auditing, financial analysis, and tax preparation, thus creating greater emphasis on emotional intelligence skills (Gayle, 2013). Hewertson (2012) argues that financial leaders, in order to be effective, must be able to understand self-management and self-awareness, as well as social awareness and relationship management, be capable of empathy, and demonstrate optimism. Iuscu, Neagu, and Neagu (2012) point out that emotional intelligence is important for both personal, as well as organizational, development as it provides a path toward assessing people's behaviors, abilities, and potential leadership styles.

Recalling the collapse of Lehman Brothers, Stein (2013) draws on concepts within psychoanalysis to explain how narcissistic leaders can become reactive, versus constructive, in the face of environmental downturn. Haig (2013), on the other hand, discusses characteristics of positive leadership, such as social power, emotional intelligence, and intellect, within the auditing domain. Within the Pakistani banking service, for example, Irshad and Hashmi (2014) argue that managers' emotional intelligence, leadership styles, and organizational citizenship behavior are essential factors in organizational success. Ljungholm (2014) concurs that emotions play an essential role in organizational settings, with emotional intelligence positively impacting leadership capability, which in turn, enhances work outcomes. Inclusive leadership and emotional intelligence, according to Teniente-Matson (2013), ensure equity and respect as components of effective performance of chief business officers within the context of higher education institutions.

## Project Management and Information Technology

Project managers, who need both technical and social skills, have multifaceted responsibilities that can significantly affect project success. Emotional intelligence, in the form of interpersonal influence, has been shown to have a positive relationship with projects being completed on time (Sunindijo, 2015). Furthermore, project costs were affected by the appearance of managers' sincerity, as well as budgeting skills, and quality outcomes were shown to be positively related to project managers' transformational leadership aspects, including visioning and interpersonal influence.

Applying social capital theory to investigate the role of emotional, cognitive, and social intelligences within information technology service teams revealed that emotional intelligence competencies of project managers directly affect project performance (Lee, Park, & Lee, 2013). In analyzing the relationship between emotional intelligence, shared team leadership style, and team effectiveness within virtual teams that use technology to enhance interaction and communication, results confirmed that emotional intelligence scores are significantly correlated with the collective transformational leadership styles of the team members (Robinson, 2013). Another study of *Enterprise Resource Planning* (ERP) implementations within the retail industry found empirical evidence that appropriate levels of emotional intelligence, combined with the correct combination of leadership skills and information technology, support organizational success, especially in the early stages of system development (Hernandez, 2014).

## Healthcare

As the healthcare industry witnesses unprecedented recent changes involving systems innovation, it is not surprising that the topics of organizational change, and the leadership aptitudes essential to drive it, have been gaining scholars' attention. To prevent high levels of turnover and job instability within nursing, the "ability model" of emotional intelligence has been investigated within the context of organizational change for its potential impact on leadership skills, which the heavily burdened health-related industry can ill afford (Codier, 2014). A scholarly investigation of leadership attributes and skills completed by senior healthcare administrators (Thankachan, 2014), without specifically quoting emotional intelligence, concludes that trustworthiness, empowerment, and leadership agility are essential requisites for future healthcare administrators in leadership roles. Meanwhile, other studies clearly identify emotional intelligence as a key factor in leadership outcomes within the healthcare arena, specifically in the context of change (Mukhuty, 2013). Nurses who were led by emotionally aware leaders adept at self-regulation and motivation reported greater job satisfaction, increased teamwork, and greater quality of patient care.

## Retail and Sales

It is widely recognized that being able to connect and empathize with others is a necessity for success in marketing and sales. A recent empirical study by Brown (2014) confirms correlations between increased emotional intelligence and sales performance. Beyond general intelligence and personality, high levels of emotional and social intelligence also significantly predict sales performance, with adaptability and influence mentioned as the most prominent factors (Boyatzis, Good, & Massa, 2012).

## Communication, Change Management, and Employee Engagement

The responsibilities of high-ranking managers include problem solving, conflict resolution, and teamwork building: all areas where communication skills between them and their subordinates cannot be underestimated. Within the realm of organizational development, the leaders' level of emotional intelligence may be a defining success factor. Indeed, the ability to use one's emotions in relationships with others in a constructive way has been frequently mentioned as an essential requirement for effective decision-making and leading organizational change (Yadav, 2014). Intuition, as a form of emotional intelligence in leadership, is considered an important tool for effective decision making, especially in ambiguous but critical circumstances (Bacon, 2013). Emotional intelligence is quoted as having played an important part in helping the New York University (NYU) Medical Center undergo a major transition within just one year (Foltin & Keller, 2012).

As innovation energizes organizational change, connections between employee creative output and leaders' emotional intelligence are highlighted (Castro, Gomes, & de Sousa, 2012). Chervil (2014) emphasizes the importance of social, and especially emotional intelligence skills in the context of leadership core competencies, as a prerequisite for compassionate and caring way to resolve conflicts. Leaders' emotional intelligence has been cited as a predictor of employee engagement and the organization's successful performance (Adams, 2013; Robertson-Schule, 2014). Moreover, managers' ability to understand and use emotions in reasoning was found to be strongly correlated with workgroup engagement levels. Specifically where respect and trust were concerned, leaders' emotional intelligence and the quality of their relationships with their employees were shown to be significantly correlated (Johnson, 2013).

## Transformational and Servant Leadership

Much has been written in recent years on the relationship of emotional intelligence to transformational and servant leadership—overwhelmingly in support of such connections (Hallaq, 2015; Irshad & Hashmi, 2014; Mukhty, 2013; Zacher, Pearce,

Rooney, & McKenna, 2014). More explicitly, empathy has been linked to transformational leadership style (Brown, 2014). Significant relationships between emotional intelligence and all five measures of transformational leadership have been identified (Morse, 2014). The same study also revealed a negative relationship between emotional intelligence and *laissez-faire* leadership style. Based on empirical evidence, Mukhuty (2013) arrives at similar conclusions, confirming a strong positive relationship between emotional intelligence and transformational leadership, suggesting emotional intelligence as a predictor of transformational leadership style, particularly effective within the context of organizational change.

### Case 7.1: There Is Something About Betty

As a promising manager with a reputation for turning around “problem” areas at *Pieces & Parts, Inc.*, a manufacturing facility with approximately 2,000 employees, Frank reluctantly accepted his new challenge—the training department. From the previous manager, who failed to unify the team and move it in the right direction, Frank would be inheriting a paradox of low morale and productivity among five highly qualified and experienced group of professionals.

At first scan, the “problem” seems to be centered on Betty, one of the longest standing and most experienced employees in the department. Through her long tenure at *Pieces & Parts, Inc.*, Betty is intimately familiar with all the processes and individuals at the company, where she has netted a reputation of a highly organized and conscientious trainer. She has earned “employee of the year” award twice in the past five years. In her early 50s and the breadwinner in her family supporting two teen-aged children, she is undoubtedly committed to her job. Perhaps it is her sense of security with her position at *Pieces & Parts, Inc.*, that is making her seemingly oblivious to the recent rapid changes within the company in the way major processes are handled.

Betty appears to be refusing to accept that “business as usual” no longer works in the rapidly digitized environment at *Pieces & Parts, Inc.*—including *all* processes—not just production, but also vital support functions, such as customer service and employee development, where the training department plays a key role. As Frank takes the reins of the department, her attitude of “this is how we have always done it” intensified. She seems to “forget” to follow agreed-upon directions; she makes “mistakes,” and when called upon them, cries and promises to improve. Even though he has written her up twice, Frank understands that firing Betty is not an option. He realizes that Betty is mostly the reason he has been assigned to the department, and that his future with *Pieces & Parts, Inc.*, depends on how he handles the challenge.

At 30 years old, Frank is one of the youngest in the department, with technologically savvy Ethan, the most recent addition to the team, who is just three years younger. Ethan was hired 10 months ago and is creative and enthusiastic. Angela is in her late 30s and has been with the department for a year and a half. She is skilled and experienced, clearly enjoys her responsibilities, and gets

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along with everyone. Cathy is in her early 60s and has been with *Pieces & Parts, Inc.*, for almost 10 years. She is the more mature version of Angela—efficient, happy, and diplomatic. Then, there is Diana, 35, extremely talented and ambitious. She started with *Pieces & Parts, Inc.*, at the same time as Frank, except that while Frank was moved around the company, Diana's tenure has been with the same department for the past eight years. She has a bit of a chip on her shoulder, feeling *Pieces & Parts, Inc.*, at least should have given her a chance at the job that went to Frank, but as a true professional, she does not let the feelings interfere with her performance, which has always been stellar.

With Betty's difficult attitude affecting the morale of the department, as well as his own prospects for advancement at *Pieces & Parts, Inc.*, Frank is resolved to find a constructive outcome to the situation. He has asked you, an organization development coach/consultant, to advise him on how to find a dynamic approach to moving the department out of this impasse. To diagnose the situation, you have suggested that the team take the MSCEIT and MBTI (*Myers-Briggs Type Indicator*) assessments to gain some insights into their individual strengths and weaknesses, as well as potential areas of conflict.

The MSCEIT assesses emotional intelligence among four skills groups: (1) perceiving emotion accurately, (2) using emotion to facilitate thought, (3) understanding emotion, and (4) managing emotion (Mayer & Salovey, 1997). It uses an array of tests to measure one's ability to identify the emotions in oneself and others, using pictures, faces, and scenarios. When combined, these tests yield an overall emotional intelligence score.

The MBTI assesses one's preferred approach along four dimensions: (1) where people focus their attention and derive their energy, internally or externally [Extraversion versus Introversion]; (2) how people process information, from detail oriented top-down perspective or a pattern seeking bottom-up perspective [Sensing versus Intuition]; (3) how people make and implement decisions, with more concern for relationships versus facts [Feeling versus Thinking]; and (4) how people organize their time and tasks, with more or less structure [Judging versus Perceiving]. Taken together, these elements combine to create a brief personality profile of each employee. The summaries of the reports are below.

As you analyze this case, you should consider the following questions:

- What approach would you recommend to Frank based on the data?
- What are some potential areas of conflict between employees?
- What role and responsibility changes would you advise for this team?
- What individualized advice and suggestions would you have for Betty?
- How might your specific recommendations impact individual and team functioning?

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**Employee: FRANK**

<i>MSCEIT Ability Scores</i>	Lacking Development	Consider Developing	Competent	Skilled	Expert
<i>Total Emotional Intelligence</i>	Orange	Orange	Orange		
<b>- Identifying Emotions</b>	Light Blue	Light Blue			
<i>Faces Task</i>	Green	Green			
<i>Pictures Task</i>	Green	Green			
<b>- Using Emotions</b>	Blue	Blue	Blue		
<i>Facilitation Task</i>	Green	Green			
<i>Sensations Task</i>	Light Green	Light Green	Light Green		
<b>- Understanding Emotions</b>	Blue	Blue	Blue	Blue	
<i>Changes Task</i>	Light Green	Light Green	Light Green		
<i>Blends Task</i>	Green	Green	Green	Green	
<b>- Managing Emotions</b>	Blue	Blue	Blue		
<i>Emotional Management Task</i>	Green	Green			
<i>Emotional Relationships Task</i>	Dark Green	Dark Green	Dark Green	Dark Green	Dark Green

(continued)

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**MBTI Profile**

**ISTJ: Introversion [21]; Sensing [14]; Thinking [17]; Judging [10]**

- Dependable, practical, sensible, and realistic
- Responsible and loyal to organizations, family, and relationships
- Likely to absorb, remember, and use facts carefully and accurately
- Likely to value procedures, structure, and schedules
- Most comfortable when roles and responsibilities are clearly defined
- Objective and logical when making decisions; look for solutions to current problems in past experiences
- Usually seen by others as calm, serious, orderly, and traditional

**Employee: BETTY**

<i>MSCEIT Ability Scores</i>	Lacking Development	Consider Developing	Competent	Skilled	Expert
<i>Total Emotional Intelligence</i>					
<b>- Identifying Emotions</b>					
<i>Faces Task</i>					
<i>Pictures Task</i>					
<b>- Using Emotions</b>					
<i>Facilitation Task</i>					
<i>Sensations Task</i>					
<b>- Understanding Emotions</b>					

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<i>Changes Task</i>					
<i>Blends Task</i>					
- Managing Emotions					
<i>Emotional Management Task</i>					
<i>Emotional Relationships Task</i>					

**MBTI Profile****ESTJ: Extraversion [6]; Sensing [4]; Thinking [3]; Judging [17]**

- Decisive, clear, and assertive
- Logical, analytical, and objectively critical
- Adept at organizing projects, procedures, and people
- Likely to value competence, efficiency, and results
- Likely to prefer proven systems and procedures
- Focused on the present, applying relevant past experience to deal with problems
- Usually seen by others as conscientious, dependable, decisive, outspoken, and self-confident

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**Employee: ETHAN**

<i>MSCEIT Ability Scores</i>	Lacking Development	Consider Developing	Competent	Skilled	Expert
<i>Total Emotional Intelligence</i>	Orange	Orange	Orange	Orange	
<b>- Identifying Emotions</b>	Blue	Blue	Blue		
<i>Faces Task</i>	Green	Green	Green		
<i>Pictures Task</i>	Green	Green	Green	Green	
<b>- Using Emotions</b>	Blue	Blue	Blue		
<i>Facilitation Task</i>	Green	Green	Green		
<i>Sensations Task</i>	Green	Green	Green		
<b>- Understanding Emotions</b>	Blue	Blue	Blue		
<i>Changes Task</i>	Green	Green	Green		
<i>Blends Task</i>	Green	Green	Green		
<b>- Managing Emotions</b>	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue
<i>Emotional Management Task</i>	Dark Green	Dark Green	Dark Green	Dark Green	Dark Green
<i>Emotional Relationships Task</i>	Green	Green	Green	Green	

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**MBTI Profile**

**INTP: Introversion [19]; Intuition [24]; Thinking [8]; Perceiving [1]**

- Logical, analytical, and objectively critical
- Quick, insightful, and ingenious; intensely curious about ideas and theories
- Adept at providing a detached, concise analysis of an idea or a situation
- Likely to approach situations with skepticism and form independent opinions and standards
- Likely to value intelligence and competence
- Flexible and tolerant of a wide range of behaviors
- Usually seen by others as quiet, contained, and independent

**Employee: ANGELA**

<i>MSCEIT Ability Scores</i>	Lacking Development	Consider Developing	Competent	Skilled	Expert
<i>Total Emotional Intelligence</i>	■	■	■	■	■
<b>- Identifying Emotions</b>	■	■	■	□	□
<i>Faces Task</i>	■	■	■	□	□
<i>Pictures Task</i>	■	■	■	■	■
<b>- Using Emotions</b>	■	■	■	■	■
<i>Facilitation Task</i>	■	■	■	■	■
<i>Sensations Task</i>	■	■	■	■	■
<b>- Understanding Emotions</b>	■	■	■	■	□

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<i>Changes Task</i>					
<i>Blends Task</i>					
<b>- Managing Emotions</b>					
<i>Emotional Management Task</i>					
<i>Emotional Relationships Task</i>					

**MBTI Profile**

**ENFJ: Extraversion [21]; Intuition [10]; Feeling [6]; Judging [20]**

- Warm, compassionate, and supportive; loyal and trustworthy
- Highly attuned to others; their empathy enables them to quickly understand emotional needs, motivations, and concerns
- Guided by personal values in decision making
- Likely to value harmony and cooperation; tend to look for the best in others
- Curious about new ideas and stimulated by possibilities for contributing to the good of humanity
- Usually seen by others as sociable, personable, gracious, expressive, responsive, and persuasive

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**Employee: CATHY**

<i>MSCEIT Ability Scores</i>	Lacking Development	Consider Developing	Competent	Skilled	Expert
<i>Total Emotional Intelligence</i>	■	■	■	■	■
<b>- Identifying Emotions</b>	■	■	■	■	■
<i>Faces Task</i>	■	■	■	■	■
<i>Pictures Task</i>	■	■	■	■	■
<b>- Using Emotions</b>	■	■	■	■	■
<i>Facilitation Task</i>	■	■	■	■	■
<i>Sensations Task</i>	■	■	■	■	■
<b>- Understanding Emotions</b>	■	■	■	■	■
<i>Changes Task</i>	■	■	■	■	■
<i>Blends Task</i>	■	■	■	■	■
<b>- Managing Emotions</b>	■	■	■	■	■
<i>Emotional Management Task</i>	■	■	■	■	■
<i>Emotional Relationships Task</i>	■	■	■	■	■

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**MBTI Profile**

**ENFJ: Extraversion [16]; Intuition [24]; Feeling [19]; Judging [1]**

- Warm, compassionate, and supportive
- Loyal and trustworthy
- Highly attuned to others; their empathy enables them to quickly understand emotional needs, motivations, and concerns
- Guided by personal values in decision making
- Likely to value harmony and cooperation; tend to look for the best in others
- Curious about new ideas and stimulated by possibilities for contributing to the good of humanity
- Usually seen by others as sociable, personable, gracious, expressive, responsive, and persuasive

**Employee: DIANA**

<i>MSCEIT Ability Scores</i>	Lacking Development	Consider Developing	Competent	Skilled	Expert
<i>Total Emotional Intelligence</i>	Orange	Orange	Orange		
<b>- Identifying Emotions</b>	Blue	Blue	Blue		
<i>Faces Task</i>	Green	Green	Green		
<i>Pictures Task</i>	Green	Green	Green		
<b>- Using Emotions</b>	Light Blue	Light Blue			
<i>Facilitation Task</i>	Teal	Teal			
<i>Sensations Task</i>	Green	Green	Green		
<b>- Understanding Emotions</b>	Blue	Blue	Blue	Blue	

(continued)

(continued)

<i>Changes Task</i>					
<i>Blends Task</i>					
- Managing Emotions					
<i>Emotional Management Task</i>					
<i>Emotional Relationships Task</i>					

**MBTI Profile****ENFP: Extraversion [23]; Intuition [7]; Feeling [1]; Perceiving [10]**

- Curious, creative, and imaginative
- Energetic, enthusiastic, and spontaneous
- Keenly perceptive of people and of the world around them
- Appreciative of affirmation from others; readily express appreciation and give support to others
- Likely to value harmony and goodwill
- Likely to make decisions based on personal values and empathy with others
- Usually seen by others as personable, perceptive, persuasive, and versatile

### Discussion Questions

1. How can we learn to use our emotions more effectively in communicating and facilitating better relationships with others?
2. What are some advantages and disadvantages of using emotions strategically to control our affective states?
3. Which abilities, skills, and competencies does emotional intelligence encompass?
4. What role do emotions play in effective leadership?
5. How might the suppression or mismanagement of one's emotions result in poor leadership outcomes?

### Chapter Summary

- Emotions convey information both intrapersonally, to oneself, and interpersonally, to others.
- The social-functionalist theory focuses on the role that emotions play in conveying intentionality and future behavior toward others.
- Emotional intelligence is viewed not just as a single capability, but rather as a collection of related skills.
- Three models of emotional intelligence with corresponding measurements have emerged: (a) MSCEIT, (b) R. Bar-On's Emotional Quotient Inventory (EQ-i), and (c) Goleman's Emotional Competence Inventory (ECI).
- All three emotional intelligence tests and their developers have shown through research and practice that emotional intelligence can be measured as an ability (Mayer, Salovey, & Caruso, 2004), a skill (Bar-On, 1997), or a competency (Goleman, 1985).
- The link between leadership effectiveness and emotional intelligence has become an increasingly focal point for scholars and practitioners in the field of management.
- Since leadership can be defined as an emotional relationship of trust, emotional intelligence is clearly a factor in leadership effectiveness.
- Aptitude in each of the areas of emotional intelligence has been shown to contribute to effective leadership, including self-awareness, self-regulation, motivation, empathy, and social skills.
- Leaders with high levels of emotional intelligence successfully manage complex challenges through building trust, self-confidence and courage, understanding the needs of others, communicating openly and directly, showing genuine concern for others, and collaborating.
- Recent empirical studies reveal the contributions of emotional intelligence to effective leadership within the fields of healthcare, finance and banking, project supervision, information technology, and change management.

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Satinder Dhiman

*Love, joy, and compassion are marks of being awake.  
Hatred, greed, and anger are marks of being asleep.  
May the leaders awaken the spirituality within—  
Through self-knowledge flowering into selfless service!*

*A story is told of a rabbi who was trying to get to the synagogue for morning sermon during the pre-revolution Russia. He was stopped by a soldier at gunpoint, who asked the rabbi: “Who are you and what are you doing here?” The rabbi inquired the soldier: “How much the government pays you for asking these questions?” “Nineteen kopecks a week,” replied the soldier. Said the rabbi, “I will pay you 20 kopecks a week if you stop me here every day and ask me the same two questions!”*

(Kevin Cashman, *Leadership from the Inside Out*  
(Provo, UT: Executive Excellence Publishing, 2001), 31).

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## Abstract

This chapter underscores the importance of spirituality in the workplace and its role in leading organizations. It focuses specifically on contributing to readers’ awareness about the vital difference between religion and spirituality. The chapter builds on the premise that fundamental problems facing our organizations and the society today can only be solved at the level of human spirit. The material paradigm is not suited to deal with germane problems that shape our today’s world (Vasconcelos A.F., *Cadernos EBAPE.BR* 13.1, pp. 183–205). The chapter further postulates that the real spirituality is not indifference to the world but love and compassion born out of identifying oneself with all beings. It presents Gandhi as an exemplary spiritual leader who stirred the conscience of humanity by demonstrating the power of spirit over material things and extended the gospel of love and peace from personal level to the social arena. It also draws upon the vision of the Vedānta philosophy of unity of all existence as unfolded in the Bhagavad Gītā.

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## Introduction

Workplace spirituality has now come to be recognized as an acceptable research field. Special issues on this subject have been devoted in peer-reviewed journals and, in 2001, Academy of Management set up a special interest group for Management Spirituality and Religion. (Poole, 2009)

Interest in workplace spirituality has been growing by leaps and bounds over the last two decades (Ashmos & Duchon, 2000; Benefiel, 2003, 2007; Cavanagh & Bandsuch, 2002; Driver, 2007; Duchon & Ashmos Plowman, 2005; Gotsis & Kortezi, 2008; Marques, Dhiman, and King 2007, 2009; McCormick, 1994; Mitroff & Denton, 1999; Neal, 1997; Poole, 2009). A *Business Week* cover story quoted Laura Nash, a business ethicist at Harvard Divinity School and author of *Believers in Business*, as follows: “Spirituality in the workplace is exploding.... One recent poll found that American managers want a deeper sense of meaning and fulfillment on the job—even more than they want money and time off” (Conlin, 1999, p. 2).

An issue of the *U.S. News & World Report* (May 3, 1999) reported: “In the past decade, more than 300 titles on workplace spirituality—from *Jesus CEO* to *The Tao of Leadership*—have flooded the bookstores.... Indeed, 30 MBA programs now offer courses on this issue. It is also the focus of the current issue of *Harvard School Bulletin*.” Signs of this sudden concern for corporate soul have been showing up everywhere: from boardrooms to company lunchrooms, from business conferences to management newsletters, from management consulting firms to business schools. Echoing Andre Malraux—who said that the twenty-first century’s task will be to rediscover its Gods—some management thinkers are prophesying that the effective leaders of the twenty-first century will be spiritual leaders (Bolman & Deal, 2001; Pruzan and Mikkelsen, 2007).

Organizations are increasingly realizing the futility of achieving financial success at the cost of humanistic values. Employees are expecting to get something more than just employment from the workplace (Bragues, 2006; Carroll, 2007; Richmond, 2001). During the early decades of the third millennium, organizations have been reflecting upon discovering ways to help employees balance work and family and to create conditions wherein each person can realize his/her potential while fulfilling the requirements of the job. One writer (Autry, 1994) has called such enlightened organizations “incubators of the spirit.”

Work has ceased to be just the “nine-to-five thing” but is increasingly seen as an important element in fulfilling one’s destiny and as a spiritual practice (Field, 2007; McDonald, 1999; Richmond, 2001; Schuyler, 2007; Wheatley, 2006). As James Autry (1994, p. 117) has observed, “Work can provide the opportunity for spiritual and personal, as well as financial, growth. If it doesn’t, we are wasting far too much of our lives on it.” In his writings, Autry (1994) insists on achieving the “the exquisite balance” between the professional and personal life. “Leading others” is increasingly seen as an extension of “managing ourselves” skillfully (Bolman & Deal, 2001; Boyatzis and McKee, 2005).

The implications of these changes are clear. On the one hand, it is about how to work collectively, reflectively, and spiritually smarter. On the other hand, it implies

how to do work in organizations that is mind enriching, heart fulfilling, soul satisfying, and financially rewarding.

Social scientists and management scholars (Conlin, 1999; Gotsis & Kortezi, 2008; McCormick, 1994; Neal, 1997; Vasconcelos 2015) cite the following reasons for this resurgence of interest in spirituality in the workplace:

- Baby-boomers' mid-life soul searching
- Arrival of the new millennium
- Anxiety caused by corporate downsizing and restructuring
- Search for meaning through work
- Quest for stability in an unstable world
- Movement toward more holistic living
- Greater influx of women in the workplace
- Developed countries' progression from belly needs to brain needs

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## Meaning and Definition of Spirituality

Spirituality is that surgery of the soul in which the patient and the surgeon happen to be the same person! The time and the cost of operation depend upon the pathology of the patient. Webster's Dictionary defines spirituality as: of, relating to, consisting of or affecting the spirit; of relating to sacred matters; concerned with religious values; of, related to, or joint in spirit. The term "spirituality" comes from the Latin word "spiritus" that means vapor, breath, air, or wind. The term spirituality means different things to different people. Cavanagh (1999, p. 186) illustrates the diversity of opinions regarding the definition of spirituality as follows:

Ian Mitroff, Professor of Management, defined spirituality as "the desire to find ultimate purpose in life and to live accordingly." Others define spirituality loosely as energy, meaning, knowing, etc. Some authors rely heavily on Taoist, Buddhist, Hindu, Zen and Native American spiritualities. These authors correctly claim that these non-western societies are better in integrating personal life, work, leisure, prayer, religion, and other aspects of one's life.

Mitroff and Denton (1999) explain their view on spirituality as informal and personal, that is, pertaining mainly to individuals. Spirituality is also viewed as "universal, non-denominational, broadly inclusive, and tolerant, and as the basic feeling of being connected with one's complete self, others, and the entire universe" (p. xvi). Giacalone and Jurkiewicz (2003a) define workplace spirituality as: "A framework of organizational values evidenced in the culture that promotes employees' experience of transcendence through the work process, facilitating their sense of being connected in a way that provides feelings of compassion and joy" (p. 13). Marques et al. (2007) explain workplace spirituality as: "... an experience of interconnectedness among those involved in a work process, initiated by authenticity, reciprocity, and personal goodwill; engendered by a deep sense of meaning that is inherent in the organization's work; and resulting in greater motivation and organizational excellence" (p. 12).

Although the interest in workplace spirituality has been growing over the past two decades, still “the field is full of obscurity and imprecision for the researcher, the practitioner, the organizational analyst and whoever attempts to systematically approach this relatively new inquiry field” (Gotsis & Kortezi, 2008, p. 575). Although no commonly agreed upon definition of spirituality yet exists (Ashforth & Pratt, 2003), a review of most frequently cited definitions of workplace spirituality reveals the following key components: *meaning and purpose in life, sense of interconnectedness and belonging, keener moral sense, and personal joy and fulfillment* (Ashmos & Duchon, 2000; Adams & Csernick, 2002; deKlerk, 2005; Dent et al., 2005; Dhiman, 2012/2014; Giacalone & Jurkiewicz, 2003a, 2003b; Marques, Dhiman, and King, 2005, 2007, 2009; Neal, 1997).

Spirituality is the inmost core of our existence without which our life has no meaning beyond the passing façade of fleeting phenomenon. It is what defines us at the deepest level and gives our lives an abiding meaning. The goal of all spiritual life is to discover the truth of our existence and to cultivate a sense of harmony with all that exists. Most religious and spiritual traditions postulate a state of inner freedom from limitations and variously denote it by such words as *mukti*, *mokṣā*, *nirvāna*, liberation, salvation, enlightenment, or self-realization. This is the *summa bonum*, the desideratum of all spirituality.

## Spirituality vs. Religion

Spirituality is distinct from institutionalized religion. While religion often looks outward depending on rites and rituals; spirituality looks inward—the kingdom within. Spirituality is non-dogmatic, non-exclusive, gender neutral, and non-patriarchal approach to connect with this one source of all existence. It signifies that regardless of our surface differences, there is an underlying sacred commonality, the Ground of Being, to borrow a phrase from Paul Tillich. One writer (Adler, 1992) aptly captures the essence of this difference through the title of a book: *Truth in Religion: Plurality of Religions and Unity of Truth*.

Despite the fact that a review of eighty-seven scholarly articles found that most researchers couple spirituality and religion together (Dent, Higgins, & Wharff, 2005), according to a recent *Pew Report*, nearly one in five Americans identify themselves as “spiritual but not religious.”<sup>1</sup> Many people these days like to self-identify as “spiritual but not religious,” not because they are antagonistic to any religious institution, but simply because there’s no one institution that fits their spiritual ideology. Frequently, they like to combine elements of various religious traditions and spiritual philosophies such as Buddhism, Vedānta, Sufism, and Judeo-Christianity into something that uniquely resonates with them. They long

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<sup>1</sup> *Religion and the Unaffiliated: A Report by Pew Research Center*. Retrieved on June 22, 2015: <http://www.pewforum.org/2012/10/09/nones-on-the-rise-religion/>

for an ideology which is congruent with a reliable knowledge of higher reality, while simultaneously honoring the innate human quest for the Eternal and connection with the Divine. We believe that this longing could serve as a good model for workplace spirituality. If there is respect for everyone's belief system and there is no persecution or conversion involved, workplace spirituality can contribute significantly to fulfill our spirit's longing for something greater, fuller, and transcendental.

There is a natural tendency to confuse spirituality with religion. Spirituality, however, is distinct from institutionalized religion. A person can therefore be spiritual without being a member of any religious denomination. While religion often looks outward depending on rites and rituals; spirituality looks inward—the self *within*. Spirituality recognizes that there is something sacred at the core of all existence. Whatever its source, this sacred element dwells within each and every living being. We call it 'self,' as distinct from body–mind–sense complex. In his book *Ethics for the New Millennium*, the Dalai Lama (1999) makes a clear distinction between spirituality and religion and situates spirituality within the larger societal context, as follows:

Religion I take to be concerned with faith in the claims of one faith tradition or another, an aspect of which is the acceptance of some form of heaven or nirvana. Connected with this are religious teachings or dogma, ritual prayer, and so on. Spirituality I take to be concerned with those qualities of the human spirit—such as love and compassion, patience, tolerance, forgiveness, contentment, a sense of responsibility, a sense of harmony—which bring happiness to both self and others. (p. 22)

Although it is widely acknowledged that workplaces that nourish their employees' spirits gain increased commitment and that attention paid to holistic human flourishing in the workplace creates increased engagement and potential for greater performance (Giacalone & Jurkiewicz, 2003a, 2003b; Gracia-Zamor, 2003), "the jury remains out about the bottom-line relevance of organizational spirituality" (Poole, 2009, p. 577). Poole cites several studies such as by Gallup, NOP, the Work Foundation, and Roffey Park that show that the general level of engagement in most workplaces borders at a shockingly low 20%. According to him, "any company able to lift these levels by even a percentage point will release additional resource and capacity from their human assets" (p. 587).

Some critics believe that spirituality in the workplace is a passing fad just like its predecessors such as TQM and Reengineering. After providing a critical review of the literature on workplace spirituality, Gotsis and Kortezi (2008, p. 575) observe that "there are good reasons to believe that workplace spirituality is more than an impermanent trend; on the contrary, the concept carries a much more substantial meaning and its potential contribution to a more rounded understanding of human work, of the workplace and of the organizational reality worthy of examination." Given the tenor of modern corporations, the need for spirituality in the workplace can hardly be overemphasized.

## Morality and Spirituality

A high sense of moral responsibility is the very foundation of all leadership. It has been said that there is no spirituality without morality and that the scriptures do not cleanse ethically impure. According to Vedānta, a philosophy that underscores the unity of all existence, to live a life of ethics, *dharma*, is to live in tune with the universal moral order. In the teachings of the *Vedas*, the value of harmlessness, or noninjury (*ahimsā*), is accepted as the most fundamental human value (*ahimsā parmo dharma*). *Ahimsā* means not causing harm by any means, neither by thoughts, *manasā*, words, *vāca*, deeds, *kāyena*.<sup>2</sup>

The entire order of *dharma* and the values that arise from that order are rooted in this basic human desire for not being hurt or harmed in any way. According to Vedānta, in order to figure out whether a given action is in alignment with ethics (*dharma*), one need not go any further than to ask oneself the question, if someone were to do it to me, would it cause me any harm? The answer to this question reveals the universal moral order.<sup>3</sup> There is no higher morality (*dharma*) than adhering to the golden rule: Do as you would be done by.

What is the spiritual basis of this understanding? We believe that it is the essential unity and oneness of all existence. Based on the Vedāntic vision of nondual reality, to go against *dharma* is like sticking your hand in fire. It directly hurts oneself (Satprakashananda, 1977). If the Self is an undivided and limitless reality that is the essential nature of all beings, then it naturally follows that doing an action that hurts another person is no different than hurting oneself. As one progresses on the spiritual path one spontaneously starts following *dharma*, not only because it brings about peace of mind, but because to follow *dharma* is to live in harmony with the truth of oneself and the whole existence:

Basically, morality is the attunement of the individual self to the Self of the universe. While a spiritual person practices this knowingly, a moral man practices the same unknowingly. Moral life is the closest to the spiritual life. Unselfishness is the prime moral virtue. It is the attunement of the individual self to the Self of the universe, the Soul of all souls.<sup>4</sup>

A life based on morality and spirituality is rooted in truthfulness, noninjury, compassion, and service (Dhiman, 2012/2014). One who knows oneself to be the Self of all cannot harm anyone. No higher *raison d'être* need to be sought for compassion for all.

<sup>2</sup>Swami Dayananda (1993). *The value of values*. Saylorsburg, PA: Arsha Vidya Gurukulam, 41.

<sup>3</sup>Viswam, T. R. (2000). *Sanatana dharma: Eternal religion*. Mumbai, India: Bharatiya Vidya Bhavan.

<sup>4</sup>Satprakashananda, S. (1977). *The goal and the way*. St. Louis, MO: Vedanta Society of St. Louis, p. 42.

## Spirituality in Personal Life

Spirituality deals with the ultimate ends of life, with questions such as who I am and what is my purpose. The two questions in the opening story crystallize the essence of spirituality at the personal level: Who are you and what are you doing here?

Spirituality in personal life is anchored in the belief that ‘we are not human beings on a spiritual journey; we are spiritual beings on a human journey.’ It begins with the premise that, in the grand cosmic scheme of things, everything and everyone has a purpose. And to realize this purpose is to live a life of purpose. Essentially, it is addressing the fundamental dilemma of our times—the difference between making a *living* and making a *life*. Warren (2002) calls living such life a “purpose-driven life.” According to Frankl (1959/1999, p. 95) “*There is nothing in the world [...] that would so effectively help one to survive even the worst conditions, as the knowledge that there is a meaning in one’s life.*” Frankl approvingly quotes Nietzsche: “He who has a *why* to live can bear with almost any *how*.”

Such spirituality has deeply rooted in psychology because “unless psychology is properly oriented, there is no spirituality” (Shah, 2004). Personal spirituality, therefore, builds on healthy psychology that begins with the primacy of consciousness—the font of all possibilities. Many modern writers (Chopra, 2015, 2010, 1994; Zukav, 1999; Godman, 1985; Dyer, 1972; Wei, 2000; Wheatley, 2006) recognize the creative power that lies at center of human consciousness. To quote Chopra (1994, p. 7), “The source of all creation is pure consciousness: pure potentiality seeking expression from the unmanifest to the manifest. And when we realize that our true Self is one of pure potentiality, we align with the power that manifests everything in the universe.”

Another important aspect of personal spirituality is realizing one’s essential kinship with all existence, a realization born of understanding that everything is connected with everything else and that *to be is to interbe* (Nhat Hanh, 2009).

In the words of Eliot (1969, pp.109–110):

In the Heaven of Indra, there is said to be a network of pearls, so arranged that if you look at one you see all the others reflected in it. In the same way each object in the world is not merely itself but involves every other object and in fact IS everything else. In every particle of dust, there are present Buddhas without number.

This understanding helps one to make responsible choices in all aspects of life and garners a greater reverence for all life.

And finally, spirituality in the personal life recognizes that our authentic power lies in living fully in the present moment, becoming aware of the silent sense of our presence, our being. Tolle (1999) calls it being the “witnessing presence.” This has also been termed as “*Awareness Watching Awareness*” (Langford, 2008). And the moment one starts “watching the thinker,” says Tolle (1999, p. 14), “a higher level of consciousness becomes activated. You then begin to realize that there is a vast realm of intelligence beyond thought, that thought is only a tiny aspect of that intelligence. You also realize that all the things that truly matter—beauty, love,

creativity, joy, inner peace—arise from beyond the mind. You begin to awaken, freeing yourself from your mind.” And to live with felt awareness in the present moment is to be awakened to the reality of our essential being.

Let’s find out what Buddhism has to say on the topic of living a life of wakefulness.

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## Understanding Buddhism, Understanding Life!

Encountering Buddhism for the first time, one is rather shocked to read what is called the first noble truth—*the truth of suffering*. Is life really a suffering?

Yes, the way we normally live, says Buddhism. There is more here than what meets the eye, as is usually the case with things profound. Let’s find out. Generally, there are three distinguishing marks of existence that are presented in the earliest teachings of the Buddha:

1. *anicca* (impermanence)
2. *dukkha* (suffering)
3. *anatā* (lit.: not-self)

The first mark of existence states that *everything changes*. The last one means that there is *no “separate” self*. Existence is one perfectly and inseparably interconnected web of interdependencies. You cannot pluck a flower without disturbing a star. Even when there is one less drop of water, the whole universe feels thirsty. And by the way, there are no “weeds.” A weed is plant whose medicinal value we have not discovered yet.

Because, we do not really accept the truth of change, as well the fact that we do not exist as separate entities, we live a life of anxiety and anguish. This is what is really signified by the first Noble Truth of Buddhism—“life is suffering.”

Now let’s look at how we generally live: We wish things, relationships, events that are favorable to us to “not” change. And our whole existence is based on strengthening or reinforcing our attachment to a separate ego we believe to be our self. Our every action, every thought makes it loud and clear. We even try to “own” space! We say I need my space! We also tend to glorify our attachments! The media has its share in it too. Well, diamonds are not forever and the real estate is not really real either.

Both the first and the last marks (impermanence and no separate self) teach us to live a life of nongrasping, nonclinging, and nonattachment. In short, to live without the tag of ownership! What is there to own anyways? Did we bring anything with us? Will we be able to take anything with us? Like it or not, death is the ultimate leveler, the most democratic thing in the universe.

The idea is to neutralize our strong likes and dislikes. If we take an impartial survey of our way of living, our whole life is marked by identification and attachment. Once we understand the fact of impermanence and nonself, we develop a healthy attitude of letting go. Nonattachment is a flower that grows on the tree of understanding. It is nourished by the water of contentment born of discernment.

Equipped with this understanding, we not only eliminate suffering from our own life, we also become more loving, more generous, more compassionate, more understanding, more considerate, and more forgiving.

It has been rightly said that in the end only three things matter: how much we loved, how gently we lived, and how gracefully we let go of things that are not meant for us. This is one good summary of Buddhism.

Buddhism is an art of living based on the science of mind.

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## Spirituality and Positive Psychology

It must be noted that garnering a sense of kindness and compassion benefits both the practitioner as well as the recipient. Recently, positive psychology has confirmed the emotional and health benefits of altruistic love. Empirical research by Lyubomirsky and her colleagues has shown that we can maximize our well-being as much as 40% by intentionally engaging in activities such as expressing gratitude, doing random acts of kindness, and creating a sense of optimism (Lyubomirsky, Sheldon, & Schkade, 2005; Sheldon & Lyubomirsky, 2006; Sheldon & Lyubomirsky, 2007; Kurtz & Lyubomirsky, 2008; Lyubomirsky, 2008a, 2008b; Boehm and Lyubomirsky, 2009).

Positive psychology focuses on character, flourishing, and fulfillment. It aims to explore how to live a happy and fulfilling life, how to define and develop human strengths, and how to build character and resilience (Seligman, 2002). Fostering this mind-set has added advantage in building a spiritual workplace. In a foreword to an edited volume, titled *Positive Psychology: Exploring the best in people*, Lyubomirsky (2008b) explains that positive psychology explores how to elevate people to feeling great—to living flourishing lives; to developing their strengths, gifts, and capacities to the fullest. She further states that positive psychology focuses on what is best in people as opposed to psychology's conventional focus on disease, disorder, and the dark side of life.

Positive psychology is the psychology of what makes life worth living. It represents a commitment on the part of research psychologists to focus attention on the sources of psychological wellness—on positive emotions, positive experiences, and positive environments, on human strengths and virtues. It is rooted in the principle that empowering individuals to build a positive state of mind—to live the most rewarding, fruitful, and happiest lives they can—is just as critical as psychology's conventional focus on mending their defects and healing their ailments and pathologies.

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## Spirituality and Leadership: A Being-Centered Approach

In recent years, scholars have come to emphasize the importance of spirituality as a critical element of leadership (Bolman & Deal, 2001; Palmer, 1996). Underscoring the vital link between spirituality and leadership, Hawley (1993, p. 5) has observed

that ‘all leadership is spiritual because the leader seeks to liberate the best in the people and best is always linked to one’s higher self.’ All of these perspectives illustrate how leadership is grounded in one’s spirituality through a growing awareness of self and others. After reviewing 150 studies on the topic, Laura Reave (2005, p. 655) found that

... there is a clear consistency between spiritual values and practices and effective leadership. Values that have long been considered spiritual ideals, such as integrity, honesty, and humility, have been demonstrated to have an effect on leadership success. Similarly, practices traditionally associated with spirituality as demonstrated in daily life have also been shown to be connected to leadership effectiveness. All of the following practices have been emphasized in many spiritual teachings, and they have also been found to be crucial leadership skills: showing respect for others, demonstrating fair treatment, expressing caring and concern, listening responsively, recognizing the contributions of others, and engaging in reflective practice.

Fry and Kriger (2009) postulate a theory of leadership based on *being* rather than *doing* or *having*. Fry (2003, 2008), in discussing the initial theory of spiritual leadership, opines that workplace spirituality and spiritual leadership can be viewed as constructs that are in the initial concept/elaboration stage of development. He views spiritual leadership as a necessary, but not sufficient, condition for organizations to be successful in today’s highly unpredictable internet-driven environment. Fry agrees that people need something to believe in, someone to believe in, and someone to believe in them. “A spiritual leader is someone,” notes Fry, “who walks in front of one when one needs someone to follow, behind one when someone needs encouragement, and beside one when one needs a friend.” Fry, Vitucci, and Cedillo (2005) define spiritual leadership as “the values, attitudes, and behaviors that one must adopt in intrinsically motivating one’s self and others so that both have a sense of spiritual survival through calling and membership—i.e., they experience meaning in their lives, have a sense of making a difference, and feel understood and appreciated” (p. 836).

Fry (2003, p. 712) presents a model of spiritual leadership that fosters intrinsic motivation through vision, hope/faith, and altruistic love. At the heart of this model is the practice of altruistic love which is described as unconditional, selfless, caring concern for both self and others. Altruistic love is nurtured through spiritual values such as trust/loyalty, forgiveness/acceptance/gratitude, integrity, honesty, courage, humility, kindness, empathy/compassion, patience/meekness/endurance, excellence, self-discipline, and truthfulness. Fry and Kriger (2009, pp. 1671–1672) build their model of spiritual leadership mainly upon Ken Wilber’s theory based on multiple levels of being. Wilbur’s theory draws upon developmental psychology, anthropology, and philosophy. Fry and Kriger remark that all six religious traditions (Judaism, Christianity, Islam, Hinduism, Buddhism, and Taoism) point to the same underlying five levels, although each uses different terminology and names for the levels. As the following figure shows, these levels show a progression in human consciousness from grosser to subtler levels, culminating in nondual awareness. They “argue that leadership researchers have focused mostly on questions of leadership as having certain qualities, states or doing certain actions based on the situation



**Fig. 8.1** Multiple levels of being as context for effective leadership [Source: Based on Fry and Kriger’s article: Towards a theory of being-centered leadership: Multiple levels of Being as context for effective leadership (2009). *Human Relations*, pp. 1670-1672]

and that the literature has not sufficiently addressed leadership as a state of being” (p. 1670) (Fig. 8.1).

Drawing upon six of the major spiritual and religious traditions, Fry and Kriger (2009, p. 1671) describe their five levels being model as a means for expanding upon and enlarging currently accepted theories of leadership as follows (in the order of ontological descent):

**Level V: Leadership contingency theory:** *Leadership based on leader traits and behavior appropriate to the context.*

**Level IV: Leadership from vision & values:** *Leadership based on social construction of reality.*

**Level III: Conscious leadership:** *Leadership based on being aware of the individual psyche or self in its relation to others and journey into Spirit.*

**Level II: Spiritual leadership:** *Leadership based on awareness of spirit expressed as love, service, and presence in the now.*

**Level I: Nondual leadership:** *Leadership based on Oneness and constant reconciliation of apparent opposites.*

We discuss below two approaches to leadership—authentic leadership and servant leadership—that come closest to the ideal of spiritual leadership.

## Authentic Leadership

The first essay on authentic leadership was written by R. W. Terry in 1993, followed up in 2003 by Bill George, the exemplary former head of Medtronic, who popularized the concept of authentic leadership in his best seller *Authentic Leadership: Rediscovering the Secrets to Creating Lasting Value*. In the context of rampant corporate scandals and pervasive financial crises, George argues that leadership needs

to be completely reexamined and rethought. This calls for a new type of leader who embodies qualities such as integrity, transparency, humility, and a deep sense of purpose.<sup>5</sup>

In recent times, authentic leadership has gained increasing importance since it places high emphasis on behaving transparently, with a high moral and ethical stance. According to Avolio and Gardner, authentic leadership is somewhat of a generic term and can incorporate transformational, charismatic, servant, spiritual, or other forms of positive leadership. As one of the positive forms of leadership, authentic leadership complements work on ethical and transformational leadership.<sup>6</sup> Walumbwa et al. define authentic leadership as follows:

A pattern that draws upon and promotes both positive psychological capacities and a positive ethical climate, to foster greater self-awareness, an internalized moral perspective, balanced processing of information, and relational transparency on the part of leaders working with followers, fostering positive self-development.<sup>7</sup>

As a practitioner of authentic leadership, Bill George has proposed a view that leaders need to follow their internal compass to reach their true purpose. Based on interviews with 125 contemporary heads of various organizations, George and Sims have identified the following five dimensions of *authentic leaders*: (1) pursuing purpose with passion, (2) practicing solid values, (3) leading with heart, (4) establishing enduring relationships, and (5) demonstrating self-discipline.<sup>8</sup>

## Servant Leadership

The concept of servant leadership was first introduced by Robert K. Greenleaf's powerful short essay written in 1970, titled "The Servant as Leader." Describing what he called "the leadership crisis," Greenleaf notes that "colleges, universities, and seminaries have failed in their responsibility to prepare young people for leadership roles in society."<sup>9</sup> According to Greenleaf, "The servant-leader is servant first . . . . It begins with the natural feeling that one wants to serve, to serve first. That person is sharply different from one who is *leader* first."<sup>10</sup> Greenleaf believes that

<sup>5</sup> See: B. George and P. Sims, *True North: Discover Your Authentic Leadership* (San Francisco, CA: Jossey-Bass, 2007); B. George, P. Sims, A. N. McLean, and D. Mayer, "Discovering Your Authentic Leadership," *Harvard Business Review*, 85(2), (2007): 129–138.

<sup>6</sup> Avolio and Gardner, "Authentic Leadership Development," 329.

<sup>7</sup> F. O. Walumbwa, B. J. Avolio, W. L. Gardner, T. S. Wernsing, and S. J. Peterson, "Authentic Leadership: Development and Validation of a Theory-based Measure," *Journal of Management*, 34(1), (2008): 89–126.

<sup>8</sup> George and Sims, *True North*, xxxi.

<sup>9</sup> Robert K. Greenleaf, *Servant Leadership: A Journey into the Nature of Legitimate Power and Greatness* (Mahwah, NJ: Paulist Press, 1977), 77.

<sup>10</sup> *Ibid.*, 27.

through selfless service, servant leaders achieve trust among employees, customers, and communities. He then goes on to present the litmus test of effectiveness of leadership:

The best test, and difficult to administer, is: Do those served grow as persons? Do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? And, what is the effect on the least privileged in society; will they benefit, or, at least, not be further deprived? . . . The servant-as-leader must constantly ask: How can I use myself to serve best? (Greenleaf, 1977, 5, 10)

Greenleaf informs us that he got the idea of servant leadership by reading Hermann Hesse's book entitled *Journey to the East*. Therefore, perhaps the best way to understand servant leadership is to read *Journey to the East*. The book is about a spiritual journey to the East. During the journey, a humble servant named Leo does all the chores for the travelers. He keeps the group together through his songs and high spirits. And when Leo disappears, the group falls into disarray and the journey is abandoned. They cannot continue without him. Later on in the book, the narrator finds out that, Leo, whom he had taken to be a servant, was actually the noble leader of the group.<sup>11</sup> This radical shift is the core of servant leadership: from followers serving leaders to leaders serving followers. Servant leadership is shared leadership in essence: it emphasizes increased service to others, a holistic approach to work, promoting a sense of community, and the sharing of power in decision-making.<sup>12</sup> Servant leaders hold everything in trust on behalf of those who follow.

Servant leadership is similar to transformational leadership in that both emphasize, appreciate, and empower followers. However, as Stone et al. point out, the main difference between servant leadership and transformational leadership is the focus of the leader: "Transformational leaders tend to focus more on organizational objectives, while servant leaders focus more on people who are their followers."<sup>13</sup> These authors further point out that servant leaders influence followers through service itself, while transformational leaders rely on their charismatic abilities.

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## The Essence of Spirituality, According to the Gītā

The highest spirituality is regarding every being as Divine (*Vāsudevaḥ sarvam iti*: 7.19), and the highest service is treating everyone as one treats oneself (6.32), and being naturally and spontaneously engaged in the well-being of all beings (*sarvabhūtahite ratāḥ*: 5.25; 12.4). The Gītā says that such a great-souled person is

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<sup>11</sup> Hermann Hesse, *The Journey to the East*, translated by H. Rosner (New York: Picador, 2003; Original work published in 1932).

<sup>12</sup> Larry Spears, *Practicing Servant-Leadership: Succeeding Through Trust, Bravery, and Forgiveness* (San Francisco, CA: Jossey-Bass, 2004).

<sup>13</sup> G. A. Stone, R. F. Russell, and K. Patterson, "Transformational versus Servant Leadership: A Difference in Leader Focus," *Leadership & Organization Development Journal*, 25(4), (2004): 349–361.

rare indeed (7.19) and attains to the Highest, the Lord of All (*labhante brahmanirvāṇam*: 5.25; *te prāpnuvanti mām*: 12.4).

According to the Gītā, leaders should set an example for others, act for the benefit of others and for bringing the communities together. Such leaders have several key attributes, such as:

- Acting for the good of others (3.9; 5.25; 12.4).
- Leading by example (3.21).
- Developing a high sense of equanimity, *samatā* (2.38; 2.48-50). No great leadership is possible without developing evenness of mind, *samatvam* (2.57; 2.64; 2.68).
- Śrī Kṛṣṇa extols equanimity as the highest virtue in the Gītā at several places (2.48, 53, 57; 5.6, 18–20; 12.13–19; 14.24, 25; 18.10, 26). So, *samatā* is the crest-jewel of perfection (*siddhi*) in all the paths to spirituality. All virtues obtain in a mind that has cultivated equanimity. Whatever the spiritual practice, if evenness of mind (*samatā*) is not attained, the goal is still far away.
- Practicing the principle of mutual interdependence (3.11).
- Not being afraid of anyone and not generating any sense of fear in others (12.15).
- Bringing communities together by working for the universal welfare (3.20).

The following verse presents the quintessential paradigm for both ethics and spirituality, under the garb of Golden Rule:

*ātmaupamyena sarvatra samaṃ paśyati yorjuna |  
sukhaṃ vā yadi vā duḥkhaṃ sa yogī paramo mataḥ || 6.32*

He who looks on all as one, on the analogy of his own self, and looks on the joy and sorrow of all equally (that is, treats the joy and sorrow of all, as he treats his own joy and sorrow); such a Yogī is deemed to be the highest of all.

The Gītā states that the wise leader acts to set an example to the masses, so that the unwary do not go astray (3.26), for the unification of the world at large (*lokasaṃgraham*: 3.20, 3.25), for the welfare of all beings (*sarvabhūtaḥite*: 5.25), and for the purification of the self (*ātmaśuddhaye*: 5.11). These four goals together furnish a touchstone for leadership success in any setting. Leaders do their duty for duty's sake (cf. Kant's Duty Ethics), to set an example for others, to bring communities together, for the well-being of all; and above all, for the purification of the mind and the heart. No higher teaching on the sublimity of a leader's work ethic can be conceived.

In the ultimate analysis, leadership is not about changing outer conditions or others. More often than not, there is not much that we can do to change what is external to us. However, we have full control over our own conduct. "When we are no longer able to change a situation," writes psychotherapist Viktor E. Frankl, "we are challenged to change ourselves."<sup>14</sup> And when we are able to do that, in due course of time, we are also able to change the situation, unexpectedly. This is the alchemy of all social change.

<sup>14</sup>Viktor E. Frankl, *Man's Search for Meaning: An Introduction to Logotherapy* (New York: A Touchstone Book, 1984, Third edition), 116.

Greek thinkers of yore have defined happiness as the exercise of human faculties along the lines of excellence. In the same manner, the Bhagavad Gītā defines *Yoga* as dexterity or excellence in action (*yogaḥ karmasu kauśalam: 2.50*). It is common to experience a feeling of soaring spirit when we are doing excellent work. The converse is also true. It has been observed that the best way to kill human motivation is to expect and accept mediocre performance from others. Expecting less than excellent work is the greatest disservice we can do to ourselves and to others. We owe excellence to ourselves, as much as we owe it to the society.

No mere ideology, this passion for excellence has far-reaching implications for leaders and for workplace performance. Nobody comes to work to put in a shoddy performance. Everyone is looking for creative self-expression. And when we create opportunities for meaningful self-expression, we help build a workplace where people act with self-fulfillment and not merely work for it. Creating such a liberating work environment is the real job of a leader.

### Case Study 8.1: Gandhi—A Case in Point of Spiritual Leadership <sup>15</sup>

From the pages of recent history, Gandhi emerges as a grand strategist and exemplary leader with a keen understanding of human nature. His leadership style was “follower-centric” and “contextual.” Gandhi consistently embodied the perennial values of selflessness, humility, service, nonviolence, and truthfulness in and through his life and death. His leadership effectiveness proceeded from his categorical adherence to these values and his openness to learn from his own mistakes. As is well known, he never compromised on the core values of truth and nonviolence, no matter what the circumstances. Gandhi embodied the key qualities of exemplary leadership to the highest degree. As such, there is much to learn and emulate from Gandhi’s approach to leadership. All great leaders lead by example. Gandhi inspired emulation not so much by his professed set of values and beliefs as by the exemplary nature of his life and conduct.

Gandhi led the greatest anticolonial movement in history peacefully, showed how to lead a consummate political life without compromising integrity, revealed a rare model of morally sensitive political leadership, and provided politics much-needed spiritual basis. Where did Gandhi get his being-power? We believe that it was his moral and spiritual strength. With his indomitable spirit, Gandhi was able to win his ideological wars in the long run, even when he seemed to be losing his battles in the short run. Through his life example, he taught that mere strong work ethic is not enough. What is needed is a work ethic guided by ethics in work.

In Gandhi’s thought and life, we find the perfect expression of both values-based leadership and being-centered leadership. He led from within—from

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<sup>15</sup>This section is partially based on author’s recent book, *Gandhi and Leadership: New Horizons in Exemplary Leadership* (Palgrave Macmillan, USA, 2015).

(continued)

the deep moral and spiritual core of his being. His life and leadership were inseparably one and all his existential experiments were a series of steps toward self-realization—the supreme goal underpinning all his strivings. Through prayer, contemplation, self-abnegation, self-purification, he cultivated his being to such an extent that it emanated a gentle soul force that endeared him even to his severest critics and detractors. “There is nothing striking about him,” wrote Romain Rolland, a Nobel Laureate in literature and one of Gandhi’s earliest biographers, “except his whole expression of ‘infinite patience and infinite love’ ... he is modest and unassuming ... yet you feel his indomitable spirit.”<sup>16</sup> Rolland puts his finger right on the pulse in stating that Gandhi’s strength lay in the towering spirit that resided in his frail frame.

Gandhi believed he had nothing new to teach to the world, for these values are as old as humanity itself. His innovation lay in experimenting with his core values on as vast a scale as he could, extending them from the personal to the public arena. He preached what he already practiced and strove hard to live up to his values. His was essentially a values-based, principle-centered approach to leadership. Gandhi’s life and thought embodied a truth applicable to humanity as a whole. His leadership legacy became the harbinger of freedom for many countries in Southeast Asia and Africa and his life became a guiding star to leaders such as Martin Luther King, Jr. and Nelson Mandela. With his life as his legacy, Gandhi, the leader, now belongs to all humanity. Whenever a soul lifts her voice to peacefully dissent against any kind of oppression, Gandhi’s legacy will continue.

The following quote captures the essence of Gandhian ethics and spirituality:

We but mirror the world. All the tendencies present in the outer world are to be found in the world of our body. If we could change ourselves, the tendencies in the world would also change. As a man changes his own nature, so does the attitude of the world change towards him. This is the divine mystery supreme. A wonderful thing it is and the source of our happiness. We need not wait to see what others do.<sup>17</sup>

Gandhi strived to live all his life modeled on a shared vision of good for the broader society. Impeccable integrity, humility, credibility, trustworthiness, and selfless service were some of the hallmarks of Gandhian leadership. Gandhi’s ethical world view was shaped by his religious belief in the existence of cosmic spirit—a spiritual power that informed and gently guided the universe. He believed that the universe is not amoral and that it has a structural

<sup>16</sup>Romain Rolland, *Gandhi* (New York: Kessinger Publishing, 2003/1924).

<sup>17</sup>M. K. Gandhi, *The Collected Works of Mahatma Gandhi* (New Delhi: Publications Division, Ministry of Information & Broadcasting, Government of India, 1999), Vol. 13, 24.

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bias toward good. In his view, although good and bad existed in the world, good not only survived but triumphed in the long run. “If we take a long view,” said Gandhi, “we shall see that it is not wickedness but goodness which rules the world.” He believed that the universe is built on benevolence and goodness, and supports these qualities as well.

### **Gandhi’s Seven Lessons for Life and Leadership (Dhiman, 2015)**

1. Effective Leaders know that leading with authenticity first requires delving into the core of one’s being and engaging in a process of deep self-exploration characterized by self-reflection, self-understanding, self-authorship, and self-mastery.
2. Means are ends in making. Nothing right can finally come from wrong means. Gandhi always placed right means above desired ends. For when you do the right thing, right things happen to you.
4. Effective leaders approach life and leadership as peaceful warriors—bereft of attachment and personal likes and dislikes. They do not do what they like to do. They do what needs to be done.
5. Leader’s true inspiration comes from doing selfless work. Selfless work brings equanimity of mind which is the key to making balanced decisions.
6. The oppressor needs at least as much love and compassion as the oppressed. This is the alchemy of social change and harmony.
7. Effective leaders know that their strength resides in the richness of their being, not in the multitude of their possessions. Their goal is to *be*, not to *have*.

The life example of Gandhi shows us that we can also achieve what great leaders have achieved, if we are willing to put forth the necessary effort and to cultivate the values that such exemplary leaders embodied. Herein lies the real purpose of studying the lives of great leaders.

*Lives of great men all remind us  
We can make our lives sublime,  
And, departing, leave behind us  
Footprints on the sands of time.*<sup>18</sup>

<sup>18</sup>Henry Wadsworth Longfellow, “A Psalm of Life,” *The Complete Poems of Henry Wadsworth Longfellow*, Kindle Edition, Amazon Digital Services. Retrieved, February 11, 2015: [http://www.amazon.com/Complete-Poems-Henry-Wadsworth-Longfellow-ebook/dp/B0084761KO/ref=sr\\_1\\_1?s=books&ie=UTF8&qid=1410108836&sr=1-1&keywords=Poems+Of+Henry+Wadsworth+Longfellow](http://www.amazon.com/Complete-Poems-Henry-Wadsworth-Longfellow-ebook/dp/B0084761KO/ref=sr_1_1?s=books&ie=UTF8&qid=1410108836&sr=1-1&keywords=Poems+Of+Henry+Wadsworth+Longfellow).

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### Questions for Case in Point

1. What was the mainstay of Gandhi's greatness as a leader?
2. How was Gandhi able to extend the ideals of truthfulness and nonviolence from personal to social arena?
3. What was Gandhi's most important legacy? Why?
4. How would you describe Gandhi's leadership style?

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## Conclusion

Learning to be an effective leader needs to be approached essentially as a vital dimension of one's personal growth and transformation. If leadership is an expression of who we are, then in essence all leadership is spiritual leadership. In the ultimate analysis, spiritual leadership is about searching within the truth of our real self. All other seeking is weariness of the soul and unsatisfying in its ultimate bidding. Only the seekers and knowers of self are self-fulfilled. They act *with* fulfillment and not *for* fulfillment. The quest for spiritual leadership starts with self-awareness and self-mastery, progresses with living authentically one's core values, and culminates in leaving a legacy by fulfilling life's purpose through selfless service for the greater good.

### Summary

By way of chapter summary, we present below seven lessons pertaining to self-awareness and self-knowledge that represent the core of *Spiritual Leadership*:

1. Effective leaders know that self-awareness is the key to leading from within. They manage their awareness attentively to lead others effectively. Self-awareness is the art of being alertly aware about one's body, mind, intellect, and emotions. It ultimately depends upon self-knowledge.
2. Self-knowledge means the knowledge of one's true self at the "soul-level"—beyond senses, mind, and intellect. While all other knowledge pertains to knowing everything that can be objectified externally, self-knowledge is about knowing the Knower.

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3. Exemplary leaders recognize that the most important challenges confronting organizations and society at large are so profound and pervasive that they can only be resolved at the fundamental level of the human spirit—at the level of one’s authentic self.
4. Spirituality takes it axiomatic that there is a higher principle, force, being or intelligence that sustains the universe. It believes that ours is basically a just and fair universe and we are put here to do good. There is a purpose for everyone and everything. It postulates that entire world is one family with a common identity and heritage and everything is connected with everything else.
5. Authentic leadership and servant leadership are primary expressions of spiritual leadership. Authentic leaders are altruistic, honest, and trustworthy. Servant leadership represents a shift from followers serving leaders to leaders serving followers. It denotes increased service to others, a holistic approach to work, and a greater sense of community.
6. Since leadership is an expression of who we are, in discovering, living, and sharing our deepest values lies the true fulfillment of our life and leadership.
7. To lead others one must first lead one’s self. To lead one’s self, one must first know oneself. To know oneself, one must first ‘be’ oneself. To be truly oneself is the first and last step in becoming an authentic leader. This is called self “dis-discovery”—a journey within, from here to here.

### Discussion Questions

1. Why organizations need to pay heed to ethics and spirituality?
2. What is the main difference between spirituality and religion? Is it necessary to be religious in order to be spiritual?
3. How spiritual leadership differs from its close cousins—authentic leadership and servant leadership?
4. Explain why it is essential to be a good human being to become a great leader?
5. Why most important challenges facing organizations today need to leverage the spiritual and moral energy of its participants?

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*The illustrious ancients, when they wished to make clear and to propagate the highest virtues in the world, put their states in proper order. Before putting their states in proper order, they regulated their families. Before regulating their families, they cultivated their own selves... When their selves were cultivated, their families became regulated. When their families became regulated, their states came to be put into proper order. When their states came to be put into proper order, then the whole world became peaceful and happy (Will Durant, *The Greatest Minds and Ideas of All Time* (New York: Simon & Schuster, 2002), 12).*

—Confucius

*The work an unknown good person has done is like a vein of water flowing hidden underground, secretly making the ground green.*

—Thomas Carlyle

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## Abstract

This chapter explores the inherent interconnectedness of sustainability and spirituality, and the role of leadership in honoring and maintaining this interconnectedness. We believe that unless people's moral and spiritual qualities are nurtured and developed, the best of sustainability efforts will not work. Similarly, our political and economic thinking need to be attuned to spirituality rather than materialism—no economics is any good that does not make sense in terms of morality. After all, we are “Homo moralis” and not “Homo economicus.” We need to refuse to treat economics and politics as if people do not matter. We believe that the way to achieve harmonious living in all spheres is through ethics and spirituality at the personal level. The journey for world transformation starts at the individual level. The chapter contends that true ecological sustainability, in contrast to the cosmetic variety we see around us, depends upon our deeper understanding of fundamental spiritual values such as interconnectedness and oneness, nonviolence and compassion, contribution and selfless service.

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## Introduction

The chapter builds on the premise that the best service we can offer to the universe in the realm of sustainability is to purge our own mind of the toxic emotions of greed, anger, and hatred. When qualities such as generosity, compassion, understanding, forgiveness, and respect are in place, our respect for the environment and the community grows naturally and, as leaders, we are able to offer the best gift to our future generations, from which we currently have this planet on loan. Finally, it presents a viewpoint that sustainability is not possible without a deep change of values and commitment to a lifestyle at the individual level. It cannot be achieved simply as an expression of economic functionality or legislative contrivance.

The chapter unfolds the vision of Vedānta, the nondual philosophy as enunciated in the Upaniṣads and the Bhagavad Gītā, the spiritual texts of India. The understanding of this truth, that we are essentially One Limitless Reality, “strikes at the very root of narrow views based on selfishness and is the foundation of higher ethics. This higher Self is of the nature of Bliss, as displayed in our instinctive love of Self; and to recognize it in others is to bring social harmony for no one will be inclined to harm himself. It paves the way for spiritual and moral perfection.”<sup>1</sup> The Gītā (13.28)<sup>2</sup> puts it succinctly: “He who perceives the one Lord dwelling in all beings as their Self cannot harm another, for the Self cannot harm itself.”<sup>3</sup> When you feel the suffering of every living being in your heart, you have reached the summit of awareness. This is the message of the Gītā.

Why focus on the Gītā and the Upaniṣads, above all? If the value of a wisdom text lies in enabling us to lead a better spiritual and social life, then the Gītā meets these two tests supremely. As Sir S. Radhakrishnan, Spalding Professor of Eastern Religion and Ethics at University of Oxford (1936–1952), has stated:

The two tests of the value of any religious Scripture are whether it helps man to find himself and attain peace and whether it contributes to social harmony. It seems to me that the religion of the Gita satisfies these two tests, the *spiritual* and the *social*<sup>4</sup>

The Upaniṣads have been extolled as “Himalayas of the Soul.”<sup>5</sup> Consider the opening verse of *Īsopaniṣad*<sup>6</sup> which states, “Behold the universe in the glory of

<sup>1</sup>K. A. Krishnaswamy Iyer, *Collected Works of K. A. Krishnaswamy Iyer* (Holenarasipur: Adhyatma Prakasha Karyalaya, 2006), 239.

<sup>2</sup>All translations of the Bhagavad Gītā verses are by Gambhirananda (1984) and/or Swarupananda (1996). All verses of the Gītā are presented in the following manner: chapter number, followed by the verse number. For example, 13.26 means Chapter 13, verse 26.

<sup>3</sup>K. A. Krishnaswamy Iyer, *Collected Works.*, 251. This is Mr. Iyer’s rendition of Gita’s verse Chapter 13, verse 28. This author has not come across such a unique and apt interpretation anywhere else.

<sup>4</sup>Sir S. Radhakrishnan, as cited in D. S. Sarma, *Lectures on the Bhagavad Gita, with an English translation of the Bhagavad Gita* (Maylapore, The M.L.J. Press; 4th edition, 1945), viii.

<sup>5</sup>Juan Mascaró, translated and selected, *The Upanishads* (New York: Penguin Books, 1965/1979), 43.

<sup>6</sup>Upaniṣads are spiritual treatises of Hinduism that contain the culminating wisdom of the Vedās. They are also known as Vedānta (Veda + anta: the end of the Veda). Literally, the Sanskrit word *Upaniṣad* means “sitting down near”: *upa* (near), *ni* (down), and *shad* (to sit). That is, knowledge received by sitting down humbly near a teacher. Alternatively, the word *Upaniṣad* could denote:

God: all that lives and moves on earth. Leaving the transient, find joy in the Eternal: set not your heart on another's possession."<sup>7</sup> The importance of this verse is evident from the fact that Gandhi held this opening verse in such high esteem that he believed that it contained the essence of Hinduism. *Īsopaniṣad*, one of the ten principal Upaniṣads, is a short text of just 18 verses. Gandhi believed that the entire Bhagavad Gītā could be seen as a commentary on just that initial verse.<sup>8</sup> When asked to sum up the meaning of life in three words or less, Gandhi responded cheerfully, "That's easy: Renounce and enjoy."<sup>9</sup> The message of the Upaniṣads is: Reality is One, without a second. And there is an absolute identity, oneness, between the truth of an individual (*ātman*) and the truth of the universe (*brahman*).

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## The Greatest Spectacle of Modern Times: Impoverishment of Spirit

During his distinguished career spanning seven decades spent studying and writing about world history, Will Durant, winner of the Pulitzer Prize (1968) and the Medal of Freedom (1977), came to identify what he considered to be the ten "greatest" thinkers of all time. The short list included Greek philosophers such as Plato and Aristotle, scientists such as Copernicus and Newton, and great thinkers such as Voltaire and Immanuel Kant. But topping them all on Durant's celebrated list of luminaries was the ancient Chinese philosopher Confucius. Why did Durant put Confucius at the top of the list of humanity's great heroes of all time? It was because Confucius, as the opening quote states, put the cultivation of individual self at the center of the process by which human society can achieve the maximum peace and harmony. Being a moral philosopher, Durant explains, Confucius's "call to the noble life was based upon secular motives rather than upon supernatural considerations."<sup>10</sup> This primacy of the individual self also lies at the heart of the Indian wisdom texts in their conception of creating a harmonious society.

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*upa* (near), *ni* (definitive, doubt-free), and *shad* (to loosen or to destroy). So it represents that knowledge which destroys ignorance most certainly and brings the seeker close to the Ultimate Reality of his/her own existence. A book that contains such knowledge is therefore called Upaniṣad.

The greatest Indian philosopher and commentator of sacred Hindu texts, Ādi Śaṅkarācārya, takes this derivation and therefore equates the term Upaniṣad with self-knowledge (*ātma-vidyā*) or the knowledge of the Absolute (*Brahma-vidyā*). This is also referred to as "secret knowledge" or "esoteric knowledge." The secrecy is not so much a matter of unwillingness on the part of the teacher to reveal this teaching as it is to ensure *preparedness* on the part of the student to receive this knowledge.

<sup>7</sup>Juan Mascaró, translated and selected, *The Upanishads* (New York: Penguin Books, 1965/1979), 49.

<sup>8</sup>Thomas Weber, "Gandhi's Moral Economics: The Sins of Wealth Without Work and Commerce Without Morality," in Judith M. Brown and Anthony Parel, eds., *The Cambridge Companion to Gandhi* (Cambridge, UK: Cambridge University Press, 2011), p. 138. See also: Eknath Easwaran, *The Upanishads, Translated for the Modern Reader* (Tomales, CA: Nilgiri Press, 1987), 205.

<sup>9</sup>Eknath Easwaran, trans., *The Upanishads, Translated for the Modern Reader* (Berkeley, CA: Nilgiri Press, 1987), 205.

<sup>10</sup>*Ibid.*, 12.

In 1968, shortly after Will Durant had won the Pulitzer Award for literature, an interviewer asked the great philosopher of history about the phenomenon that has had the greatest influence on the twentieth century, Durant paused for a moment and then replied: "...The basic phenomenon of our times is not communism; it's the decline of religious belief, which has all sorts of effects on morals and even on politics because religion has been a tool of politics."<sup>11</sup> This decline in "religious belief" can be translated into decadence of spirituality, since on the issue of morality, there is no quarrel between religion and spirituality. Both subscribe to the virtue of morality—religion to sacred morality and spirituality to both sacred and secular morality—as an organizing principle for human conduct. It is only when the values deteriorate at the individual level that we are not able to sustain morality at the social level (Dayananda, 2009). Hence, morality is a significant link between religion and spirituality on one hand, and spirituality and sustainability on the other. In this chapter, we will focus on how spiritual values contribute to the sustainability efforts of the leaders.

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## Conquering Nature vs. Befriending Nature

On May 29, 1953, the New Zealander Edmund Hillary and the Nepalese Sherpa Tenzing Norgay became the first human being to reach the summit of Mount Everest on the Nepal–Tibet border. Headlines worldwide declared "Man Conquers Everest." Although at the personal level Hillary considered it more of a conquest over the self,<sup>12</sup> this attitude of subjugation of nature permeates our thinking and has become the defining paradigm of humanity, typical of our contemporary approach to nature and the environment. Ever since the dawn of Industrial Revolution, our primary approach toward nature has consistently been that of the conquest and control rather than harmony and coexistence. Unfortunately, this approach has come to dominate all our economic and political policies as well as our way of life in general. The horrific consequences of this disempowering stance are too evident to recount.

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## Interdependence and Interconnectedness

There is an African saying that states, a person is a person because of other persons. The phrase "by benefiting others, we benefit ourselves" represents the idea of interconnectedness. This idea is also well described by Jose Ortega y Gasset: "I am myself plus my circumstance, and if I do not save it, I cannot save myself"<sup>13</sup>. Thus, if we are to secure our survival as a species on this planet, there is a need to move from a mentality of competition to one of cooperation, from a lifestyle of being a consumer to becoming a contributor, based on the interconnectedness of all life.

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<sup>11</sup> Ibid., 1.

<sup>12</sup> "It is not the mountain we conquer, but ourselves." Edmund Hillary Quotes. Retrieved February 15, 2015, [http://en.wikiquote.org/wiki/Edmund\\_Hillary](http://en.wikiquote.org/wiki/Edmund_Hillary).

<sup>13</sup> José Ortega y Gasset. (1961). *Meditations on Quixote*, trans. Evelyn Rugg and Diego Marín. New York: W.W. Norton and Company., p. 45.

One does not have a right to take unless one has contributed in some way that is socially beneficial. “One who enjoys the gifts of the gods,” says the Gītā (3.12), “without offering them (anything in return) is, indeed, a thief.” The idea of Vedic sacrifice is just this: the individual act of sacrifice (as an offering to the Whole) becomes imbued with significance of cosmic proportions—the mutual coexistence and maintenance of the universe. This is not just a precept related to Vedic life, but a universal principle underlying all life: the existence and well-being of each entity ensures the existence and well-being of all others.<sup>14</sup> Scientists call this web of mutually sustaining coexistence “deep ecology.”

### Case 9.1: Overconsumption Is the Greatest Waste!

One of the most overlooked facts of modern life is the unsustainable nature of overconsumption. This has brought humanity to an absurd pass where one-sixth of humanity has too much for their own good while nearly three-fourths starve for basic necessities.<sup>15</sup> In January 2015, Oxfam, an international confederation of 17 organizations working in approximately 94 countries worldwide, reported that the wealthiest 1% will own more than half of the global wealth by 2016.<sup>16</sup> In 2014, Oxfam reported that the 85 wealthiest individuals in the world have a combined wealth equal to that of the bottom 50% of the world’s population or about 3.5 billion people.<sup>17</sup>

One natural consequence of this outrageously glaring economic inequality is overconsumption of resources: A minority of the world’s population (17%) consuming most of the world’s resources (80%), leaving almost 5 billion people to live on the remaining 20% of resources.<sup>18</sup> Another disturbing statistics is that as many as 2.8 billion people on the planet struggle to survive on less than \$2 a day, and more than one billion people lack reasonable access to safe drinking water.<sup>19</sup> How can we deal with these ever-growing inequalities? Should we wait for the laws to regulate our greed? Or should we be living more consciously, mindful of the impact of our every act on the planet, our total footprint, not just the carbon footprint? In a personal interview with the author, Arun Gandhi, Gandhi’s grandson shared the following incident.

<sup>14</sup>Swami Muni Narayan Prasad in his commentary on the Gītā titled *Life’s Pilgrimage through the Gītā: A Commentary on the Bhagavad Gītā* (New Delhi: D. K. Printworld, 2005), 105, tells us that “such examples of mutual satisfaction are found everywhere. When mango trees bloom as spring arrives, along with it come thousands of bees to enjoy the nectar of mango blossom. The pollination that takes place with the help of the bees ensures the happiness of the tree ... animals, and humans.”

<sup>15</sup>Michael N. Nagler cited in Eknath Easwaran, trans., *The Upanishads, Translated for the Modern Reader* (Berkeley, CA: Nilgiri Press, 1987), 207.

<sup>16</sup>Cohen, Patricia (January 19, 2015). “Richest 1% Likely to Control Half of Global Wealth by 2016, Study Finds”. *New York Times*. Retrieved July 10, 2015: [http://www.nytimes.com/2015/01/19/business/richest-1-percent-likely-to-control-half-of-global-wealth-by-2016-study-finds.html?\\_r=0](http://www.nytimes.com/2015/01/19/business/richest-1-percent-likely-to-control-half-of-global-wealth-by-2016-study-finds.html?_r=0).

<sup>17</sup>Scott Neuman (January 20, 2014). Oxfam: World’s Richest 1 Percent Control Half Of Global Wealth. Retrieved July 11, 2015: <http://www.npr.org/sections/thetwo-way/2014/01/20/264241052/oxfam-worlds-richest-1-percent-control-half-of-global-wealth>.

<sup>18</sup><http://worldcentric.org/conscious-living/social-and-economic-injustice>.

<sup>19</sup><http://www.worldwatch.org/node/810#3>.

### All Waste Is a Violence Against Mother Nature

Arun reminisced about a day when he was walking back from school: “I had a very small pencil which seemed too small for me to use. I threw it away, sure that grandpa would give me a new one if I asked him for it. That evening when I asked him for a new pencil, he subjected me to a lot of questions. He wanted to know how the pencil turned so small, why and where I threw it away. Finally, he gave me a flashlight and made me go look for it.”

When I found the pencil and brought it back, grandpa made me sit and said to me: “I want you to learn two very important lessons: First lesson: Even in the making of a simple thing such as a pencil, we use the world’s natural resources. And when we throw them away, we also throw away the world’s natural resources. And that is violence against nature. Second lesson: Because, in an affluent society, we can afford to buy all these things, we over-consume the resources of the world. And because we overconsume them, we are depriving people elsewhere of these resources and they have to live in poverty—and that is violence against humanity.”

“That was a profound lesson in nonviolence,” said Arun Gandhi. “I never thought that all of these little things we do every day—things we throw away, waste, and overconsume—that they would amount to violence!”<sup>20</sup>

### Points to Ponder

1. How can we reduce the glaring economic inequalities without invoking the law?
2. Explain how overconsumption is ultimately an unsustainable way of life.
3. What role self-discipline plays in the regulation of greed?

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### Planet or Profit: Have We Already Passed the Tipping Point?

*Every generation had lived under the delusion that they were passing through the most turbulent period in history. With us the delusion has turned reality. We can claim the dubious distinction of being the first species on vasundhara [Earth], to have contrived to bring about its own doom and that of amazing biodiversity. This is in contrast to the five mass extinctions recorded in the last six hundred million years, precipitated by natural causes.*<sup>21</sup>

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<sup>20</sup> Arun Gandhi, Personal Phone Interview with the author, February 2, 2013, (unpublished transcripts)

<sup>21</sup> Veerendrakumar cited in the Publisher’s Note to V. Panoli, trans., *Prasthanathraya Volume II: Isa, Kena, Katha and Mandukya Upanishad with the Karika of Gaudapada* (Kochi: Mathrubhumi MM Press, 2006), v.

According to some scientists, we may have just one more generation before everything collapses. In fact, in a recently published research article titled *Accelerated modern human-induced species losses: Entering the sixth mass extinction*,<sup>22</sup> Ceballos et al. state, unequivocally, that the planet has officially entered its sixth mass extinction event. The study shows that species are already being killed off at rates much faster than they were during the other five extinction events, and warns ominously that humans could very likely be among the first wave of species to go extinct.<sup>23</sup>

As the global impacts of anthropomorphic climate disruption continue to intensify, corporations and the global elite continue to plunder our planet, subjecting areas of the planet that already face freshwater scarcity issues and other environmental contamination problems to still greater risks from various forms of pollution. It is not clear whether we have already passed a tipping point such that human survival beyond the next few decades cannot be assured, but what is overwhelmingly clear is that capitalism—and the drive for profits no matter what the threat to the ecosystem all humanity depends upon—is a force for global destruction.<sup>24</sup>

Climate change is not the only serious problem that is weighing down on us. The rapid depletion of the earth's natural resources, the acquisition of world aquifers by big corporations, and the GMOs are some of the other causes for grave concern. Watching all these developments, one is reminded of a statement attributable to Jonas Salk: "If all the insects were to disappear from the earth, within 50 years all life on earth would end. If all human beings disappeared from the earth, within 50 years all forms of life would flourish."<sup>25</sup>

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<sup>22</sup>Gerardo Ceballos, Paul R. Ehrlich, Anthony D. Barnosky, Andrés García, Robert M. Pringle, Todd M. Palmer, "Accelerated modern human-induced species losses: Entering the sixth mass extinction," *Environmental Sciences* June, 19, 2015, 1-5. Retrieved July 10, 2015: <http://advances.sciencemag.org/content/advances/1/5/e1400253.full.pdf>.

<sup>23</sup>For further details, also see: Dahr Jamail, *Mass Extinction: It's the End of the World as We Know It*. Retrieved July 10, 2015: <http://www.truth-out.org/news/item/31661-mass-extinction-it-s-the-end-of-the-world-as-we-know-it>.

<sup>24</sup>To read more about how specific environments and communities suffer from transglobal corporate profit-seeking, see: *Profit or Planet: Truthout Environmental Series*. Retrieved July 11, 2015: <http://www.truth-out.org/news/item/22419-planet-or-profit>.

<sup>25</sup>A quote widely attributable to Jonas Salk. Sir Ken Robinson in his famous 2006 Ted talk titled "Do Schools Kill Creativity," also attributes it to Jonas Salk. Transcript retrieved March 10, 2016: [http://www.ted.com/talks/ken\\_robinson\\_says\\_schools\\_kill\\_creativity/transcript?language=en](http://www.ted.com/talks/ken_robinson_says_schools_kill_creativity/transcript?language=en). [http://www.ted.com/talks/ken\\_robinson\\_says\\_schools\\_kill\\_creativity/transcript?language=en](http://www.ted.com/talks/ken_robinson_says_schools_kill_creativity/transcript?language=en)

## To Eat or Not To Eat Meat: Solving Global Warming!

*I cannot appeal to tigers and wolves. They are programmed to be what they are. Being endowed with free will, only a human being can make a difference by exercising his or her choice. The threatening inundation from melting icebergs in the North Pole is avoidable ... if only there is a change of heart on the part of every meat eater. If it is too much for one to switch to be a total vegetarian, one needs to give up at least red-meat eating. This is the only option one has.*<sup>26</sup>

Studies indicate that developed countries have a situation of unsustainable overproduction and overconsumption of animal products (meat, milk, and eggs). Most of the world's animal production is carried out in industrial systems that make very heavy demands on natural resources of land and water in order to grow feed-crops for farmed animals. Industrial animal production also causes widespread pollution from animal manure and from the use of fertilizers, pesticides, and herbicides.<sup>27</sup>

In a 2006 UN Report entitled, *Livestock's Long Shadow: environmental issues and options*, Steinfeld H et al., note, "Livestock production is responsible for 18 % of global greenhouse gas (GHG) emissions from all human activities, measured in CO<sub>2</sub> equivalent."<sup>28</sup> According to this report raising animals for food generates more greenhouse gases than all the cars and trucks in the world combined. Nitrous oxide and methane emissions from animal manure, methane emissions from the animals' digestion, and nitrous oxide emissions from mineral fertilizer used to grow feed-crops for farmed animals make up the majority of this 18 %. The livestock sector is responsible for the following proportions of global anthropogenic emissions of the main greenhouse gases:

- 37 % of total methane (CH<sub>4</sub>)
- 65 % nitrous oxide (N<sub>2</sub>O) emissions
- 9 % of carbon dioxide (CO<sub>2</sub>) emissions<sup>29</sup>

"The released methane," the UN Report notes, "has 23 times the global warming potential of CO<sub>2</sub>."<sup>30</sup> How can we resolve this alarming situation? What role can each individual play in ameliorating this problem? All that we have to do is avoid eating

<sup>26</sup>Swami Dayananda Saraswati, *Global Warming—A Solution*. [http://www.arshavidya.org/SiteResource/Site\\_104886/Customize/Image/GlobalWarming.jpg](http://www.arshavidya.org/SiteResource/Site_104886/Customize/Image/GlobalWarming.jpg)

<sup>27</sup>Global Warning: *Climate Change and Farm Animal Welfare*. Compassion in World Farming, 2008. Retrieved July 10, 2015: [http://www.fao.org/fileadmin/user\\_upload/animalwelfare/GlobalWarningExecutiveSummary1.pdf](http://www.fao.org/fileadmin/user_upload/animalwelfare/GlobalWarningExecutiveSummary1.pdf).

<sup>28</sup>Steinfeld H et al., *Livestock's Long Shadow: environmental issues and options*. Food and Agriculture Organization of the United Nations. Rome. 2006. [http://www.virtualcentre.org/en/library/key\\_pub/longshad/A0701E00.htm](http://www.virtualcentre.org/en/library/key_pub/longshad/A0701E00.htm).

<sup>29</sup>Ibid.

<sup>30</sup>Ibid.

meat. In the absence of demand for meat, there is no more need for breeding millions of animals for daily slaughter. The reversal of global warming is a certainty. A single individual by simply not consuming meat prevents the equivalent of 1.5 tons CO<sub>2</sub> emissions in a year.<sup>31</sup>

There are a number of reasons to be vegetarian. First and foremost, one cannot in clear conscious be a nonvegetarian knowing the devastating consequences of meat eating. Perhaps the most important reason to be vegetarian is compassion. This is where spiritual outlook becomes paramount. Nonviolence, *ahimsā*, is the basis for the vegetarianism within Jainism, Hinduism, and Buddhism though it goes well beyond just being vegetarian. This core principle is derived from the Vedic injunction “*mā hiṃsyāt sarvabhūtaṃ*”—do no harm to living creatures. This recommendation is also repeated to the seeker after truth in the Upaniṣads. According to the Chāndogya Upaniṣad (7.26.2), “When the food is pure, the mind becomes pure. When the mind is pure, the memory becomes firm. When memory is firm, all ties are loosened.”<sup>32</sup>

According to the Hindu Vedic tradition, all creatures form the limbs of a single, all-pervading divine being. To benefit any one limb is to benefit the divine being and to harm any is to harm the integrity of the divine being. Therefore, every one of our actions should be performed for the welfare of all beings. All the great spiritual traditions of India, drawing upon this root idea, dictate that a spiritual aspirant must abstain as much as possible from causing any harm to any living being. However, at the same time, it was recognized that life inherently involves harm of some form or another. It is true that no one in reality can have a completely harmless existence. But that does not mean that we should abandon the core value of harmlessness. We must minimize the harm we cause to other creatures as far as possible.

For example, vegetarians too cause harm by killing plants or using animals to plough the fields, so inadvertently harming other beings in the process of raising crops. However, this seems minimal compared to the routine cruelty that is involved in raising, transporting, and slaughtering animals for food. The Buddha said, “All tremble at violence; all fear death. Putting oneself in the place of another, one should not kill or cause another to kill.”<sup>33</sup>

What other measures can we adopt at the personal level to cultivate higher moral stance and spirituality leading to a sustainable future?

In the following section, we provide some of banes of the modern society and their antidote.

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<sup>31</sup> Ibid.

<sup>32</sup> Swami Nikhalananda, trans. and ed., *The Upanishads: A One Volume Abridgement* (New York: Harper & Row Publishers, 1964), 347.

<sup>33</sup> Acharya Buddhārakkhita, trans., *Dhammapada: The Buddha's Path of Wisdom* (Kandy, Sri Lanka: Buddhist Publication Society, 1985), 43.

## Overcoming Inner Demons<sup>34</sup>: Personal Spirituality as a Basis for Universal Sustainability

Wealth without work, pleasure without conscience, knowledge without character, commerce without morality, science without humanity, worship without sacrifice, politics without principles—these, according to Gandhi, are humanity’s blunders. The list represents “one of the best X-rays of contemporary society ever taken.”<sup>35</sup> Overall, these social maladies are the outcome of spiritual impoverishment and lead to an unsustainable mode of living. A careful perusal of these will also provide a pragmatic template to leaders and followers alike of the art and science of self-transformation. A society founded on self-responsibility and self-awareness alone can hope for a sustainable future.

Let’s consider these sins through the eyes of Gandhi.

### Politics Without Principles

Gandhi believed in the power of natural law governing the universe, a law that no one is above. He once said that the glory of humans lies in obedience to a higher law—the law of unity and oneness of all life. We can see the operation of this law in an Indian wisdom text that states: For the magnanimous, the entire world constitutes but a single family (*udāracaritānām tu vasudhaiva kuṭumbakam*).<sup>36</sup> When politics is devoid of the higher moral law, it soon turns out to be politics devoted to the lowest and the meanest tendencies in us. The examples, historical as well as contemporary, where principles have been sacrificed at the altar of political expediency are too numerous to recount. Adherence to sound principles of justice helps us to maintain social justice as a matter of course.

### Wealth Without Work

The social malady of wealth without work can be stated as consumption without contribution. When prosperity is measured by how much we consume, consumption becomes a norm and an end in itself. It detracts us from becoming productive contributors to the economics of life. This attitude is also responsible for much of the greed and

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<sup>34</sup>This section is partially based on author’s recent book, *Gandhi and Leadership: New Horizons in Exemplary Leadership* (Palgrave Macmillan, USA, 2015), which devotes a full-length chapter on Seven Deadly Sins of Humanity. This book explores the spiritual and moral mainstay of Gandhi’s leadership.

<sup>35</sup>Eknath Easwaran, *The Compassionate Universe: The Power of the Individual to Heal the Environment* (California: Nilgiri Press, 1989), 24.

<sup>36</sup>*Mahōpaniṣad*—VI.73 (a). Alternative rendering: For those who live magnanimously, the entire world constitutes but a family. See: Dr. A.G. Krishna Warriar, trans., *Maha Upanishad* (Chennai: The Theosophical Publishing House, n.d.). Accessed February, 14, 2015. [http://advaitam.net/upanishads/sama\\_veda/maha.html](http://advaitam.net/upanishads/sama_veda/maha.html).

overconsumption rampant in our consumer-oriented society and its attendant ills of inequality and ever-widening gaps between the haves and have-nots. Since consumption is merely a means to human well-being, the aim should be to obtain the maximum of well-being with the minimum of consumption, to paraphrase the sensible guidelines of the British economist, Schumacher, a protégé of J. M. Keynes. For him, working for the mere multiplication of needs was the very “antithesis of wisdom.”<sup>37</sup> Schumacher believed that the economy is measured by the health and creativity of its members as much as by the amount of things it produces and consumes.

The cult of consumerism—constantly bombarding us with goods, relentlessly vying for our attention, and offering easy gratification of the senses—necessitates the existence of thriving industrial machinery constantly churning out a slew of goods to satisfy our ever-growing wants. And soon we lose the good sense to make a distinction between our wants and our needs. In turn, this leads to gross exploitation of natural resources, exploitation of human beings, and a host of other social and economic ills such as war, poverty, and hunger.

Gandhi repeatedly reminded us that there is enough for everyone’s needs, not enough for everybody’s greed. In his own personal life, he developed norms for living a simple, temperate life and constantly strove to confront his inner demons through such practices as self-discipline, fasting, nonpossession, and nonharming. He learned from his favorite spiritual guidebook, the *Bhagavad Gītā*, that excessive desire is the root cause of all evil; it breeds the other two highly dangerous human tendencies of anger and greed, which make it hard to follow the dictates of the conscience. Gandhi strove to live by the counsel of the *Gītā*, to control the mind through dispassion and practice. He knew that the pursuit of pleasure without conscience erodes the collective human spirit.

## A Note on Executive Salaries

Conscience is essentially our inner guide and the repository of timeless wisdom. It requires a certain mindfulness or consciousness to remain true to one’s conscience. Pleasure without conscience remains one of the key challenges for today’s leaders. Too often they fall into the entitlement trap of believing “I have earned it” or “I deserve it.” The call of conscience can help leaders pause and reflect whether they have really earned their pleasures to the extent that they think. How about others who may be equally deserving? This entails asking hard questions: Do I really deserve the exorbitant high pay that I get? Is it really justified in terms of my contribution? Peter Drucker, whom this author had the honor of meeting, thought that top executives should not get more than 25 times the average salary in the company. While Drucker agreed that a compensation algorithm is hard to develop in scientific terms, exorbitant disparities in compensation

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<sup>37</sup> Schumacher, *Small Is Beautiful*, 34.

undercut the mutual trust among people who work together. When we see that the CEO salaries have grown from being 20 times the salaries of the lowest paid employees during 1980s to almost 250–300 times during present times, we wonder if the current CEOs have grown that much smarter during last 30 years? No hard-and-fast rules can be laid down here in the manner of one-size-fits-all; nevertheless, one should be guided by one's inner conscience to modulate one's expectation of pleasure.

## **Knowledge Without Character**

The role of character in leadership can hardly be overemphasized. Character has come to be recognized as the most critical component of the leadership equation. Authentic leaders lead from a strong, personal, moral position. First and foremost, leadership requires trust since a leader's ability to lead depends upon the strength and trustworthiness of his character. Trust commands respect and is achieved by consistently demonstrating competence and good character.

Character has been defined as the “integrity to walk the talk.” Having seen the horrors of knowledge without character playing havoc in corporations over the last 20 years, what we sorely need today is character-based leadership. We need leaders who are centered, not self-centered, leaders who dare to do what is right, no matter what the cost.

## **Science Without Humanity**

Over the centuries, the relationship between science and religion has remained at best strained. Knowledge gained through scientific methods needs to honor the human condition and its underlying qualities of wisdom, compassion, and character. When scientific knowledge and its resultant practices degenerate into mere technology, science ceases to be a salutary force and comes into direct conflict with humanity. As a result, human beings become victims of science and technology. Something that was supposed to serve human ends becomes an end in itself. Without an understanding of the greater purpose of humanity, scientific achievements yield very little in the way of human progress.

Thus, science has a tacit responsibility to uphold the scientific ethic using totality of life as a baseline and a guide. However, in an age where most modern scientific projects require corporate or governmental funding, there's an inherent conflict with ethics *ab initio*. Gandhi perhaps did not have to deal with such scenarios at least not to the extent they are prevalent in modern times. In the contemporary world, however, we have this phenomenon where big corporations hire scientists to carry out research. Although the decision to work for an organization is a personal one made by the scientist, an immoral organization is more likely to prevail upon the scientist by its greater bargaining power. In a society where laws may also be made

subservient to corporate might, the probability of science without humanity will continue to loom large.

Although morality cannot be enacted into laws, it remains for the society and its members to work to ensure that science is not divorced from humanity.

## **Worship Without Sacrifice**

Spirituality, religion, and ethics were synonymous terms for Gandhi. In religion, we worship, but if we are not willing to sacrifice for the greater good, our worship has little value. Therefore, Gandhi regarded it a sin to worship without sacrifice. Sacrifice becomes all the more necessary when we want to serve others. It takes sacrifice to serve the needs of other people—the sacrifice of our own pride and preference. Religion without sacrifice is shallow and meaningless. Without sacrifice, even service is but an inflation of ego.

Gandhi was thoroughly familiar with the principle that all moral authority comes from sacrifice, and he practiced self-sacrifice throughout his life. He sacrificed his personal desires, career, wealth, everything for humanity. This is what gave Gandhi power over himself and his environment. He repeatedly pointed out that “as human beings, our greatness lies not so much in being able to remake the world—that is the myth of the “atomic age”—as in being able to remake ourselves.”<sup>38</sup> Politics without morality, as also economics without ethics, is a dead end road for it ignores the humanity that is our essence. As we evolve spiritually, we realize the terror of this disempowering stance.

When we understand these seven deadly social maladies, we understand that the road to sustainability is paved by personal spirituality. With this understanding comes the liberating realization that “there is no sustainability without ... spirituality.”<sup>39</sup> Only “an individual life rooted in the continuous harmony with life as a whole”<sup>40</sup>—a life based on selfless love and contribution is a life worth living.

## **Commerce Without Morality**

All the sins discussed earlier involve missing the underlying moral dimension, be it in the context of work, pleasure, or knowledge. They place the responsibility of developing a high moral sense on the individual and on the power of individuals to heal the society. In commerce without ethics, we move to understanding the role of businesses in reclaiming their social responsibility.

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<sup>38</sup> Eknath Easwaran, *The Compassionate Universe: The Power of the Individual to Heal the Environment* (California: Nilgiri Press, 1989), 20.

<sup>39</sup> John E. Carroll, *Sustainability and Spirituality* (New York: State University of New York Press, 2004), 6.

<sup>40</sup> Easwaran, *The Compassionate Universe*, 10.

Perhaps the central paradox of the contemporary business world is commerce without ethics. After watching the recent financial meltdown, innumerable corporate scandals and frauds, one begins to question the very *raison d'être* of corporations." When profit maximization becomes the sole objective of business, morals and ethics are thrown overboard.

Businesses in modern times have come to embrace the concept of social responsibility; yet, surprisingly, Friedman calls this a "fundamentally subversive doctrine." In his book *Capitalism and Freedom*, he goes on to say that in a free society, "there is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud."<sup>41</sup> This book was originally published in the 1960s and unfortunately dominated corporate thinking for four decades. It provided many unscrupulous businesses an excuse to flout ethics under the guise of maximizing shareholders' wealth. Friedman's position is not widely acknowledged even within the community of preeminent economists. For example, Professor J. K. Galbraith, perhaps the most widely read economist of the twentieth century, provides the much-needed corrective: "Economics of production and consumption alone, without any higher values, can certainly make economics a dismal science."<sup>42</sup>

In the wake of flagrant violation of social responsibility by many large corporations during last two decades, few will agree with Friedman's view today that the social responsibility of business is to increase its profits. Even Jack Welch, the greatest proponent of "shareholder's value theory," abandoned it calling it "the dumbest idea in the world."<sup>43</sup> Profit maximization can be no more the purpose of a business than eating is the purpose of life.

Gandhi viewed life in its wholeness. His integral humanism comes loud and clear through these seven social sins. In identifying these blunders of humankind, he at once humanized politics, science, commerce, and religion. His rejection of wealth without work, pleasure without conscience, knowledge without character, commerce without morality, science without humanity, worship without sacrifice, and politics without principles as the "seven sins of the contemporary world" will remain relevant as long as material values continue to usurp the moral and the spiritual. We believe that the concepts of service, contribution, morality, conscience, character, humanity, and sacrifice offset the seven deadly sins and help to make life worth living. Gandhi was not an individual but an institution, not a man but a movement, not an episode but a phenomenon. In any era of darkness, his light will remain relevant and meaningful.

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<sup>41</sup> Milton Friedman, *Capitalism and Freedom, Fortieth Anniversary Edition* (New York: University of Chicago Press, 2002), 133.

<sup>42</sup> Cited in J. S. Rajput, *Seven Social Sins: The Contemporary Relevance* (New Delhi: Allied Publishers, 2012), 10.

<sup>43</sup> Cited in Steve Denning, "The Origin of 'The World's Dumbest Idea': Milton Friedman," *Forbes* (June 26, 2013).

## Conclusion

The last century has highlighted both the creative and the destructive power of human ingenuity. Whereas humanity's greatest gains in this century came in the areas of science and technology, we also witnessed the horror of two world wars, the rise of international terrorism, and economic and financial meltdowns. Many believe that the greatest harm occurred in the erosion of moral and spiritual values. In his splendid little volume, *The Compassionate Universe*, Eknath Easwaran notes the urgency of the responsibility of humans to heal the environment—"the only creatures on Earth who have the power—and, it sometimes seems, the inclination—to bring life on this planet to an end."<sup>44</sup> Leaders need to be mindful of this inherent destructive human tendency born of self-centeredness and recognize the urgency of dealing with it solely on human terms. The choice here is between conscious change and collective ruin.

We need to tackle humanity's current problems most creatively and holistically. If there is one quality that can bring peace and harmony in our war-ravaged world, it is probably respect for all religions and faiths. As we know, most conflicts throughout history have been ostensibly for religious and ideological reasons and this continues unabated to this day. The twentieth century was one of the bloodiest in human history and we can only hope that lessons will soon be learnt to prevent an even worse situation arising in this century.

Ethics deals with choosing actions that are right and proper and just. Ethics is vital in commerce and in all aspects of living. Society is built on the foundation of ethics. Without adherence to ethical principles, businesses are bound to be unsuccessful in the long run. Gandhi recognized that economic and political systems that are not based on sound moral foundations are doomed to fail ultimately. Without ethics, a business degenerates into a mere profit-churning machine, inimical to both the individual and the society.

The journey for world transformation starts at the individual level, with the understanding that all life is essentially and fundamentally one. You cannot pluck a flower without disturbing a star. With this understanding comes the liberating realization that "there is no sustainability without ... spirituality."<sup>45</sup> We need to place the responsibility of developing a high moral sense on the individual and on the power of individuals to heal the society. Only "an individual life rooted in the continuous harmony with life as a whole"<sup>46</sup>—a life based on wisdom, selfless service and contribution is a life worth living.

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<sup>44</sup> Easwaran, *The Compassionate Universe*, 7.

<sup>45</sup> John E. Carroll, *Sustainability and Spirituality* (New York: State University of New York Press, 2004), 6.

<sup>46</sup> Easwaran, *The Compassionate Universe*, 10.

### Chapter Summary

- Unless people's moral and spiritual qualities are nurtured and developed, the best of sustainability efforts will not work. There is no sustainability without spirituality.
- No economics is any good that did not make sense in terms of morality. After all, we are "Homo moralis" and not "Homo economicus."
- The journey of world transformation starts at the individual level: the way to achieve harmonious living in all spheres is through ethics and spirituality at the personal level.
- The true ecological sustainability depends upon our deeper understanding of fundamental spiritual values such as interconnectedness and oneness, nonviolence and compassion, contribution and selfless service.
- Ever since the dawn of Industrial Revolution, our primary approach toward nature has consistently been that of the conquest and control rather than harmony and coexistence. The horrific consequences of this perspective are too evident to recount.
- One does not have a right to take unless one has contributed in some way that is socially beneficial.
- If we are to secure our survival as a species on this planet, there is a need to move from a mentality of competition to one of cooperation, from a lifestyle of being a consumer to becoming a contributor, based on the interconnectedness of all life.
- Climate change is not the only serious problem that is weighing down on us. The rapid depletion of the earth's natural resources, the acquisition of world aquifers by big corporations, and the GMOs are some of the other causes for grave concern.
- The economy is measured by the health and creativity of its members as much as by the amount of things it produces and consumes.
- Leaders need to be mindful of this inherent destructive human tendency born of self-centeredness and recognize the urgency of dealing with it solely on human terms. The choice here is between conscious change and collective ruin.

### Discussion Questions

1. What is the root cause of greed and how it translates into corporate profiteering?
2. What role corporate leaders should play in the adoption of sustainable practices?
3. How far corporations are responsible in causing economic inequalities?
4. As a leader what practices would you follow to reduce your organization's total footprint?
5. Do you believe humanity is fast approaching the tipping point of its own extinction?

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## Abstract

This chapter, possibly more so than others, focuses on leadership as a process that begins within the leader. The underlying assumption in this chapter is that we cannot be good leaders to others if we cannot lead ourselves well. The chapter touches on a behavioral pattern to which many people fall prey: the sleepwalking mode. People who sleepwalk, move through the motions of personal and professional life without questioning whether they still matter to them. Mindfulness, the opposite of sleepwalking, is a critical skill for a leader to develop and maintain, because it has a major influence on the type of decisions this leader will make, and the type of influence this leader will have onto followers.

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## Introduction

Leadership is first and foremost a personal relationship. It is kindled by the leader's passion for a goal and manifests itself through behavior. History has presented us numerous examples of people who had a goal that others considered senseless, from the great inventor Thomas Alva Edison, who failed hundreds of times with his invention of a commercially viable light bulb, but chose to see his failed attempts as "ways that did not work," to Abraham Lincoln, America's 16th president, who had a life marked by setbacks, losses, and defeats, and refused to see himself as a failure, even when everyone else made fun of him. From Mohandas Gandhi, who had such a frail appearance in a time when leadership was closely linked to a set of physical traits

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(“tall” and “white” being some of them), that very few would have considered him capable of firmly and doggedly leading India to independence, to Nelson Mandela, who served 27 years in prison, because he believed in and strived for equality for black and white in South Africa, where “apartheid” was the main ideology for the longest time. Mandela became the first black president of South Africa in 1994. These leaders all had their own challenges and opportunities, but they first and foremost believed in themselves and were mindful of what they had formulated as their life’s mission.

## Mindfulness

Mindfulness is a flexible cognitive state that results from drawing novel distinctions about the situation and the environment (Carson & Langer, 2004; Langer, 1989). A mindful person actively engages in the present and is sensitive to context as well as perspective. A mindful approach is the foundation as well as the outcome of noticing new things (Carson & Langer, 2006). According to Carson and Langer, mindfulness can enhance self-acceptance, which, in turn, brings greater peace of mind. When we lack self-acceptance, we may experience emotional troubles, resulting in anger and depression (Carson & Langer, 2006).

The following traits can be distinguished in mindful people:

1. They view objects as well as situations from different perspectives, and
2. Based on the context of an issue, they can shift their perspectives (Carson & Langer, 2006).

The opposite of being mindful is being mindless. A mindless person rigidly adheres to a single perspective without considering contexts or perspectives (Carson & Langer, 2006). Mindless people compartmentalize experiences, behaviors, objects, and other people into inflexible categories. They are trapped within a single perspective and are incapable of shifting their viewpoints in order to see the other side of a situation, story, or experience. In other words, they lack respect for others’ viewpoints, because they are so caught in their own.

In his book, *Coming to our senses*, Jon Kabat-Zinn describes mindfulness “as moment-to-moment, non-judgmental awareness cultivated by paying attention in a specific way, that is in the present moment, and as non-reactively, as nonjudgmentally and as open-heartedly as possible” (Kabat-Zinn, 2005, p. 108). Kabat-Zinn’s definition could also be attributed to something called *respectful awareness*, because it combines the nonreactive, nonjudgmental, open-hearted foundation of respect to specific attention in the present moment.

## Respect

Respect is embedded in the way we treat people and other living beings. Some people think that respect is classified: they only show respect to those that hold higher positions than the one they hold, and disrespect or ignore those who hold

subordinate positions or represent a lower ranked status in society. Other people think that respect is limited to our interactions with other human beings, and that other living beings are not worthy of respect. Of course, that is not the case. There is much to be questioned about the mindfulness level of a person who only grants respect to other human beings, but abuses or ignores his or her pets.

Real, deep, genuine respect goes beyond just honoring human cultures and behaviors, and understands the importance of honoring all living beings, as they all have a right to exist, whether or not we interact, appreciate, or understand them. In order to evoke and nurture this degree of respect, we have to reflect in a way that is not exactly common among business practitioners, but it is not impossible. Everything on planet earth was created for a special purpose. On our quest to progress, we, the humans, have disrupted many cycles and sequences of life, forcing them out of their protective habitats and into those we now call ours. This is, for instance, why we find bugs and roaches in buildings, because we build with wood, which comes from the trees in which they used to live. Each living being was placed here with a special task, and we should be aware of that. We may not like everything, but we can still practice the mindfulness to respect it.

Respect is not always easy to give. Some people seem to do everything to make it difficult to grant them any respect. People, who disrespect others blatantly, because they feel superior to those, are hard to like. Yet, mindful leaders understand that even those souls need respect, just as much as the downtrodden and dejected ones.

As our general sense of respect expands, so will our mindfulness toward other living beings. The beauty of it all is that there is a mutual dynamic at play here, because when we practice mindfulness, we begin to cultivate deep respect for other beings and their circumstances, most of all, their emotions (Khong, 2011).

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## The Sleepwalking Mode

When we implement our work or home activities without investing too much thought in them and without wondering what the meaning of these activities is to us, we are sleepwalking. Sleepwalking is an ongoing, *mindless* way of performing for a paycheck in order to pay the bills and hopefully have some extra spending money left. It's also the mindless way of fulfilling all our chores within a nonwork relationship, without ever wondering whether we still find fulfillment in this relationship, situation, neighborhood, or team, and in the things we do. When we sleepwalk, we do not wonder about whether what we *do* is in line with what we *like*, and if not, how we could change it. Many people sleepwalk, because they don't realize that there is an alternative to the way they go through life. They simply go through the motions and don't engage in any reflection. There may be sporadic moments that something like a deliberation emerges, but those moments soon subside and the sleepwalking resumes. The moments of deliberation most often happen when they get shaken up by an ordeal, such as the loss of a loved one, or an unexpected but major change in their career or job.

Sleepwalking is the opposite of being awake. People who sleepwalk, move through the motions of personal and professional life without questioning whether they still matter to them. There are many instances of sleepwalking around us. Human beings have a tendency of becoming mindless and do things either because they have done them for a long time or because they were done this way for a long time. Mindless continuation of traditions is an often occurring form of sleepwalking. Something was once done this way, and nobody wonders whether it still has a purpose today.

Some forms of sleepwalking are even brought within religious or cultural realms, making them even harder to challenge or change. Some people go to their church or temple two or three times a week, simply because the tradition has been set that way for decades. Unfortunately, they don't even pay attention to what their pastor or preacher says. Once out of their religious home, they live like savages with each other, mistrusting and insulting each other; unwilling to support any social cause; and filled with senses of discrimination, greed, and hatred. These are all serious forms of sleepwalking. Some cultures prohibit their members from dating and marrying outside the racial or cultural boundaries. Youngsters who choose to oppose this rule get disowned and possibly even abandoned from their family or from the entire community. Protection of the ethnic purity is so important to them that it overbears any common or humane sense. And mindlessly, the tradition is observed year after year, decade after decade, without ever considering the bigger picture of human interconnectedness.

Sleepwalking has a lot to do with focusing too much on the details and forgetting to zoom out in order to obtain a broader scope. Discrimination of any kind is also a form of sleepwalking: it is an act that is based on superficial differences, mostly external or acquired, without considering the many overarching commonalities. Those who discriminate hold beliefs that they are somehow better than others, either because of their race, culture, education, age, status, or another parameter they erected and labeled as important. The mind-set these discriminating folks nurture was most likely adopted from previous generations without any screening or critical reflection about its purpose, sense, or origins.

Sleepwalking can lead to a lot of trouble, not only for the person who sleepwalks, but also for those who get affected by this behavior. In the case of racism, for instance, the racist may not even suffer as much from his or her behavior as those who are subjected to the act. Oftentimes, however, sleepwalkers experience the disadvantages of their ways. Refusing to change is almost always equal to falling behind, especially in these times of continuous change.

So, why is sleepwalking such a widespread phenomenon? It is because human beings, by default, are creatures of habit, hence, change averse. We love to dwell in our comfort zones, and that is understandable to a great extent: once we have developed a pattern, it is just easier to follow the same trend repeatedly. It requires less mental energy to find our way through our routine. It is like performing on autopilot. But there are limits to everything: performing on autopilot for too long can derail our focus on new trends, and new trends keep emerging, whether we like it or not. Especially in professional circles, it will be self-destructive to behave like a sleepwalker.

Still, people fall prey to this mindless trend. We often make choices that feel good at one time, and then fail to keep track of the changes around us, and even those that happen within! Many people cannot understand their own change process. If they liked what they did once, how can they dislike it today? If they made such a deliberate decision to be where they currently are, how can it seem so unpleasant or unsuitable today? Of course, the answer is not too hard to retrieve: everything changes. Nothing is permanent. We live in a world where even our life is not infinite, let alone our relationships or professional circumstances. We are in constant flux, and regularly move up and down the ladder of progress. There is no guarantee that the trend will always be upward. Those who have experienced the economic downturn of 2008 can attest to that. Many people lost jobs that they thought would be theirs for the rest of their professional life. From one day to another, they had to give up their prestigious homes and some even became homeless. If there is one thing that doesn't change it is the fact that life is unpredictable. Because of this unpredictability, we owe it to ourselves to remain mindful and refrain from sleepwalking.

Regardless of the measures we take to safeguard our life and circumstances, we don't have the ability to ensure that our life will be a smooth ride. And when we review challenges from this angle, we may be able to see their purpose: they shake us at our core and force us to refocus. If only for a short while, we snap out of the sleepwalking habit and understand the need to think creatively.

Thinking creatively is an immediate consequence of mindfulness. As we become more alert of the shifting conditions of things around us, we realize that old solutions will not effectively solve new challenges. Our chance of success increases tremendously when we apply creativeness and stop doing what everybody else does (Nissley, 2009). As an example, when we lose one job, we should be mindful in looking for another one in exactly the same field. This is what most people do. They try to recapture the same routine, even if they are forced to do it elsewhere. Instead of doing this, they could consider the disconnect from their prior work and habit pattern as an encouragement to explore a different path.

Individuals are not the only ones who sleepwalk. Organizations can also fall prey to this behavior. This is understandable, because organizations are run by people, and if the people driving the organization are unaware or unwilling to apply necessary changes, the organization may land in an indolent situation that will harm its competitiveness and general performance and growth. There are numerous examples of businesses that once thrived but lost their edge due to sleepwalking. Within the organizational context, sleepwalking is usually equal to lack of innovation (Newman, 2010). Major business corporations such as General Motors and Ford, once the biggest and most prestigious car companies on the globe, have been losing market share and profits due to their failure to keep up with younger generations of automakers.

Vijay Govindarajan, who is a professor at Dartmouth's Tuck School of Business and the coauthor of "The Other Side of Innovation" (Harvard Business Review Press, along with Chris Trimble), explains that successful companies often fall prey to three drawbacks that dearly cost them: (1) a physical trap, where they are stuck with huge investments in obsolete strategies and processes that hinder them

from innovating; (2) a psychological trap, where they keep focusing on the steps and activities that once made them successful without realizing that those actions and strategies no longer work; and (3) a strategic trap, where they only focus on the here and now, and fail to prepare for future trends (Newman, 2010). Some well-known companies that have fallen into one or more of the above “sleepwalk” traps are as follows:

- Blockbuster, a company once so successful in video renting, which fell into the strategic trap of failing to consider future trends, thus inspiring new entrants such as Netflix and Redbox to come up with more innovative ways of bringing movies to our homes (Newman, 2010).
- Eastman Kodak, absolute leader in the world of camera productions for almost 100 years, but then falling prey to category 2 and 3 traps: failing to move itself psychologically into the digital era, and consequently, losing the momentum of implementing the strategies required to maintain its leadership position in this industry. The company has been searching for new markets to break through, but its stock price has fallen far beneath what it used to be (Newman, 2010).
- Motorola, soaring to the position of global leader first with car radios, then with two-way radios, and finally, the first mobile phone. Unfortunately, Motorola also made category 2 and 3 mistakes, failing to jump on the smartphone bandwagon in time, thus causing this pioneer to rapidly and painfully lose its market share to newcomers (Newman, 2010).
- Sony, which was once a major player in the industry of sound and video equipment and other consumer electronics. However, the company started diverting its focus into different directions, including film and music, and got distracted from its product lines leadership. As a result, new players in the consumer electronic field took over and offered the world the innovation it needed in this regard (Newman, 2010).
- Toys “R” Us, which had its heydays as a retail store for toys in the 1980s and 1990s, filling the needs that existed in the US market at the time. However, as the new millennium started, the once aggressive merging and acquisition policy of Toys “R” Us was brought to a halt by giant discount houses such as Target, Wal-Mart, and Amazon, leaving the company in struggling mode, complete with store closures, layoffs, and downsizing (Newman, 2010).

## The Reasons Behind Sleepwalking

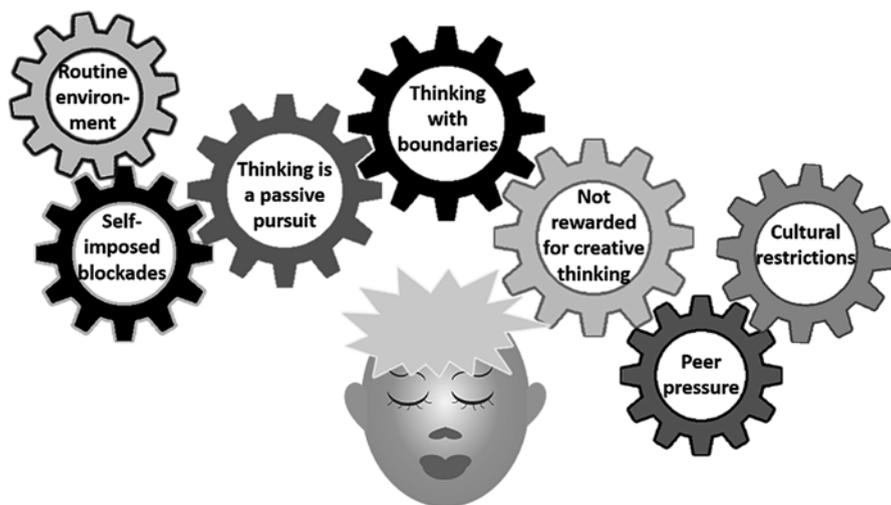
Here are some of the reasons why so many people sleepwalk through their life instead of engaging in mindfulness and taking a critical look at their whereabouts:

1. They feel that thinking is a passive pursuit. They claim that they are too busy to sit and think. And that, while there’s nothing lazy or passive about thinking.
2. They confine their thinking to their current field of action, or they have learned to think within the boundaries of their daily environment.

3. At work, they are not rewarded for creative thinking. There are still many work environments—and bosses—who can get very displeased with out-of-the-box thinkers or healthy risk takers.
4. They may also be subject to peer pressure, sometimes even unconsciously. Especially those of us who are very close with our family or friends may want approval from them, but if they are traditionalists, they will not encourage anything out of the ordinary, or anything that may require you to move away.
5. They may face self-imposed blockades, which so many people maintain, such as self-esteem issues, or fear for what others may think of them, which prohibits them from wading into areas outside of their mental comfort zone (Lavine, 2009).
6. They are subjected to a highly routine-based (mechanistic) environment, which does not encourage critical thinking, because the actions to be applied are highly repetitive. This is why we often see telephone operators, checkout clerks, and airline personnel sleepwalk through their days, mechanically fulfilling the tasks that were outlined for them (Langer & Moldoveanu, 2000).
7. They may come from cultures or living environments where mindfulness was punished, or where mindless following was rewarded (King & Sawyer, 1998) (Fig. 10.1).

### Effects of Sleepwalking

The effect of sleepwalking on business entities is decline, unless they manage to reinvent themselves and come up with a product or service that restores their position in their field. The effect of sleepwalking for human beings could be considered



**Fig. 10.1** Why people sleepwalk

similar: we, too, can first fall off the bandwagon, but then wake up, and come up with a way to reinvent ourselves in order to return to the point of fulfillment or prestige we desire. That's the beauty of being alive and thinking: regardless of our mistakes, we can correct them and move on, sometimes even better than before.

However, when we are in sleepwalk mode, we may not think too deeply about it, but we usually feel depressed, and it is no secret what depression can do to us. Being unfulfilled and unhappy for long periods of time reduces our patients and can turn us into moody, grouchy people. Health wise, it can cause us to acquire high blood pressure; push us toward destructive habits such as alcohol, drug abuse, or overeating; and possibly lead to a stroke, a heart attack, or other psychosomatically driven diseases.

On the other hand, mindful performance keeps us fulfilled, even though it would be foolish to think that every day will be at an equal high. Even wakeful people experience downs sometimes, because life is happening to them as well. They just don't allow these setbacks to get the best of them, and bounce back much quicker than sleepwalkers do. Overall, the quality of their life is therefore at a much higher level.

## Keeping Track of Sleepwalking

Before we can do something about sleepwalking, we have to be aware that we do it, and that is often the biggest challenge. It's almost as challenging as trying to discover that you sleep while you are asleep. The tendency to sleepwalk is so widespread, so common, that many people will choose to remain in denial and claim that they are not sleepwalking, but very wakeful instead. Yet, multiple psychology researchers are now sharing the conclusion that most human performance is mindless, hence, based on sleepwalking. "Without deliberative and reflective conscious activity, humans are simply mindless automatons" (Bandura, 2006, p. 164).

So far, this chapter has shared information to help make us aware that (1) there is such a phenomenon as sleepwalking or enduring mindlessness; (2) it leads to undesirable effects for the person who sleepwalks as well as those who are closely affiliated with this person; (3) it can be turned around through mindful behavior and creative thinking.

We should realize, however, that becoming and remaining mindful is not easy. It might help, therefore, to be mindful of the following:

1. Being mindful is not a one-time project. It requires ongoing effort, because it can evaporate so easily when we settle into our activities, work- or lifestyles. Fortunately, mindfulness can be polished regularly, for instance through meditation, or through regular scanning of our thoughts (Junttila, N/A), and asking ourselves whether we are being mindful or are being mindless. The more we ask ourselves that question, the more deliberate our actions will become, and the fewer mindless moments we will have.
2. Life is a continuous sequence of mindfulness disruptions, which may come in many forms: problems at home or work, relationship issues, loss or illness,

which can give rise to old bad habits, distract us from our mindfulness efforts (Junttila, *N/A*), thus propelling us back into sleepwalking mode.

3. The many distractions and setbacks in work and private life may cause our mindfulness efforts to stall regularly or progress so slowly that we get discouraged (Junttila). Of course, setbacks are the best opportunities to prove our determination and test our mindfulness. But that is easier said than done.
4. Our goals may infringe on our mindfulness efforts (Junttila). We may get so geared up about reaching a goal that we suddenly realize that we have placed our mindfulness efforts on hold and have fallen into many of our old sleepwalking habits. Goals are great, but they can also be powerful distractions to remaining mindful.
5. Achieving our goals may cause another major infringement on our mindfulness (Junttila). If we reach a goal and don't set a new one, we run the chance of becoming languid, and losing the zest to move on. Lethargy is one of the major drivers of mindlessness. Lack of activity equals lack of purpose and that equals lack of a reason to nourish mindfulness.
6. Dreading our current circumstances can also become an obstacle toward mindfulness. It may lead to depression and rob us from the will to focus. However, dreadful situations are also a great opportunity for sharpening our mindfulness efforts and understanding the purpose of the current moment in the wholeness of our lives (Junttila).

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## Practicing Our Mindfulness

Mindfulness can be induced in several ways. A frequently practiced way is meditation. One of the most well-known forms of meditation is Vipassana, or insight meditation, which is the meditation practice in which Siddhartha Gautama, generally referred to as "The Buddha," engaged when he gained enlightenment. Vipassana has emerged into a global movement, and is even more westernized than, for instance, Zen, because it does not require traditional techniques (Coleman, 2001/2002). There are Vipassana meditation centers in all parts of the world. Because it can be practiced in a nonsectarian way, it is attractive to Buddhists and non-Buddhists alike.

Vipassana literally means "special seeing" or insight. Being a system of mindfulness techniques, Vipassana draws attention to the breath and to every object of consciousness (Wrye, 2006). Business people, academicians, but also prison inmates, seem to experience significant transformations when engaging in this meditation practice. In the past decade, popular US sources such as *Publishers Weekly* (Martinez, 2008) and *The Philadelphia Inquirer* (Rickey, 2009) have written about the usefulness of Vipassana for prison inmates, stating that it has helped them break their cycles of anger and revenge. Vipassana is a useful instrument in attaining expanded and purified consciousness, and it appeals to people from all religions, cultures, and backgrounds, because it only requires concentration of the mind by observing one's natural, normal respiration, without adding any sectarian verbalization or any visualization, and imagination. There is little to object to purifying the mind at the deepest

level, by observing the interaction of mind and matter within oneself, at the level of body sensations, because that, too, is universal (Goenka, 2006 and 2008).

Engaging in Vipassana meditation starts with the obvious: finding a suitable place where you can sit comfortably without interruptions. It is also recommended that you wear easy clothes, so that you don't get distracted by tightness or pain.

- Most people meditate in sitting position. This is particularly useful for beginners. You will develop your most favorite seating position over time. This can be full or half lotus, tailor cross-legged position, one leg in front, kneeling on a soft bench or cushion, or sitting in a chair (Thatcher, 2012).
- Sit straight, yet relaxed, and close your eyes.
- Focus on your breathing. You can do so by concentrating on the airflow in and out of your nose, and sensing how it enters and exits or you can focus on your abdomen, right above the navel. You will then start experiencing the sense of rising and falling of the breath: as you inhale, it rises, as you exhale, it falls (Thatcher, 2012). This is an awe-inspiring activity, which our body does all the time, even when we sleep, yet we pay so little attention to it. Now is the time to focus on the miracle of your breath and release thoughts of past or future. Just focus on your breathing at this very moment.
- Your mind may start wandering as you continue breathing. Don't get upset or disheartened. It takes time to take control of this ever-chattering, moving busy body. Once you become aware of the wandering, just bring your mind gently back to the moment, and reconcentrate on your breathing. Don't worry about the nature or contents of your thoughts. Just see them as "thoughts," whether good or bad. Perceive them as an outsider and redirect your attention back to your breath. To increase your focus, you may think of the movement your breathing makes, and speak out the words in your mind: "rising, falling, rising, falling" (Thatcher, 2012), or "breathing in, breathing out, breathing in, breathing out." While doing so, make sure you don't force your breathing in any particular pattern or speed. Let it happen naturally, as it always does.
- During your meditation, you will notice the sense of itching, tingling, or tickling. It's something we deal with all the time, but normally don't pay much attention to. During meditation, however, these physical sensations become obvious and may even be experienced as annoying. Don't get upset. Observe your physical sensations with a calm outsider's perspective, and you will find that they will subside. Just like your breathing rises and falls, you will find your physical sensations arising and passing. In fact, observing the arising and passing of your bodily (e.g., itching) and mental (thoughts) sensations is very helpful in realizing that everything in life arises and passes the same way: difficult situations and people, but also good ones: they arise and pass. The awareness of arising and passing is critical for understanding the uselessness of many of the things we frustrate ourselves with.

The focus of Buddhism on mindfulness and awareness in all our actions and nonactions is not a threatening one to any religion and is therefore one that can find easy acceptance in large communities. The authenticity of Buddhism lies in the fact

that, throughout the centuries and the creation of multiple schools of Buddhism, it has managed to sustain the main message of its founder, which is human consciousness. When consciousness is practiced, we gradually rise above our ignorance, and move toward wisdom (Thich, 1998).

Here are, in conclusion, three additional activities that can help us practice mindfulness regularly:

1. Engage in constructive dialogs with people who have proven to be creative thinkers. If you know them well and feel comfortable to do so, ask them what qualities they see in you. What skills and talents do they think you have? What areas can they envision you in? Keep in mind that any idea is worth considering (Marques, Dhiman, & King, 2009).
2. Look at yourself from the other side: what are employers looking for today? Do you represent that? How? Try to put yourself in the shoes of various people you meet. Perhaps their job, their activity, their direction may spark an idea within you that is useful toward your next career (Marques et al., 2009).
3. Consider the big picture. Take some distance. Step out of the daily routine, and go, if only for one day, to a place that inspires you. It does not have to be abroad, out of state, or even outside the city. Just a place you enjoy being. Places that break the daily rhythm also help open your mind and expand your horizons (Marques et al., 2009).

#### Case Study 10.1: Mindfulness About Success

Sam Polk is a former Wall Street trader, who found himself in the grip of the infamous “Golden Handcuffs” and found the courage to break free from them (Shin, 2014). “Golden handcuffs” is a term used for the many reasons why people stay in high paying jobs that they hate. Employers implement golden handcuffs on their employees by, for instance, deferring their bonus pays to keep them on the hook even if they would rather leave, or by stipulating that employees who want to exit the business have to return part of their bonuses. Employees encounter golden handcuffs in the form of their addiction to wealth, their extravagant life style, an irresistible boost in income just when they plan to make their exit, or their fear of regretting leaving such a lucrative job if things don’t work out as expected in hindsight (Shin, 2014).

Sam Polk, like so many of us, was raised with the mind-set that money can solve all the problems of the world. As a young boy, he often heard his father talk about the importance of being rich, so, as a young man, Sam’s perceptions were along the same lines. Having gone through a tumultuous college experience, Sam finally landed a summer internship at Credit Suisse First Boston, where he had his first brush with big money-making possibilities (Polk, 2014). He did not get a permanent job offered by CSFB, but his mind was set, and after graduating, he landed a job at Bank of America, and

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embarked on the journey of climbing the Wall Street ladder. He became a bond and credit default swap trader, and saw his income increasing. He rented an expensive apartment, visited expensive restaurants, and could get seats in first rows of important sports games, due to his lucrative relationships. He was making millions, but kept comparing himself to those who made even more: his wealth addiction grew.

Sam Polk's wake-up call came from the very bosses he initially envied. He suddenly realized how self-absorbed their addiction to wealth was, and how little anyone in this Wall Street world seemed to care about the destruction their uncanny trades caused the real world. Sam exited Wall Street because he became aware that he was dissatisfied with an annual bonus of \$3.6 million! While this may seem ridiculous to many of us, Polk felt this way because he compared his bonus to the \$150 million bonuses of his bosses. This comparison made his bonus seem meager and underpaid (Shin, 2014). Sam realized that he had become one of the many wealth addicts of Wall Street, who all want to snap out, but cannot find the courage to do it.

In retrospect, Sam can see the mental trap he landed in. Before he started working in the finance industry, he thought that \$225,000 was a lot of money, yet, within a few years, his definition of "a lot" had tremendously augmented. Sam realized he needed help. He made the very daring leap away from Wall Street, but in the months after doing so, he would sometimes wake up in cold sweat, doubting whether he had made the right decision (Shin, 2014).

After leaving his position, Sam became aware of another interesting fact: he saw how quickly everyone moved on without him. He also realized how much he had related his sense of security and worthy living to his bank account. To break out of this mental habit, he travelled to Mexico and India, and finally started a new life in Los Angeles, away from Wall Street. At the time he wrote his story, Polk found that only one former colleague worked up the courage to leave Wall Street as well. All others who expressed the desire to break free were still "hooked."

So, can Sam Polk be seen as a mindful person or not? Some people may find that he is, because he was wakeful enough to turn his back to a lucrative but dreadful job. Others may want to hold off on their opinion until they find out what Polk has done with his life at a later stage, in order to find longitudinal fulfillment. Thus far, Sam did quite some volunteer work, started Groceryships, a 501(c)3 organization aiming to create a network of educational support groups to improve long-term health and wellness in low-income communities, and wrote a book. However, once he landed a *New York Times* article, titled "For the Love of Money" (Polk, 2014), Sam was convinced that leaving Wall Street and the hauntingly addictive hedge fund world was the best decision he made, and that he had found a new purpose in life.

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In his Huffington Post blog Sam explains how the nonprofit Groceryships came into being. He was watching a documentary on healthy eating with his wife, a psychiatrist, and the topic of lowering cholesterol the natural way came up. This deeply touched his wife, as she had been troubled for about a decade with high cholesterol, and had been steadily taking medication to keep it under control. Now learning that she could potentially lower her cholesterol the healthy way and even do away with the medication got her in tears. The couple gave up meat and sugar, and struggled with withdrawal symptoms, but eventually started losing weight and feeling better. A few months later, the couple saw another documentary, in which the magnitude of hunger and obesity in America was presented. Sam and his wife decided to put together an organization that could be instrumental in educating low-income families in eating healthier, and Groceryships was born.

### Questions

1. After reading about golden handcuffs, please explain which specific forms of golden handcuffs Sam Polk was captured by?
2. Is Sam Polk a mindful person, in your opinion? Please explain your answer.
3. After his Wall Street years, Sam Polk started Groceryships. Please visit the website ([www.Groceryships.org](http://www.Groceryships.org)) and review what this organization is exactly doing. Next, read the online article, “A money addict’s neoliberal fantasy: Sam Polk and his civilizing mission” by F. A. Sheth.<sup>1</sup> After reading both sources, do you feel that Groceryships will be successful? Why or why not?

### Chapter Summary

- **Mindfulness**

Mindfulness is a flexible cognitive state that results from drawing novel distinctions about the situation and the environment (Carson & Langer, 2004; Langer, 1989).

The following traits can be distinguished in mindful people:

1. They view objects as well as situations from different perspectives, and
2. Based on the context of an issue, they can shift their perspectives (Carson & Langer, 2006).

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<sup>1</sup>Sheth, F. A. (Jan 23, 2014). A money addict’s neoliberal fantasy: Sam Polk and his civilizing mission.

A millionaire ex-hedge funder devises a demented way to “pay back.” No thank you—here’s what he could do instead. *Salon*. Retrieved June 12, 2015, from [http://www.salon.com/2014/01/23/a\\_money\\_addicts\\_neoliberal\\_fantasy\\_sam\\_polk\\_and\\_his\\_civilizing\\_mission/](http://www.salon.com/2014/01/23/a_money_addicts_neoliberal_fantasy_sam_polk_and_his_civilizing_mission/)

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- **Respect**

Respect is embedded in the way we treat people and other living beings. Real, deep, genuine respect goes beyond just honoring human cultures and behaviors, and understands the importance of honoring all living beings, as they all have a right to exist.

Respect is not always easy to give. People, who disrespect others blatantly, because they feel superior to those, are hard to like. Yet, mindful leaders understand that even those souls need respect, just as much as the down-trodden and dejected ones. As our general sense of respect expands, so will our mindfulness toward other living beings.

- **The Sleepwalking Mode**

Sleepwalking is an ongoing, *mindless* way of performing for a paycheck in order to pay the bills and hopefully have some extra spending money left. When we sleepwalk, we do not wonder about whether what we *do* is in line with what we *like*, and if not, how we could change it. Many people sleepwalk, because they don't realize that there is an alternative to the way they go through life.

Sleepwalking is the opposite of being awake. People who sleepwalk, move through the motions of personal and professional life without questioning whether they still matter to them. Some forms of sleepwalking are even brought within religious or cultural realms, making them even harder to challenge or change.

Sleepwalking has a lot to do with focusing too much on the details and forgetting to zoom out in order to obtain a broader scope. Discrimination of any kind is also a form of sleepwalking: it is an act that is based on superficial differences, mostly external or acquired, without considering the many overarching commonalities.

Sleepwalking is a widespread phenomenon because human beings, by default, are creatures of habit, hence, change averse. It requires less mental energy to find our way through our routine. It is like performing on autopilot. Yet, performing on autopilot for too long can derail our focus on new trends, and new trends keep emerging, whether we like it or not.

Thinking creatively is an immediate consequence of mindfulness. As we become more alert of the shifting conditions of things around us, we realize that old solutions will not effectively solve new challenges.

Individuals are not the only ones who sleepwalk. Organizations can also fall prey to this behavior. There are numerous examples of businesses that once thrived but lost their edge due to sleepwalking. Major business corporations such as General Motors and Ford have been losing market share and profits due to their failure to keep up with younger generations of automakers.

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- **The Reasons Behind Sleepwalking**

Many people sleepwalk through their life because:

1. They feel that thinking is a passive pursuit.
2. They confine their thinking to their current field of action.
3. At work, they are not rewarded for creative thinking.
4. They may be subject to peer pressure, sometimes even unconsciously.
5. They may face self-imposed blockades.
6. They are subjected to a highly routine-based (mechanistic) environment.
7. They may come from cultures or living environments where mindfulness was punished.

- **Effects of Sleepwalking**

The effect of sleepwalking on business entities is decline, unless they manage to reinvent themselves and come up with a product or service that restores their position in their field. The effect of sleepwalking for human beings could be considered similar: we, too, can first fall off the bandwagon, but then wake up, and come up with a way to reinvent ourselves in order to return to the point of fulfillment or prestige we desire.

- **Keeping Track of Sleepwalking**

The tendency to sleepwalk is so widespread, so common, that many people will choose to remain in denial and claim that they are not sleepwalking, but very wakeful instead. It might help, therefore, to be mindful of the following:

1. Being mindful is not a one-time project.
2. Life is a continuous sequence of mindfulness disruptions, which may come in many forms.
3. The many distractions and setbacks in work and private life may cause our mindfulness efforts to stall regularly or progress so slowly that we get discouraged.
4. Our goals may infringe on our mindfulness efforts.
5. Achieving our goals may cause another major infringement on our mindfulness.
6. Dreading our current circumstances can also become an obstacle toward mindfulness.

- **Practicing Our Mindfulness**

Mindfulness can be induced in several ways. A frequently practiced way is meditation. One of the most well-known forms of meditation is Vipassana or insight meditation. Vipassana literally means “special seeing” or insight.

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Three additional activities that can help us practice mindfulness regularly:

1. Engage in constructive dialogs with people who have proven to be creative thinkers.
2. Look at yourself from the other side: what are employers looking for today? Do you represent that? How?
3. Consider the big picture. Take some distance. Step out of the daily routine, and go, if only for one day, to a place that inspires you.

### Discussion Questions

1. This chapter discussed several ways to maintain mindfulness. Which of these ways appeals most to you, and why?
2. Could you think of a time or instance in which you were mindless? How did you come to the realization that such was the case, and how did you resolve the situation?
3. How can sleepwalking be seen as a major concern from a global (macro) perspective?
4. The chapter reviews a few reasons behind sleepwalking. Think of someone you consider a sleepwalker. What do you consider to be the reasons behind his/her sleepwalking?
5. What is the most important takeaway for you from this chapter?

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## Abstract

Theorists across a range of practical and academic disciplines say we are entering “The Age of Empathy.” Having been lately “rediscovered” as an innate capacity to experience the others’ emotions from their perspective and to respond accordingly, empathy is a complex process that combines affective, cognitive, and communicative components.

Empathic leadership is based on the thinking that we are connected with each other and that societies have survived due to our ability to feel for the other and respond. Research shows that empathic leaders create emotional bonds and are therefore competent in understanding and addressing their team’s and customer’s needs, appreciating and drawing on people’s talents, recognizing others’ perspectives in problem solving and including them in decision-making.

This allows for a culture of trust, openness, and cooperation to flourish amongst teams and organizations. Empathic leadership in organizations is not a dualistic leader–follower transaction based on a detached individual’s influence on others. Instead, it is a collaborative process based on deep participation and mutual receptivity. More importantly, empathic leadership opens the way for relational, shared, distributed, and co-creative leadership perspectives.

Empathy can be developed through both cognitive and affective experiences. Organizations are investing in the development of empathy for both their employees and clients and Business Schools are starting to include aspects of empathy development in the curriculum.

The shaping of empathic leadership calls for an adventure in interrelationship!

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## Introduction

In today's fast paced, globalized, technologically advanced environment leaders are called to address economic and efficiency-related challenges but mostly human challenges. New understandings of organization as an interconnected whole and of leadership as distributed<sup>1</sup> and co-created<sup>2</sup> call for a reevaluation of traditional leadership discourses. Our ideas that organizational leaders should be competitive, uncompromising, and directive are being challenged by research suggesting that the most effective leaders are the ones who are emotionally intelligent.<sup>3</sup> Leadership is becoming relational and cannot be seen anymore as something that can be found within a self-contained individual.

To succeed in this environment, leaders are being called to be empathic to feel, understand, respond to and address emotional needs at individual, team, and organizational levels. Kohut<sup>4</sup> saw empathy as the capacity to think and feel oneself into the inner life of another person, and other definitions see it as the process of experiencing others' emotions from their frame of reference or simply putting oneself in another's shoes! It is considered a sophisticated skill or process that combines affective (being sensitive to the others' emotions), cognitive (observing and mentally processing others' emotions) and communicative (responding appropriately to others emotions) components.<sup>5</sup>

Empathy is based on a different understanding of reality and human relationships; it is closely entwined to our worldview and our conception of the self. Relational perspectives of the self do not position the individual separately from its environment. A famous quote by Albert Einstein says: "A human being is a part of a whole, called by us 'Universe,' a part limited in time and space. He experiences himself, his thoughts and feelings as something separated from the rest—a kind of optical delusion of his consciousness. This delusion is a kind of prison for us, restricting us to our personal desires and to affection for a few persons nearest to us. Our task must be to free ourselves from this prison by widening our circle of compassion to embrace all living creatures and the whole nature in its beauty. Nobody is able to achieve this completely, but the striving for such achievement is in itself a part of the liberation and a foundation for inner security."<sup>6</sup>

Einstein's remedy for the delusion, that we are separate from each other, is to intentionally cultivate compassion for all life and to understand that we are parts of an interconnected whole. In fact, Professor de Waal's<sup>7</sup> research in primates'

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<sup>1</sup> Gronn (2002).

<sup>2</sup> Avolio (2011).

<sup>3</sup> Goleman et al. (2002).

<sup>4</sup> Kohut (1984).

<sup>5</sup> Rogers (1957b), Davis (1983, 1996).

<sup>6</sup> Kabat-Zinn (1996).

<sup>7</sup> De Waal (2010).

emotions supports that we are hardwired for empathy, connected to living beings through an innate urge for feeling for each other, which is what has kept societies together. He calls for an age of empathy that would address most of our societal challenges.



*Free Empathy: OccupyWallStreet\_10-20-2011-0036 (Solow 2011)*

Management thinkers and a few forward thinking organizations have understood this and are already working with and recruiting for empathy. George Anders in two LinkedIn Influencers articles argues that empathy will be a must have skill in 2020 and that it is already emerging as a prerequisite for not only mid-career customer facing jobs but for highly paid jobs at the high end of the job market. In a database research, he found at least 1000 organizations valuing empathy in job descriptions and recruiting ads, including multinationals such as Barclays Capital, Mars, McKinsey, Microsoft, Symantec, Pfizer, and Raytheon<sup>8</sup>.

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## The Business Case for Empathy and Leadership

### The Empathic Leader

Empathy is underrepresented in leadership literature often perceived as contradicting the stereotype of the powerful leader. However, empathy is not pity or sympathy, and the empathic leader is not someone who would feel overwhelmed by others'

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<sup>8</sup> Anders (2013a, 2013b). Run a search for "empathy" among LinkedIn job adverts and list employers' different ways of using empathy skills

emotions. Rogers explains that empathy involves entering another's world without prejudice, which requires a person secure enough to put themselves aside for the moment. He adds that "being empathic is a complex, demanding, strong yet subtle and gentle way of being."<sup>9</sup>

Emphasizing similar strong but gentle ways of being, research shows the strong relationship between empathy and current theories of leadership. In transformational leadership, empathic leaders engage in individual consideration<sup>10</sup> listening to and treating each person in a unique way, while empathy is one of the main components of EI (emotional intelligence).<sup>11</sup> In authentic leadership, leaders try to be objective about others' perspectives while being open about their own perspectives (balanced processing) and share their core feelings, motives, and inclinations with others (relational transparency).<sup>12</sup> Finally, empathic leaders create high-quality LMX (leader-member exchange) relationships.<sup>13</sup>

Another pioneer in empathy research, Kohut,<sup>14</sup> considered empathy a way of understanding which should not be confused with being nice or compassionate. To create a culture of openness and trust for empathy to flourish, leaders (that means everyone in a distributed or shared leadership environment) need to adopt a stance of "positive regard,"<sup>15</sup> a nonjudgmental attitude towards others so that they can "see" them without prejudice. In feeling that they are not judged, others feel free to express their creativity. If, for example, this attitude is adopted during performance appraisal meetings, it would help the appraiser understand the appraisee's situation from their perspective rather than criticize. At the same time, it would allow the appraisee to feel understood and be open to discuss possibilities for improvement rather than having to defend themselves.

The ability to "see" others without prejudice allows leaders understand others' potential and needs so that they can set relevant, motivating, and achievable goals. Moreover, the ability to be aware of team dynamics while combining affective, cognitive, and communicative qualities can lead to better informed, more inclusive problem solving and participative decision-making.

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<sup>9</sup> Rogers (1957a), p. 4. "To be with another in this way means that for the time being you lay aside the views and values you hold for yourself in order to enter another's world without prejudice. In some sense it means that you lay aside your self and this can only be done by a person who is secure enough in himself that he knows he will not get lost in what may turn out to be the strange or bizarre world of the other, and can comfortably return to his own world when he wishes. Perhaps this description makes clear that being empathic is a complex demanding, strong yet subtle and gentle way of being"

<sup>10</sup> Bass (1985).

<sup>11</sup> Goleman (1995).

<sup>12</sup> Luthans and Avolio (2003), Kernis (2003).

<sup>13</sup> Mahsud et al. (2010).

<sup>14</sup> Kohut (1977).

<sup>15</sup> Rogers (1959).



*Empathy: Part of the FLOW market exhibit at the Dansk Design Center. These items were actually for sale (Phaneuf 2007)*

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## The Empathic Workplace

### Culture of Empathy in Teams

Most writers insist that empathy is mostly caught rather than taught<sup>16</sup> arguing that the most efficient way to create an empathic culture amongst a group is to demonstrate empathy. People tend to be more empathic when they have been shown empathy therefore, by being empathic, a leader encourages team members to empathize with each other and to feel supported to speak up when they think the group is not being cooperative or effective in any way.

In addition to consistently demonstrating empathic behavior, a leader can encourage the team to take part in empathy exercises and define their empathic credo. Empathic behavior enables the forming of emotional bonds with the leader and other team members, which affects their sense of belonging and establishes a feeling of interconnectedness in the team. This can further help define the boundary of the team, thus strengthening team identity without the need to turn other teams into the enemy, developing more positive intergroup attitudes.<sup>17</sup>

Kouzes and Posner<sup>18</sup> explain how powerful listening and empathy are for building trust in a team and further research<sup>19</sup> has found that empathy in leadership does not only increase co-operation and a feeling of trust amongst team members but also supports task effectiveness. Researchers<sup>20</sup> argue that empathy can help task

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<sup>16</sup>Gordon (2005).

<sup>17</sup>Dovidio et al. (2010).

<sup>18</sup>Kouzes and Posner (2011), Kouzes and Posner (2012).

<sup>19</sup>Humphrey 2002, Kellett et al. 2002, Kellett et al. 2006, Wolff et al 2002

<sup>20</sup>Ibid.

effectiveness through building emotional bonds and creating a supportive environment. Through consistently exercising empathy, leaders become sensitive to job satisfaction levels and to taking actions that work for the team. Choi<sup>21</sup> shows that charismatic leadership, comprises empathy, envisioning, and empowerment, is positively associated with high-task performance, mainly due to creating an environment of job satisfaction and intrinsic motivation. For example, a team member might decide to disengage from the team goal due to feeling unappreciated. Developing empathy skills can help the leader (assigned in traditional teams, emergent leader in self-directed teams or team member in distributed leadership teams) be aware of the emotional withdrawal, be sensitive to the team member's perspective and respond appropriately by understanding and appreciating their work, make the team member's contribution known to other team members or higher up in the organization, and offer relevant rewards or offer alternative tasks where the person can thrive. This engagement, understanding, and response creates an emotional bond with the leader, makes the leader aware of the issues at hand and can potentially resolve the team member's concern, leading to job satisfaction and potentially motivation.

## Empathic Work Design

Wolff et al.<sup>22</sup> don't just see empathy as an enabler of job satisfaction but they reveal that empathy is needed for leaders to exhibit leadership behaviors, tasks, or relationships skilfully. There are numerous examples in business of leaders taking the initiative to change work structures in order to accommodate staff's needs. A CIPD report mentions the case of City Sightseeing Glasgow that, starting from a basis of understanding their people's needs, asks employees how many hours they would like to work each season and adjusts complex timetables accordingly. Although this started for employees over 40 who often needed to work reduced hours, it allowed students, women returning to the labor market and older workers to keep working and the company got recognized as an Age Positive Champion by the Department of Work and Pensions.<sup>23</sup>

Many changes in the ways work is organized are prompted by empathic leadership. In many cases, these changes were first triggered by empathy and the business case followed. There are examples where empathic leadership in organizations elicited the adoption of flexible working, work life balance, integration of disabled people, and designing humane workplaces (i.e., a Gensler study<sup>24</sup> suggests that British business could be losing up to £135 billion each year from poorly designed offices.) initiatives. For example, Group Chief Executive of Glugston Group

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<sup>21</sup> Choi (2006).

<sup>22</sup> Wolff et al. (2002).

<sup>23</sup> Department for Work and Pensions (2013), Family Friendly Working Hours Taskforce (2010)

<sup>24</sup> Gensler (2005).

Stephen Martin took part in the UK Channel 4 TV series “Undercover Boss” in 2009. He worked as a construction worker, listened to his colleagues, experienced the main issues first hand, and faced the results of executive decisions himself. After this experience, Stephen and his team introduced a series of skills transfer initiatives to retain experienced workers and develop less experienced including training with provision of qualifications, open succession management discussions and a mentoring program.<sup>25</sup> Putting leaders in empathic situations as such or developing empathic skills can enhance task performance and strengthen problem-solving skills.

## **Empathic Self-Directed Teams**

Research in self-directed teams shows that emergent team leaders tend to be the most empathic individuals, due to their ability to understand and address emotional needs of fellow team members.<sup>26</sup> Empathic leaders sense the emotions of the team and are compelled to act accordingly which can in turn enhance support, cohesion, and team participation.

I had the privilege to see empathic leadership in action observing a board meeting of an educational organization in the UK. Directors and affiliates arranged their chairs in a circle and started by meditating on the outcome of the meeting. They then started discussing their projects, the challenges they faced, what was going well, and what wasn't going so well. The discussion seemed honest and every person was speaking without trying to project a highly effective persona—as happens in most board meetings I have observed. As an observer (I was asked to sit in the circle with everyone and was encouraged to participate), I could not distinguish who was a director and who an affiliate. There did not seem to be any hierarchy amongst members. Whenever each member discussed their projects, other team members listened carefully and demonstrated empathy by offering understanding, sharing similar experiences and possible solutions. More often, other team members offered to assist the person asking for guidance with spending time to coach them or to work on their project (this, I found out later, would not include any extra fees or any other tangible reward for the person helping). The whole meeting occurred in an environment of support, equality and emotional understanding that I haven't encountered before in any observation. In this self-directed team, most of the team members were competent in empathic skills but, one of the directors emerged as a leader due to having longer experience in projects as well as his ability to offer the bigger picture while keeping the team in line with the overall direction of the organization.

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<sup>25</sup>Department for Work and Pensions (2013).

<sup>26</sup>Bell and Hall (1954), Mayer and Geher (1996), Gough (1987).

## Empathy in Diverse Workplaces

In today's increasingly diverse workplaces, empathy is becoming very important for practically everyone! Leaders working in global organizations, members of diverse teams and almost anyone who works across cultural, gender, racial boundaries. This is because empathy transcends behavioral, circumstantial, cultural, or linguistic barriers allowing a responsive interconnectedness. Goleman et al.<sup>27</sup> say that empathy makes resonance possible whereas the lack of it creates dissonance.

In diverse workplaces, it is important to engage in conscious empathic leadership in order to surpass our own assumptions, avoid our tendency to empathize more easily with those similar to ourselves<sup>28</sup> and understand others' perspectives. In response, people tend to connect and discuss with a more positive predisposition when they know others are consciously empathizing. This does not mean that there will be no power dynamics, conflicting views, or tensions in the workplace but, that the ways of resolving them can be more inclusive and fair. Empathic leadership in diverse teams also means to allow leaders from diverse backgrounds to adopt leadership roles in traditional, shared, distributed, or co-created ways.

## Empathy For Everyone?

Kohut said that Empathy is a process that can lead us to both accurate and inaccurate results<sup>29</sup> and one of the main criticisms against empathy is that we empathize more easily with those closer to us. This criticism has a valid basis since our realities are mainly based on hierarchical and closed societies' perspectives. From this point of view, it would be both great and terrible to think of a society where we could empathize equally with our children and our enemy or with a victim and a predator. A way to address this is to consciously engage in empathy exercises in order to understand the feelings and perspectives of those in different life circumstances. The hope here is that our empathic abilities can develop and extend throughout our lives, distributed technology, and communication is making this easier offering us the opportunity to connect across geographical boundaries and cultural perspectives.

## Developing Empathic Leadership

Empathy has come to the forefront of research lately with the discovery of mirror neurons in neurobiology. Mirror neurons are responsible for mimicry and allow us to sense the feelings of others directly. The same mirror neurons light up in our brain when we see someone acting in a certain way with intention as the mirror neurons

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<sup>27</sup> Goleman, Boyatzis, and McKee (2002).

<sup>28</sup> Wade (2002), Madera et al. (2011)

<sup>29</sup> Kohut (1984), p. 485.

in their brain when they are performing this action and “send signals to emotional brain centers in the limbic system to make us feel what other people feel.”<sup>30</sup> The way we interpret these signals has to do with our background, experiences, biases, and the ability to regulate our bodily and emotional responses.

The discovery of mirror neurons led to the exploration and better understanding of the more complex system of empathy. Although there are still scientific tensions about the placing and function of mirror neurons, the importance of their discovery lies in that they have changed the way we think about ourselves. This goes in line with a stream of social scientists’ suggesting that we are not self-contained individuals but we are integrally connected to others and to our environment.

Rifkin<sup>31</sup> suggests that an understanding of human nature as predisposed towards affection, sociability, and empathic extension will help us make the transition to homo empathicus which will revolutionize our ways of organizing work and society. Living in a reality of interconnectedness, Shamans throughout the ages have engaged in “shapeshifting,” a practice of adopting the form of an animal or a different person. Shamans shift their state of consciousness and get to “know” or “live” the reality of the animal or character they are adopting. To get to this state, they need to experience the world as one interconnected whole. In the same way, our understanding of the world as well as our approach towards empathy informs our ability to develop our empathic abilities. Schumann, et al. (2014) found that people who held the view that empathy can be developed, spent more effort developing their empathy and demonstrated enhanced empathic behaviors.

DeWaal<sup>32</sup> opposes the dominant discourse that we are hardwired for competition showing that empathy is part of our evolution, innate to humans as in other mammals. He supports that it is not as a complex a skill as we have made it but that it is in our nature that we empathize from when we are born. He distinguishes three layers of empathy, the core one being an automated process of emotional contagion (our ability to be affected by emotional contagion, our bodily responsive understanding, the second being a concern for others, taking the form of sympathetic concern consolations (our ability to assess someone’s feelings and offer consolation) and finally the more sophisticated layer being perspective taking, mostly taking the form of targeted helping (our ability to purposefully adopt the perspective of another without losing our sense of self and offer help informed by what the other needs).

According to this view, emotional contagion is mostly involuntary but sympathetic concern and perspective taking are voluntary while the levels of empathy we can display vary between individuals. The lack of empathy in individuals can be ascribed to neural deficit<sup>33</sup> or to socialization. For example, Rifkin<sup>34</sup> mentions orphans in America before the 30s raised by new sanitary scientific methods and

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<sup>30</sup> Iacoboni (2008), p. 119.

<sup>31</sup> Rifkin (2010).

<sup>32</sup> De Waal (2010).

<sup>33</sup> Sterzer et al (2007).

<sup>34</sup> Rifkin (2010) pp.19–20.

DeWaal mentions the example of a group of orphans raised according to scientific principles ignoring their emotional needs during Ceausescu's presidency in Romania. In both cases, the orphans were raised with plenty of food and medical care but without affection. In the first case, the orphans' mortality rate was much higher than children raised with biological or surrogate parents, and in the second case "The orphans were incapable of laughing or crying, spent the day rocking and clutching themselves in fetal position and didn't even know how to play. New toys were hurled against the wall."<sup>35</sup> Whatever the reason for lack of empathy, scientists find that there are ways to develop new neural pathways and cultivate aspects of empathy such as perspective taking.

Mary Gordon<sup>36</sup> developed Roots of Empathy (ROE), a revolutionary program aimed at promoting children's positive human qualities. It started in Canada and was later adopted in the USA, New Zealand, and the UK. In ROE, a baby is brought in the class and becomes the teacher! Children gather round it, discuss the baby's, their fellow students' and their own temperament, the baby's development, and the baby's relationship with its parent. Children in ROE classes showed significant reduction in bullying, proactive aggression, and social aggression.<sup>37</sup> Instead, they showed significant increase in caring, kindness, peer acceptance, emotion understanding, perspective taking, classroom supportiveness,<sup>38</sup> altruism, and pro-social value orientation.<sup>39</sup>

For those of us who did not have the chance to attend an ROE class as children, researchers and practitioners suggest a variety of ways to develop empathy. These include participant observations, shadowing a client/patient/colleague,<sup>40</sup> on the job experiences (user empathy experiences, hospitalization experiences, or job swap types of experiences), role playing, theatrical performances,<sup>41</sup> poetry,<sup>42</sup> dance,<sup>43</sup> literature,<sup>44</sup> mindfulness, and loving kindness meditation.<sup>45</sup> These ways have sometimes been proven to be even more effective than just exposing someone to situations that would trigger empathy. For example, Shapiro and Rucker<sup>46</sup> find that showing a movie about a patient tends to be more emotionally moving, creating an emotional idealism than actually treating a patient with similar symptoms.

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<sup>35</sup> De Waal (2010), p.13.

<sup>36</sup> Gordon (2005).

<sup>37</sup> Ibid p. 169 and p. 239.

<sup>38</sup> Ibid 253–256.

<sup>39</sup> Ibid p. 248.

<sup>40</sup> Martin (1993), Hojat (2009).

<sup>41</sup> Hojat (2009).

<sup>42</sup> Shapiro and Rucker (2003).

<sup>43</sup> Behrends et al. (2012).

<sup>44</sup> Martin 1993, Krznaric (2014).

<sup>45</sup> Shapiro et al. (1998).

<sup>46</sup> Shapiro and Rucker (2004).

In the world of business, the methods used are often the usual business training methods such as training for listening skills, coaching, and mentoring. If they are well designed, these methods are effective but, care should be taken to not turn empathy into another management technique. Stephen Covey<sup>47</sup> explains that empathic listening takes time to develop, and it is very different to active and reflective listening techniques, which involve mimicking the other, mainly with an intention to control and manipulate. Empathic listening is a sophisticated skill based on the intention to fully understand a person emotionally and intellectually. But similarly to the ROE program aiming at developing empathy early on, the business world is starting to develop empathic leadership qualities in business schools<sup>48</sup>. In Holt and Marques<sup>49</sup> survey, business students ranked empathy the lowest amongst a list of skills needed for leadership, but their views changed after increasing awareness. The authors call for business schools, as the places where future leaders are educated, to work towards increasing awareness amongst students on the importance of empathy in leadership.

Notably, management practices aimed at corporate recovery or profit making might enhance empathy as a consequence. Executives immersing in working on the front line<sup>50</sup> or using empathy maps to understand customer's needs, seem to resurface with increased understanding that might reach high levels of empathy. For example, Food Retailer Tesco's Chief Executive Dave Lewis took his top executives in a self-catering flat and asked them to shop and cook like housewives to "put them back in touch with their customers." He also asked thousands of head office staff to spend one day a fortnight for a few months in a store.<sup>51</sup>

It is not certain whether these exercises result in increased levels of empathy for customers or colleagues in the front line but they have the capacity to do so. The risk here is the use of empathy for getting into consumers' minds with the intention to manipulate them. Advertising has been consistently using similar techniques to influence consumers. However, to empathize, means having an understanding of unity and interconnectedness. A person, truly sensing others' feelings and point of view, sees others' perspective within themselves and can therefore respond from this understanding. It is what Shotter calls "witness thinking."<sup>52</sup> The opposite would just be appraising others' perspective in a cognitive way; it would not be empathy. The issue here is complicated, we need to ask: Is this really empathy? If it is, what are the risks of training marketing and sales people on empathy techniques? Is there hope in the exercise of empathy in design thinking?

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<sup>47</sup> Covey (1989).

<sup>48</sup> Rifkin 2010, p. 545 mentions Columbia University Business School introducing social intelligence pedagogy into its MBA curriculum and other universities have similar programs.

<sup>49</sup> Holt and Marques (2012).

<sup>50</sup> Through structured company initiatives, their own decision or their participation in TV series such as "boss swap" or "back to the floor."

<sup>51</sup> Craven (2014).

<sup>52</sup> Shotter (2005)

## Design Thinking

Empathy in work organizations and especially in “design thinking” has come to also acquire a meaning of deliberately creating empathic experiences by putting oneself in the position of the end user and imagine their feelings, thoughts, and needs in order to design suitable solutions. Design Company IDEO offers empathic artifacts, stories, and experiences to their clients, helping them understand their end users and change their organizational culture to maintain empathy. For this, designers and clients immerse in the user’s experience by living in similar conditions (i.e., IDEO asked 35 employees of a pharmaceutical company take on a patient’s profile and “live” for a month like them taking mock injections and documenting their experiences in order to understand the pain points of a weekly injectable drug<sup>53</sup>) or experience specifically constructed analogous experiences (i.e., IDEO simulating the conditions of a restaurant where customers would eat in the kitchen and the food would be delayed without explanation to allow hospital employees understand their patient’s experience<sup>54</sup>).



*From a workshop with Jane Fulton Suri from IDEO 2002: exploring ways to create empathy with blind people (IK’s World Trip 2002)*

This approach to work design leads to innovative, effective solutions and often to social innovation but care should be taken that it doesn’t become another cognitive exercise or business fad. The risk is that these exercises on empathy can be used in “superficial, patronizing, and inauthentic”<sup>55</sup> ways if they are not well designed or designed with the intention to acquire power rather than understanding. It is not clear yet if this explosion of empathy in the field of working organizations enhances our collective ability to empathize. It is also not very clear whether the products and services designed are addressing a valid need or just creating new needs. This does not suggest we should abandon deliberate exercises on empathy in business but rather, as with any kind of knowledge, to tread carefully while clarifying the moral dimensions.

<sup>53</sup> Battarbee et al. (2014)

<sup>54</sup> Ibid.

<sup>55</sup> New and Kimbell (2013), pp. 144–145.

Empathic leadership is not a technique to be learnt or an initiative to apply to organizations but develops out of new ways of understanding organizations and out of living experience.

### Case Study 11.1: Empathy and Leadership Life Story— The controversial case of Camila Batmanghelidjh

Camila Batmanghelidjh, the founder and director of Kids Company ([www.kidsco.org.uk](http://www.kidsco.org.uk)), one of the UKs most prominent children charities calls for the prime minister to imagine the lives of abused children<sup>56</sup> and talks of the power of compassion to transform lives according to higher principles.<sup>57</sup>

She ascribes the development of her empathy to nearly dying as a baby. She says: “I was born two and a half months premature, they didn’t put me in an incubator because they thought I would die, so they just sent me home. Because of that I suffered slight brain damage, for example my visual processing. I still can’t type or drive and I couldn’t read until I was 12. In some ways, I was very disabled but I had this sense of otherness and spirituality. I am very practical and pragmatic, but I believe in a different kind of order. There are patterns in the world and in people’s behavior. When I was nine, I asked my mum why we didn’t have any books in the library on other people’s emotions. I was a different kind of kid, but my family never tried to change me. My mum gave me a calm confidence and helped me stay true to who I was. I had a notion that people were different and this was my difference.”<sup>58</sup>



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<sup>56</sup> Batmanghelidjh (2012).

<sup>57</sup> Batmanghelidjh (2010).

<sup>58</sup> Alexander (2015).

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Camila Batmanghelidjh (*right*) plenary questions with Sarah Montague at the NHS Confederation Conference 2001 (NHS Confederation 2001)

Her empathy seems to also have developed as a result of a variety of tensions she experienced throughout her life. She was born in Iran to an affluent family but, her father was imprisoned during the Iranian revolution because of his links to the previous regime, and she was left without income and having to work from the age of 14 to pay her school fees. Her role models were her two grandfathers: “My grandfather was a graceful, beautiful man who worked as a pediatrician and I felt that he had something spiritual about him. I was convinced that that spirituality was because he had taken up a vocation and I wanted some of that. Then my other grandfather was self-made multi-millionaire who’d his first million by the age of 22. He had this real get up and go to him. I have both elements in my life and am a fusion of the two.”<sup>59</sup>

Diagnosed with severe dyslexia, she rebelled against the school system putting her in the lowest sets of students and considering her as “thick.”<sup>60</sup> She says “Reading was hard, directions too, stairs flatten out and even now, I can’t use a keyboard at all.”<sup>61</sup>

Trained as a psychotherapist she became disillusioned with government service programs failing to address the needs of children facing neglect or abuse. At 24 she founded her first charity “Place 2Be” based in a broom cupboard in a primary school. In 1996, she founded Kids Company to provide emotional and practical support to vulnerable children and young people.

Often called the “Angel of Peckham” she devoted her life to helping children. Because of her empathic abilities she was able to feel every child’s needs as well as what was needed in a larger scale to help children and young people. She had to re-mortgage her house twice to fund the charity and managed to enlist a number of celebrity donors such as rock band Coldplay, artist Damien Hirst and author JK Rowling. To keep working with 36000 children, the charity needs to raise £24m a year. In terms of service, the charity has 361 full-time staff and 11000 volunteers. She says that her nonconventional approach to hiring staff is that she is “interested in people with the ability to love.”<sup>62</sup>

Camila Batmanghelidjh prides herself in focusing on the needs of the most vulnerable without making compromises in order to comply with government

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<sup>59</sup> Ibid.

<sup>60</sup> Ibid.

<sup>61</sup> Monks (2009).

<sup>62</sup> Alexander (2015).

(continued)

priorities and current trends. She works 18 h a day so that “No child who knocks on her door can be allowed to slip through the net.”

Despite receiving an honorary Commander of the Order of the British Empire (CBE), numerous awards (including Ernst and Young’s Social Entrepreneur of the Year award 2005), honorary degrees, and doctorates and being named as one of the 100 most powerful women in the UK by [Woman’s Hour](#) on [BBC Radio 4](#), she insists she does not have any power: “I’m a custodian of other people’s power. All I’ve done is galvanize the 600 staff, the 11,000 volunteers, the thousands of supporters, the companies who volunteer with us and communities who come together around these kids.”<sup>63</sup>

Orr<sup>64</sup> in 2009 wrote that ‘The 15 independent evaluations Kids Company has been subjected to since 2000 – featuring such astounding statistics as “96 per cent return rate to education and employment for children who were otherwise disengaged” or “impact on crime reduction 88 per cent” – suggest that the charity does its work with wonderful efficiency.’

However, in August 2015, Kids Company collapsed under allegations including financial mismanagement and unorthodox methods. The stories that came out offered a very different image to that shown in the media before and an MP’s report concluded that the charity’s collapse was caused by an ‘extraordinary catalogue of failure in governance and control at every level. The trustees were described as negligent’<sup>65</sup>.

Kids Company, built and running on empathic motives, collapsed in a scandal of misuse of public funds. Camilla Batmanghelidjh admitted in a TV documentary that she would ‘slightly break’ the law if it was to the interest of the children. To this we have to ask: where is the balance between empathy and governance in organisations?

### Discussion

1. How has Camila Batmanghelidjh’s work and the empathetic idea behind the organisation influenced: children in need and the wider communities that Kids Company operated in? Kids Company as an organisation? Her own influence and leadership?
2. In which ways has the collapse of Kids Company affected the charity sector and what can organisations learn from it? How can an organisation maintain strong governance systems while remaining true to its empathetic cause?

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<sup>63</sup> Saner (2013).

<sup>64</sup> Orr (2009).

<sup>65</sup> Woman’s Hour (2016).

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3. Think you are a children's charity leader for a day. How would your day start? Who would you see first at work? Who are the children that come to you for help? How do you feel about being or not being able to help them? How can you empathize with them? How can you demonstrate compassion? Can you offer your undivided attention to the children while facing funding and policy pressures? How can you stay a strong leader with integrity in your field?

### Discussion Questions

1. Empathic leadership is still in the stage of development as a construct. How would it apply in the work of (a) a researcher, (b) a training practitioner, (c) a business leader?
2. What is the business case for empathic leadership? Discuss.
3. Think and feel about the perspectives of other people in your class. Start with your closest friend, what are they feeling? What are they expecting from this class? Similarly, take on the perspective of the most highly motivated student in the class, and the most indifferent student. How about your least favorite fellow student? And your tutor?

Extend this exercise to people you encounter everyday but don't create connections with, the person you buy your coffee/tea from, an old person living in a care home, and the homeless person you pass by in the street. (To extend this exercise further, you can "shapeshift" into a homeless person for a few hours. What are people's reactions to you? How do you see the world from this perspective?)

4. The main criticisms against empathy is that we are predisposed to empathize with those close to us and that empathy can be used to get into consumers heads and manipulate them. What would you do to address these issues in organizations?
5. Discuss different ways in which empathic leadership can be developed. What should be the theoretical basis of empathic leadership development? What are the main risks?

## Chapter Summary

In a fast paced, diverse, technologically connected and flexibly structured business environment, we are called to redefine our stories about leadership. Empathic leadership is based on an understanding that we are all connected, values leadership as interrelationship and opens the way for distributed, shared, and co-creative leadership perspectives.

Empathy is a complex process combining affective, cognitive, and communication components. It is the process of sensing the others' emotions from their perspective and responding appropriately without losing one's sense of self.

Empathic leaders are competent in creating emotional bonds within their team, covering needs of affiliation, increasing collaboration, enhancing the adoption of a common goal, and potentially retaining talent.

Empathic leaders are more responsive to job satisfaction and motivation needs and can therefore achieve higher task effectiveness. Moreover, they are perceived as more effective by team members.

Research shows that empathic people emerge as leaders in teams and are more easily accepted by other team members. With empathic skills, they can understand the needs of the team, respond appropriately, and guide the team more effectively towards a common direction.

Empathic leadership is important for diversity due to its potential to transcend behavioral, circumstantial, cultural and linguistic barriers.

Empathic leadership can be developed, organizations are consciously working on empathizing with customers or end users, and a few business schools are making progress in including empathy development in the curriculum.

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## Abstract

Motivating employees is a crucial leadership task, as motivation translates employees' knowledge, skills, and abilities into effort and performance by determining the direction, intensity, and duration of work-related behaviors. This chapter summarizes the leadership implications of four core perspectives on motivation. It describes why motivating requires a “two-sided understanding” of motivation that in addition to the factors that increase motivation, also covers influences that can decrease motivation. A case from a leadership seminar serves to illustrate how the two-sided view on motivation can help leaders translate their goal to motivate into genuine support. The chapter concludes by discussing how leaders and their employees can cocreate a motivating work context and how they might benefit from a shift from *motivating* to *enabling motivation*.

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## Introduction

Leaders show the way and help employees pursue it by empowering and engaging those employees (see Gill, 2012) through the “the ability ... to influence, motivate, and enable others to contribute toward the effectiveness and success of the organization.” (House et al., 1999, p. 184). In other words, motivating employees is a crucial leadership task, as motivation translates an employee's knowledge, skills, and abilities into actual work behavior and job performance. While the former enable workers to carry out their jobs as required, the level of motivation

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determines the amount of effort workers actually put into their jobs. Defined as “a set of energetic forces that originate both within as well as beyond an individual’s being,” work motivation initiates work-related behavior and determines its “direction, intensity, and duration” (Pinder, 1998, p. 11). Pinder’s general definition captures the essence of the broad range of theories work motivation research has produced in the past 70 or so years (for an overview, see Hertel & Wittchen, 2008). Differences in general assumptions and emphases notwithstanding, those theories converge in the aim to describe under which conditions employees invest effort in their work, which work activities they prefer, and what makes employees persist in their efforts over time.

From a leadership perspective, the multitude of established theories can in principle be a real asset as it allows for compiling a comprehensive set of “tools” to positively influence employee motivation. Using these tools effectively and responsibly requires a “two-sided understanding” of motivation that in addition to the factors that *increase* motivation, also covers influences that can *decrease* motivation. On this backdrop, this chapter summarizes in the first section the leadership implications of four major perspectives on motivation and emphasizes that intrinsic motivation should be the goal of motivating. In the second section, a case from our leadership development seminars serves to illustrate how the two-sided view on motivation can help leaders translate their goal to motivate into genuine support. The chapter concludes by discussing how both leaders and their employees might benefit from a shift toward *enabling motivation*.

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## Leadership Implications of Core Perspectives on Motivation

While no “grand unified theory” of work motivation has yet been proposed (see Locke & Latham, 2004), several core theoretical perspectives can be identified (see Grant & Shin, 2011) that in principle give leaders a sophisticated set of tools to promote their employees’ motivation. As one of those core perspectives on motivation, goal-setting theory (Locke & Latham, 1990), focuses on the motivational effects of goals and emphasizes that difficult, specific goals motivate high performance by focusing attention and increasing effort and persistence. Expectancy theory (Vroom, 1964) is a second major perspective. It presumes that employees’ investments of effort follow from three subjective beliefs. To be motivated, employees must believe that their effort will lead to performance (*expectancy*), that this performance will lead to outcomes (*instrumentality*), and these outcomes must be subjectively important (*valence*). The *Job Characteristics Model* (JCM; e.g., Hackman & Oldham, 1980; Oldham & Hackman, 2005) as the third major perspective is built on the assumption that certain structural characteristics of work tasks prompt psychological states that are the prerequisites to high levels of job satisfaction and work motivation. Skill variety, for instance, i.e., the degree to which a job requires employees to develop and use a variety of skills and talents, is positively linked to the experienced meaningfulness of that job. Together with *responsibility for outcomes* and *knowledge of results*, experienced meaningfulness is one of three psychological states that jobholders must experience to be motivated.

These theories suggest a number of leadership interventions to increase motivation. From a goal-setting perspective, together with difficult goals, feedback is seen as essential because it enables employees to gauge their progress and adjust effort, persistence, and task strategies accordingly. Therefore, systematic goal-setting and feedback are two essential motivation tools, and they are indeed used by superiors employing *Management by Objectives* (Drucker, 1954) principles. Rewards for good performance are perhaps the most obvious motivation tool that follows from expectancy theory. According to the theory, even an employee with high expectancy beliefs would not be motivated if he or she were not convinced that performance will lead to outcomes. A (monetary) incentive is supposed to be such an outcome and should therefore by definition increase motivation to the extent that the employee values the incentive. Finally, the job characteristics model implies that leaders can motivate through the way they arrange work. For instance, granting employees the freedom and discretion about when and how to complete their work increases experienced responsibility for outcomes. The conclusion seems tempting that to achieve the highest possible level of motivation, leaders should combine all those tools. In other words, they should set difficult goals, give regular feedback, promise attractive bonuses, and at the same time give their employees the latitude to do their work the way they want to achieve those goals. After all, the aforementioned theories are not meant to be alternatives; rather, each theory looks at *some* of the many conditions under which employees are motivated and each theory looks at a different set of conditions.

From a self-determination theory (SDT; for a review, see Gagné & Deci, 2005) point of view, however, that “more is better” approach might be a haphazardly compiled toolbox rather than the effective and responsible use of motivational interventions. As the fourth core perspective, SDT has expanded our understanding of intrinsic motivation and informed work motivation research in general (Grant & Shin, 2011). According to SDT, employees have the three basic needs of *autonomy* (a feeling of choice and discretion), *competence* (feeling capable and efficacious), and *relatedness* (a feeling of belongingness with others) (Ryan & Deci, 2000). If these three needs are met, employees are more likely to be intrinsically motivated and accept external goals and objectives as being “their own.” Motivation is intrinsic in that it is driven by an interest in or enjoyment of the task itself, and evolves within the employee, rather than from external pressures or rewards. If these needs are not fully met, motivation will be of a more extrinsic nature. Ryan and Deci (2000) proposed four types of extrinsic motivation that vary in their degree of experienced autonomy. As the “most extrinsic” type, *external motivation* is exclusively based on outside reward and punishment contingencies, whereas employees in a state of *integrated motivation* have assimilated those contingencies into their system of goals and values.

It is the intrinsic, autonomous level of motivation that leaders are supposed to achieve in their employees, according to contemporary leadership models. As motivation cannot be fostered by “a simple swap of desired material and psychic payments from a superior in exchange for satisfactory services“ (Bass, 1985, p. 9), leaders should aim at raising their employees’ aspirations by articulating a

compelling vision and encouraging employees to go beyond their personal expectations in achieving this vision (Bass and Riggio, 2006). Such leadership requires, among other things, *individualized consideration*, i.e., a leader's capability to recognize differing characteristics among his or her employees, act as their mentor or coach, and pay special attention to individual needs of followers. This kind of leadership has been shown to promote employees' motivation and job satisfaction and to inspire employees to take greater ownership for their jobs (Zhu, Chew, & Spangler, 2005; Barroso Castro, Villegas Perinan, & Casillas Bueno, 2008; Tims, Bakker, & Xanthopoulou, 2011; García-Morales, Jiménez-Barrionuevo, & Gutiérrez-Gutiérrez, 2012).

SDT helps understand why simply "throwing together" all possible motivators mentioned above is not guaranteed to work. Let us take rewards and incentives as an example. If they are promised in a way that threatens feelings of autonomy, competence, or relatedness, employees will most likely react negatively. For instance, explaining a reward system in a controlling rather than supportive manner can compromise employees' feelings of autonomy and relatedness (e.g., Deci, Connell, & Ryan, 1989; Deci, Koestner, & Ryan, 1999; see also Kramer, 1999). There is also evidence that other characteristics of compensation systems (e.g., variable vs. fixed pay ratios or the number of people whose performance determines the reward; Gagné & Forest, 2008; symbolic features of rewards—who distributes them, why, how, and to whom; Mickel & Barron, 2008) may affect self-determination and intrinsic motivation. The same rationale applies to the way goals are set and feedback is given. It is not goals and feedback alone that foster motivation, but also the way they are communicated. The following case from one of our leadership development seminars will serve to highlight the difference motivational communication can make.

### **Case Study 12.1: Motivational Communication—How Less Can Be More**

In our leadership development seminars, most participants seem to be clear what motivation is and how employees can be motivated. Encouragement is regularly mentioned as a top motivator, together with support, and incentives. Furthermore, most leaders endorse that employees should be asked their views so they can participate in their own "motivation-making." There is, of course, nothing wrong with encouraging and supporting, and participation is certainly crucial. And incentives can be helpful, too, if they are introduced in a fashion that supports autonomy, competence, and relatedness. In that case, they can increase intrinsic motivation (see Grant & Shin, 2011). Still, even when they keep encouragement, support, and incentives in mind, leaders might end up in a conversation like the one below. In this excerpt, a participant of one of our leadership seminars—let's call him John Miller—describes how he went about motivating one of his employees in a specific situation.

John Miller, the Department Head, meets with his employee Jane Smith to discuss upcoming changes in Mrs. Smith's job. In the wake of recently implemented process standardization and streamlining measures, some of Mrs. Smith's tasks got comput-

erized and she is therefore supposed to take over other tasks that are new for her. Mr. Miller wants to support her and ensure she is really motivated.

John Miller: “Good morning, Jane, how are you? I am sure you know why I invited you to our today’s meeting, don’t you. I would like to discuss with you the upcoming changes to your work that follow from our recent standardization program. Do you feel well prepared?”

Jane Smith: “Well ... Looks like I’ll have to take on a host of new tasks ... I haven’t had that many tasks so far and I am not at all familiar with the new ones ...”

John Miller: “You’re absolutely right, Jane. We’ve accomplished quite a bit in the past 18 months. Most processes in our departments C3PO and R2D2 are now standardized across all sites. Many time-consuming micro tasks are carried out by computers now. That’s good for you because there will be less of the boring routine work to do. So your work load has actually gone down, hasn’t it?”

Jane Smith: “Well...”

John Miller: “A reduced workload means that you’ll have the capacities to take on new tasks. I’ve drafted a list with four new topics and next steps that I’d like you to familiarize yourself with.”

Jane Smith: “Oh, wow, that’s quite a bit of work ...”

John Miller: “Don’t worry, Jane, I know you’ve got what it takes. Moreover, I suggest you attend the Exwhyzed training, which will get you up to speed in less than two weeks. And finally, I’ll grant you two extra days of leave as a bonus!”

Jane Smith: “Thank you. I’ve heard, though, Exwhyzed would be rather theoretical, not very hands-on. Will that really help me?”

John Miller: “That training has been well received by most of your colleagues so far. I don’t think it’ll be a problem—do you?”

Jane Smith: “Alright, alright ...”

John Miller: “Jane, I’m glad we’ve agreed a good solution. Best of luck to you!”

John was aware that there might be room for improvement to his motivating skills. Still, he felt unable to specify why Jane did not leave the meeting very motivated and why she has repeatedly called in sick ever since, which he thinks is to do with the upcoming changes. After all, he had asked her if she felt well prepared and encouraged her by telling her that he believed she had what it takes to master the upcoming tasks. He supported her in two ways; first, to set goals, he compiled for her a list with topics and next steps and second, he “offered” (his words when explaining his rationale) her a training to facilitate getting into the new tasks. Together with his encouragement, this should have raised her expectancy beliefs. To make her transition more enjoyable and to raise her utility beliefs, John gave Jane two extra days of leave as an incentive. Finally, as an additional boost to Jane’s utility beliefs, John emphasized as an advantage of the standardization program that Jane would be freed from what he called “microtasks,” implying that she would from now on have a more stimulating, challenging job. In sum, therefore, from a motivation theory point of view, it seems he did everything right. Moreover, as that participant appeared to be of genuine friendliness, there were no grounds to assume he could have led the conversation in a demotivating way. What, then, was the problem?

As we shall see, the fact that he *led* the conversation was most problematic. In that seminar, we had another participant from the same company,

and she faced basically the same situation. Like John Miller, she was dealing with one of her employees who was concerned about the potential changes from the standardization program. Unlike John Miller, she did not *lead* the conversation in the usual way:

Joanna Miller: “Good morning, James, how are you? Today, I’d like to speak with you about our recent standardization program and what it means for you. In that regard, what have you got on your list that you would like to talk about?”

James Smith: “Well, I’m concerned about all the upcoming changes”

Joanna Miller: “Which changes exactly do you see for yourself?”

James Smith: “Suppose there’ll be loads of new tasks for me...”

Joanna Miller: “James, you are right that the standardization initiative brought quite a few changes. In our C3PO und R2D2 departments, the majority of processes got standardized so that many routine tasks are now handled by computers. Have you for yourself gone through the implications yet of those changes for your work?”

James Smith: “No.”

Joanna Miller: “What advantages do you see from many of the time-killing tiny tasks being handled by the computer from now on?”

James Smith: “Can’t think of any.”

Joanna Miller: “And what are you worried about?”

James Smith: “As I said, I’ll have many new tasks to handle.”

Joanna Miller: “Alright, got that. In your view, what’s the problem with these new tasks?”

James Smith: “That I won’t be up to them.”

Joanna Miller: “What does that mean, ‘not up to them’? How would you know you’re not up to them?”

James Smith: “I might be doing everything wrong!”

Joanna Miller: “You might be doing everything wrong ... In what other situation have you done everything, I repeat, everything wrong?”

James Smith: “Well ...”

Joanna Miller: “You’ve been with us now for more than 15 years and you are indeed very experienced. In the past, when you had to learn the ropes, how was that? How did you manage in those cases?”

James Smith: “I always got along, somehow.”

Joanna Miller: “And what might be different now? What might keep you from familiarizing yourself with those new tasks?”

James Smith: “I haven’t got any younger, learning new things is not that easy anymore.”

Joanna Miller: “How do you notice that learning isn’t as easy for you as it used to be?”

James Smith: “It’s just strenuous.”

Joanna Miller: “And it used to be a piece of cake 10 or 15 years ago?”

James Smith: “Well, it’s always a little strenuous.”

Joanna Miller: “What could we—I mean our instructors, I, and you—do to make learning easier for you?”

John Smith: “Don’t know.”

Joanna Miller: “How much does learning put you under time pressure?”

John Smith: “Quite a bit.”

Joanna Miller: “And how much would it help if we took that pressure down?”

John Smith: “That would be quite a relief!”

Joanna Miller: “The Exwhyzed training might be helpful to prepare you for your new tasks. Do you know that one?”

John Smith: “I’ve heard it’s quite theoretical...”

Joanna Miller: "What do you think if we ask Jack Doe, the instructor, to let us have the training materials in advance? You could go through them and flag the topics and exercises that you think aren't hands-on enough."

James Smith: "And what would that be good for?"

Joanna Miller: "Thanks to your experience, you might be able to give us ideas how we might make our trainings better, you might be able to suggest different exercises and cases, for instance. This might be of great help to your colleagues, too."

James Smith: "Ok, why not?"

Joanna Miller: "Great, thank you. Are you going to speak to Jack, or would you like me to do that?"

James Smith: "I'll get in touch with him after we speak."

Joanna Miller: "The training will be in two weeks. Please can you let me know what suggestions you've got by Tuesday next week? We could then get back to Jack, he might be able to incorporate some changes already in the next training."

James Smith: "Ok, sounds good."

Joanna Miller: "What else would like to talk about standardization-wise?"

James Smith: "I'm sorted at this point, thank you."

Compared to John in the first conversation, Joanna may seem to have done much less in terms of motivating. Like John, she suggested a specific training to support her employee James's getting started on the new tasks. However, neither did she promise an extrinsic motivator to increase his motivation for that training, nor did she mention any intrinsic rewards that might result from the standardization. And although like John she was convinced her employee James did have what it takes to master the change, she did not encourage James by telling him so. Even when he did not come up with any benefits the standardization might have for him, Joanna did not mention such benefits herself. Quite to contrary, she explored his potential apprehensions by asking what might worry him about the new tasks. What was Joanna's rationale?

In essence, she focused on two principles. First, she started from the assumption that motivating others is not always synonymous to *increasing motivation*, but sometimes to *removing barriers* to motivation. As we have seen in the previous section, employees have got the need for feeling competent, for believing that their efforts will lead to performance. If they lack such efficacy beliefs, motivation will most likely be minimal; any attempts to fuel utility beliefs will not compensate for insufficient expectancy beliefs. Therefore, Joanna dealt with James's fears, which might have reduced his efficacy beliefs. In other words, her approach reflected a "double-sided" understanding of motivation. John Miller, on the other hand, showed a "single-sided" understanding that focuses on "pushing" motivation only. Second, rather than telling James she knew he had what it takes, Joanna tried to let him discover that for himself by having him realize that his fears of failure are overblown. To that end, she had him specify exactly how he knew he would not be up to the new tasks and that having to learn new skills would be a problem for him. Importantly, she made him connect to his strengths in previous situations ("In the past ... How did you manage...?") of change to make the current situation look even less threatening. At the end of their conversation, James was prepared to try Joanna's suggestion of preparing himself for the training by revising the training materials and perhaps coming up with suggestions for improvement.

## From Motivating to Enabling Motivation

Motivating others is by no means an easy task. Goals and feedback, expectancy beliefs and incentives, work design and autonomy—all these and many more person factors and job factors play a substantial role in motivating employees. As employees may differ in the relative importance they attach to each of these factors, what motivates one employee might not motivate another employee the same way. At the same time, according to contemporary leadership models, leaders are supposed to show individualized consideration of their employees to motivate them the best possible way. Can leaders realistically be expected to master that challenge, particularly if they lead a large number of employees?

If leaders like John Miller feel they have to “make” their employees’ motivation and if they endorse a “push” view on motivation with encouragement, feedback, praise, and rewards as their sole motivation tools, then leaders might indeed falter. However, if leaders like Joanna Miller see as their job to create a work context in which employee motivation can unfold and to help employees surmount obstacles to high motivation, then motivating becomes a much easier goal to attain. Adopting an expectancy theory perspective, we portray in our leadership seminars motivation as a “decision”<sup>1</sup>; if certain conditions are met, employees “decide” to be motivated. Only employees can make that decision, not their leaders. Accordingly, the focus of leaders’ motivational interventions shifts from *motivating* to *enabling* employees’ motivation, building on the assumption that employees know best what drives their motivation and what stifles it. That knowledge puts them in a position to cocreate with their leaders a motivating work context. What would it take to make the enabling of motivation a standard motivational intervention of leaders? Basically, we believe the tools are available already.

As the case example suggested, asking employees the right questions is one essential tool. Motivational interviewing (MI) research and practice (see Miller & Rollnick, 2002) has developed and validated a system of conversational techniques that are helpful in raising people’s motivation and lowering resistance to change. As far as we can see, MI techniques are not yet widely used in leadership contexts. We are optimistic this will change, however, given that motivational interviewing skills are quite straightforward to acquire. Of course, working with MI techniques and a double-sided concept of motivation can involve dealing with employees’ negative emotions such as fear or anger. Leaders might be hesitant to go there if they want to “let sleeping dogs lie” and not put their employees’ motivation on the line. Although we understand such concerns, we do not share them. The simple question is: what is the alternative? If negative emotions are “there,” they need dealing with because this will be the only way of managing them. On the other hand, simply ignoring negative affect is more than likely to increase its adverse impact.

A solid understanding of the role of personal and job resources play for motivation is a second important tool. Job resources are those physical,

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<sup>1</sup>Please note that this is meant as a metaphor, rather than a theoretically accurate description.

psychological, social, or organizational aspects of a job that help workers achieve their work goals and that reduce job demands (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001). Job resources may motivate intrinsically by facilitating learning or personal development and extrinsically by providing instrumental help or specific information for goal achievement (Schaufeli & Bakker, 2004). Job resources such as social support, autonomy, performance feedback, supervisory coaching, and opportunities for development have been recognized as crucial for the majority of occupations (Bakker & Demerouti, 2007; Lee & Ashforth, 1996). Personal resources are positive self-evaluations that facilitate goal achievement and protect individuals against the physical and emotional costs of work-related demands (Hobfoll, Johnson, Ennis, & Jackson, 2003). Personal resources refer to one's sense of the ability to control and impact successfully on one's environment. An example of a personal resource is learning-related self-efficacy (Kyndt & Baert, 2013).

Important from a leadership point of view, job and personal resources interact with job demands. Only if their resources match job demands will employees make full use of their competencies and maintain their productivity and well-being. Job resources might buffer the impact of job demands such as work pressure and emotional demands, including burnout, on work-related strain (e.g., Bakker, Demerouti, & Euwema, 2005; Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2007). Interactions of resources with demands may have longer term effects in the form of *resource cycles*. According to Hobfoll (1998, 2001), people who possess resources are more likely to acquire further resources. As initial gains beget future gain, employees with resource surpluses are less vulnerable to job demands (Hobfoll, 1998). Conversely to this *gain spiral*, those who lack resources are more vulnerable to further losses, potentially initiating *loss spirals*.

According to our experiences, the job resources concept can help leaders and their employees see which parts they play in cocreating a motivating work context. Certain resources serve as key resources that "unlock" the power of other resources. If key resources are missing, the beneficial effects of other resources might be limited. For instance, a company might have a positive learning and training climate and job design might be geared toward work-related learning. However, if leaders fail to support and encourage learning, they may stifle their workers' learning activities. From an exploration of the available job and personal resources, leaders gain a detailed insight into the key job resources they should arrange for. Employees get a sense of their personal resources that need building and to what extent those personal resources depend on job resources; this enables them to request from their leaders' job resources in a much more targeted fashion. Ultimately, such co-creation benefits both leaders and employees. Leaders' job of motivating becomes more manageable as they share it with their employees. For employees, co-creation involves a high degree of autonomy, (self-)competence, and connectedness (with their leader), fulfilling the central needs that promote intrinsic motivation.

### Discussion Questions

1. In the second conversation, although James was prepared to try Joanna's suggestion, he did not appear to be totally enthusiastic and bursting with energy to get started. Why might Joanna not have tried to achieve such "high-energy motivation" right away? What pros and cons do you see to Joanna's going for a "lower level" of motivation?
2. Why might employees sometimes seem to be very "motivated to not be motivated"?
3. What might have made one of our participants say "If I enable my employees to be motivated, rather than motivating them myself, I give away a great deal of my influence"?
4. Which (groups of) employees might the approach of enabling motivation not be suitable for?

### Chapter Summary

- Leaders motivate and enable employees as a part of their endeavors to secure the effectiveness and success of the organization.
- Motivation translates an employee's knowledge, skills, and abilities into performance by determining the direction, intensity, and duration of work-related behaviors.
- The theories of goal-setting, expectancy, job characteristics, and self-determination have emerged from a broad range of theories as four major perspectives on motivation, providing a comprehensive set of motivating factors.
- Self-determination theory suggests that
  - (a) Leaders should target intrinsic motivation that is driven by an interest or enjoyment in the task itself, and that is strongly related to job satisfaction, ownership of one's job, and job-related well-being.
  - (b) The way motivators are introduced and communicated in leader–employee conversations is critical to their effectiveness.
- Rather than trying to directly motivate, leaders might benefit from enabling their employees' motivation through structured questioning using insights from motivational interviewing.
- In that approach, leaders and employees cocreate a motivating work context. Leaders benefit from sharing their task of motivating with employees; employees benefit from the autonomy and connectedness that comes with such co-creation.

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## Abstract

Are we born or granted leaders in our social interactions? Folklore, myths, books, TV-series, but also history, politics, economy, and more broadly our human life are disseminated with narratives of leadership construction. Latest studies have urged a shift in focus of leadership inquiry from the who (personality traits), what (behaviors), and where (situation) to the how of leadership. That has led to the emergence of a constructionist perspective that views leadership as embedded in context, considering person and context as interrelated social constructions made in ongoing local-cultural-historical processes. In this chapter, after briefly illustrating extant leadership styles, we put forth conceptually and then we substantiate with case studies the rise of conversational leadership as the emergent constructionist response to the dramatic increase of organizational and stakeholder complexity. The aim is to support readers to understand the conversational leader as an executive characterized by a flexible sensitivity in crafting relationships with people in time of disruption. Conversational leadership shows then how the mastery in soft skills ends up sustaining hard corporate results.

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### Keywords

Communication • Trait theories • Transactional leadership • Transformational leadership • Inclusive leadership • Servant leadership • Contingency leadership • Constructionist perspective • Conversational leadership • Organizational complexity

## From the Crib to the Poll: The Individual Becoming a Leader

Are we born leader or are we granted leadership?

Legends celebrate King Arthur as a great and noble warrior, a magical hero defending Britain from human and supernatural enemies. When Arthur went from being the bastard child of Sir Ector's to the King of Britain he was not aware of his royal lineage. Still royalty was written in his DNA. Arthur was in fact the first born son of King Uther Pendragon and legitimate heir to the throne. However these were very troubled times and Merlin the magician advised that the baby Arthur should be raised in a secret place (at Sir's Ector's mansion) and that none should know his true identity.

As Merlin feared, when King Uther died the game of thrones started. With no heir to lead the kingdom, the country fell into despair and blood feud. Rival nobles, dukes, and lords disputed over who should be the next king.

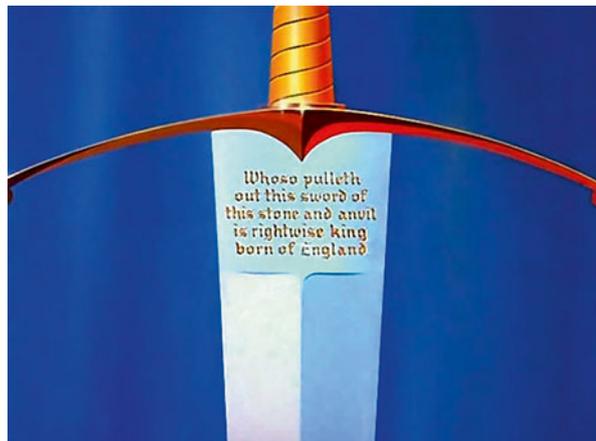
Merlin used his magic to set a sword in a stone that reads in golden letters:

“Whoso pulleth out this sword of this stone and anvil, is rightwise King born of all England.”

Only he who was fit to rule England could pull the magic sword from it (Fig. 13.1).

Although Arthur was a scrawny boy, Merlin saw in him the potential to be a wise and just ruler who would eventually rescue Britain from ruin. Tons of nobles tried and pulled the sword from the stone, but no one of them could. When Arthur tried, almost by chance, the sword came loose, and the rightful king got his crown.

**Fig. 13.1** The sword in the stone from the Walt Disney animated movie (1963)



Like Merlin, early leadership studies were based on the assumption that leaders are born, not made. In particular *Leadership Trait Theories* attempt to identify the set of characteristics or traits that distinguish leaders from followers, or effective leaders from ineffective leaders. These theories conceptualize leadership as a function of personality traits.

However, real (or supposed) natural born leaders often come to be recognized as such not only thanks to their innate predispositions or personality but also thanks to the relational opportunities that pop up under certain specific situational and contextual circumstances.

The dystopian society built in the *Lord of the Flies* reflects the intricate relational foundations of leadership. In the midst of a raging war, a plane evacuating a group of schoolboys from Britain is shot down over a deserted tropical island. The novel opens with two of the boys, Ralph and Piggy, who discuss what to do in order to be rescued. They discover a conch shell on the beach, and Piggy realizes it could be used as a horn to summon the other boys.

Piggy paused for breath and stroked the glistening thing that lay in Ralph's hands. "Ralph!" Ralph looked up.

"We can use this to call the others. Have a meeting. They'll come when they hear us" He beamed at Ralph.

"That was what you meant, didn't you? That's why you got the conch out of the water?" Ralph pushed back his fair hair. "How did your friend blow the conch?"

"He kind of spat," said Piggy. "My auntie wouldn't let me blow on account of my asthma. He said you blew from down here." Piggy laid a hand on his jutting abdomen. "You try, Ralph. You'll call the others."

[...]

"We've got to decide about being rescued."

There was a buzz. One of the small boys, Henry, said that he wanted to go home.

"Shut up," said Ralph absently. He lifted the conch. "Seems to me we ought to have a chief to decide things."

"A chief! A chief!"

"I ought to be chief," said Jack with simple arrogance, "because I'm chapter chorister and head boy. I can sing C sharp."

Another buzz.

"Well then," said Jack, "I" He hesitated.

The dark boy, Roger, stirred at last and spoke up. "Let's have a vote."

"Yes!"

"Vote for chief!"

"Let's vote"

This toy of voting was almost as pleasing as the conch. Jack started to protest but the clamor changed from the general wish for a chief to an election by acclaim of Ralph himself. None of the boys could have found good reason for this; what intelligence had been shown was traceable to Piggy while the most obvious leader was Jack.

Despite his proven intellect Piggy cannot be the leader himself because he has no capability to relate with the other boys and to win their respect. Therefore he shadows Ralph as an advisor in order to get his voice heard by the group and to find a secure shelter against Jack's oppositions. In order to be recognized as a respected and fair governor, Ralph decides to share his powers and responsibilities appointing Jack to be in charge of the boys who will hunt food for the entire group (Fig. 13.2).

**Fig. 13.2** Ralph and Piggy using the conch shell to gather the boys marooned on the island from the film adaption (1963) of Golding's novel (1954)



Those who read Golding's novel have already foreseen that leadership is a dynamic phenomenon that comes to be morphed by individuals in the interplay with other people, the physical context, and the values and meanings which people use to make sense of that context.

That happens in the *Lord of the Flies*. As the boys got separated into factions, the order of things instituted by Ralph's leadership collapses. Some boys behave peacefully and work together to maintain order and achieve common goals under Ralph's guidance, while others rebel against Ralph's civilizing call and obey to Jack's promotion of anarchy and violence.

Folklore, myths, books, TV-series, but also history, politics, economy, and more broadly our human life are jam-packed with narratives of leadership construction either of King Arthur's or Ralph's or even Jack's type.

Extant Organizational and Management studies have investigated the dynamics through which leadership is constituted. By the late 1940s, most of the leadership research had shifted from the Trait Theory paradigm to the *Behavioral Theory paradigm*, which analyzes what leaders say and do in the attempt to identify the one best leadership style that fits all situations. Unfortunately, although the behavioral leadership theory made major contributions to leadership research, it never achieved its goal of finding one best style. The behavioral paradigm builds on previous Trait Theories to focus on individuals and their personalities, behaviors, and expectations relevant to relationships they establish with others (Hollander, 1978; Uhl-Bien, Graen, & Scandura, 2000) in attaining mutual goals and pursuing organizational interests (Brower, Schoorman, & Tan, 2000; Graen & Uhl-Bien, 1995) in highly structured organizational context (Hosking & Morley, 1988). This perspective recognizes leadership traits both in the characteristics of individuals and in their relationship with the environment where leadership is exerted through behaviors and actions.

So far, this perspective has identified four *prominent leadership styles*:

- The *transactional leadership*, that focuses on leadership as a relational process, typically a two-way social exchange interaction based on “transactions” that occur between leaders and followers (Graen & Uhl-Bien, 1995; Hollander, 1978; Uhl-Bien et al., 2000). Following this perspective leadership implies a process of benefits exchange at mutual advantage between the parties (Bass, 1985).
- The *transformational leadership*, that sees leadership as an inspirational and charismatic act aimed at guiding organizational members towards a full commitment to corporate goals (Bass, 1985). The transformational leader reveals a capability to affect organizational members’ emotions and self-esteem in their effort to internalize the values and goals of the leader (Weierter, 1997). A transformational leader is a highly passionate, self-sacrificing, and visionary individual (Singh & Krishnan, 2008), who is powerful, self-confident, and capable of enacting a strong magnetic attraction towards his colleagues (Waldman, Siegel, & Javidan, 2006) that encourages cultural change (Avolio, Bass, & Jung, 1999; House, 1999; House, Hanges, Javidan, Dorfman, & Gupta, 2004).
- The *inclusive leadership*, that is based on rapid decisions and actions to manage a growing environmental complexity (Uhl-Bien, Marion, & McKelvey, 2007) in contexts of tight competition, uncertainty, and dynamism (Bodega, 2002). This typology is centered on flexibility, orientation to team needs, satisfaction, and open confrontation leveraging members’ integration (Morgeson, DeRue, & Karam, 2009), rather than being centered on the charismatic figure of the leader (Klein & House, 1995). The inclusive leader is a wise diplomatic, technically prepared, strongly committed to organizational goals, and animated by accessibility and a clear self-awareness, also acknowledging personal limits (Clutterbuck & Hirst, 2002; Klein & House, 1995).
- The *servant leadership*, in complex organizations the current demand for more ethical, people-centered management, has recently encouraged the widespread recognition of a leadership style inspired by the ideas of service: the servant leadership (Greenleaf, 1998; Van Dierendonck, 2011). At present, innovation and employee well-being are given high priority and so leadership that is rooted in ethical and caring behaviors becomes of great importance. Servant leadership may be of particular relevance since it adds the component of social responsibility to transformational and inclusive leadership (Graham, 1991). Compared to other leadership styles where the ultimate goal is the well-being of the organization, a servant-leader is genuinely concerned with serving his team (Luthans & Avolio, 2003; Parolini, Patterson, & Winston, 2009).

Regardless of the specific leadership style, the personality and behavioral perspectives seems to be challenged by the increasing organizational instability that current leaders are facing in the contemporary scenario.

While early leadership theories represented an attempt to find the one best leadership style, it is now apparent that leadership requires dynamic adaptation. *Contingency leadership theory* represents the third major paradigm shift that argues

for a leader to be effective there must be an appropriate fit between the leader's behavior and style, the followers, and the situation (Filatotchev & Allcock, 2010; Greenwood & Miller, 2010).

However we must say in our societies even the very meaning of the terms "leader" and "follower" is under revision. And situations are fluid as ever. Think about social media, where you can even buy your followers on Facebook, and *click-tivism*, people sympathizing with a cause by simply clicking on "Like" or "Follow" to grant their safe, mindless, and often effortless support. Such examples end up often depriving of meaning our intentions and decisions to follow great individuals and their causes across different global arena.

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## Conversational Leadership as Something in Between

Latest studies have urged a shift in focus of leadership inquiry from the who (personality traits), what (behaviors), and where (situation) to the how of leadership. That has led to the emergence of a *Constructionist perspective* that views leadership as the processes by which social order is constructed and reshaped (Uhl-Bien, 2006). Rooted in the Social Constructionist Theory (Fairhurst & Grant, 2010), this perspective sees leadership as embedded in context, considering person and context as interrelated social constructions made in ongoing local-cultural-historical processes (Dachler & Hosking, 1995). Therefore the relational perspective does not seek to identify attributes or behaviors of individual leaders; rather it focuses on the social construction processes by which certain understandings of leadership come about (Dachler & Hosking, 1995).

Within this perspective, *conversational leadership* (Groysberg & Slind, 2012) has been raised as the emergent response to the dramatic increase of organizational and stakeholder complexity, which calls for an executive characterized by a flexible sensitivity in mastering relationships with people in time of disruption. Conversational leadership depicts a process of the collective building of wise actions (Hurley & Brown, 2010) through intimate, dynamic, inclusive, and interactive conversations (Groysberg & Slind, 2012). In the midst of social and business mistrust, these conversations are seen as the way to reconnect and orient people, by building on authenticity (Auster & Freeman, 2013; Torp, 2010). Accordingly, an executive cannot be appointed a leader by birth or by conferment; on the contrary, leadership emerges in relationships (Cunliffe & Eriksen, 2011; Fairhurst, 2008).

While traditional leadership styles are rooted in an individual-based perspective of the leader, conversational leadership entails a socially constructed and participatory view of leadership (Fairhurst & Grant, 2010; Uhl-Bien, 2006), meant as a process embedded in the everyday relationally responsive dialogical practices (Cunliffe & Eriksen, 2011).

Traditionally leaders drove organizational performance by devising strategic objectives, which they translated into directives that passed down through a hierarchy before reaching employees, whose job was merely to take orders and to act on those orders. Today, that model of organizational life is essentially falling apart.

People, their energies, and their capabilities are the ultimate source of optimal performance and sustainable competitive advantage. Yet the value that people now deliver to an organization is not something leaders can leverage simply by issuing orders from the executive suite. In an environment where employees have that much power to determine the success or failure of an organization, the ability of leaders to command grows weaker and their sense of control grows weaker too.

Conversational leadership implies commitment to and immersion in human dynamics (Groysberg & Slind, 2012). A leadership is less about issuing and taking orders (Groysberg & Slind, 2012), and more about empathetically getting closer to stakeholders by recognizing the polyphonic nature of organizational life and relationship management (Cunliffe & Eriksen, 2011), and embracing the unpredictable vitality of dialogue (Groysberg & Slind, 2012). This leadership promotes democratic processes to move beyond top-down monologues (Raelin, 2012) allowing for participatory practices, which are vital to face a contextual environment continuously redefined by its actors.

In the words of David Wythe, a pioneering corporate poet, “Leaders spend much of their time in the realm of human relationships. No one person cannot do it alone: there is no one mind that can actually understand what is going on around us today. At such a level of complexity, you need to create conversations where many eyes, ears, imaginations and intellects turn with you toward the problem at hand. This is what I call conversational leadership” (Watt, 2010). (Is “Watt” correct or should it be “Wythe”?)

In corporate life each meeting provides an opportunity for participants to develop a collective understanding of their connectedness and interdependence. As people evolve from focusing on self to focusing on self as a member of a larger community, the purpose of meetings shifts from solving problems to creating solutions, from defending absolute truths of the moment to achieving coherent and collective interpretations of what they want their organizations to be (Jorgensen, 2010). However most professionals concur that a good deal of the time they spend in “meeting mode” could be better used otherwise.

## **How to Make the Most of Meeting Time?**

In 1995, a small group of business and academic leaders started meeting at the home of Juanita Brown and David Isaacs in Mill Valley, California. They were planning for a morning large-circle dialogue that, though being disrupted by rain, welcomed two dozen participants. They spontaneously formed into small, intimate table conversations about the questions that had drawn them together, recording their insights on makeshift paper “tablecloths.” They periodically interrupted these conversations to switch tables so the insights and ideas that had real power might circulate, deepen, and connect. Harvesting the table conversations enabled them to notice the emerging patterns in their thinking, which then enriched subsequent rounds of conversation. Over the course of the morning, the innovative process they improvised gave birth to an experience of collective intelligence that transformed the depth, scope, and innovative quality of their collaboration. They had discovered the World Café.

Later, after reflecting upon what enabled such great conversation around critical strategic issues, through action research and experimentation in several countries, they identified seven key World Café design principles and began to articulate the core concepts of conversational leadership that underpin the process. The World Café can be described as “a simple yet powerful conversational process that helps groups of all sizes to engage in constructive dialogue, to build personal relationships, and to foster collaborative learning” (Tan & Brown, 2005). The core design of a World Café dialogue is based on the assumption that people, if only given the chance to radically participate, have already within them the wisdom and creativity to confront even the most difficult challenges (Tan & Brown, 2005). In order to create this conversation-friendly situations, the World Café develops a comfortable café setting, a “third place” (Oldenburg, 1999), a home away from home, where groups of people can take part into evolving rounds of dialogue with varying combinations of discussants. Small and intimate conversations link and build on each other and they grow bigger as people move between groups, cross-pollinate ideas, and discover new insights into questions or issues that deeply matter to their life, work, and community.

The World Café relies on Maturana’s notion of human systems as networks of conversation and Luhman’s reflection that communication is fundamental to the ecological process of how we organize ourselves as human systems. In a setting where several people are interacting together by the means of communication, the most important work is that of creating conversations (Webber, 1993). It is the leader’s primary responsibility to facilitate the kind of collaborative environment, mutual trust, and authentic conversations that enable the organization to access the collective intelligence of its members. In this spirit, Florida educator and Café host Carolyn Baldwin coined the term conversational leadership to describe the leader’s intentional use of conversation as a core process to cultivate the collective intelligence needed to create business and social value.

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## **The Conversational Leader as a Mindful Individual**

Conversational leaders who understand human dynamics and are sensitive to the interactional context around them prove to be mindful individuals. Mindfulness implies realizing what’s new or different in specific settings, whether in the external environment or in one’s own reactions and responses. It embraces the capability to openly receive diverse signals, including signals that are faint or at odds with previous experience, in that the focus is on perceiving directly, without immediately analyzing, categorizing, or judging. Mindful leaders allow themselves to stay with uncertainty as to its meaning and significance (Dunoon & Langer, 2012).

Conversational leadership rooted in a constructionist and context-driven perspective on relationship management and dialogue with stakeholders relies on mindfulness also in that leaders recognize in each moment that the issues are dealing with are likely to be contentious. These issues appear differently to those involved and there is no single path through to resolution.

Conversational leaders allow greater space to entertain complexity and to view problems holistically beyond consolidated mental constructs. They hold themselves and other people as actors rather than just as observers of others' actions moving away from externalizing responsibility and aim towards joint exploration. That grants them deeper, more nuanced, and more genuinely shared understandings about present realities and potential futures that forges their being prepared to engage in difficult conversations, those in which people are usually afraid of being criticized and of looking foolish. The ability of the conversational leader to recognize that each actor's behavior makes sense from their perspective makes evaluation and fear of evaluation dissipate (Dunoon & Langer, 2012).

## Assessing Conversational Leadership

Although measuring the effectiveness of a conversational leader's behavior is realistically almost impossible to achieve, attempting to dimension and quantify the phenomenon to allow leaders and their colleagues to better orient their expectations and attitudes is currently emerging as a primary concern in organizational dynamics. In this regard, a very recent effort to assess leadership from a conversational standpoint that is noteworthy has been undertaken by Schneider, Maier, Lovrekovic, and Retzbach (2015) who, drawing on a communication-based approach to leadership and following a theoretical framework informed by interpersonal communication processes in organizations (Hackman & Johnson, 2013), introduced the Perceived Leadership Communication Questionnaire (PLCQ), a simple and reliable instrument for measuring leadership communication from both perspectives of the leader and his/her co-workers. This tool consists of a mono-dimensional six-item scale measuring self-perceived leadership communication. The wording of the items of the scale includes both self-rating (SR) and other-rating (OR) statements and the scale covers the following subdimensions of leadership communication:

- Sensitivity toward others
  - (SR) I am sensitive to the needs of others.
  - (OR) My supervisor is sensitive to the needs of others
- Dedication to others
  - (SR) I like devoting my time to my co-workers
  - (OR) My supervisor seems to like devoting his time to me
- Satisfaction about communication exchange
  - (SR) I am content with the way my communication with my co-workers is going
  - (OR) I am content with the way my communication with my supervisor is going

- Goal sharing
  - (SR) My co-workers and I share an understanding of how we would like to achieve our goals
  - (OR) My supervisor and I share an understanding of how we would like to achieve our goals
- Open confrontation
  - (SR) My co-workers and I can speak openly with one another
  - (OR) My supervisor and I can speak openly with each other
- Problem solving and conflict resolution through talking
  - (SR) Especially when problems arise, we talk to one another even more intensively in order to solve the problems
  - (OR) Especially when problems arise, my supervisor and I talk to each other even more intensively in order to solve the problems

This scale considers separately but concurrently both the perceptions of the executive and of his/her employees on the same leadership dimensions, allowing for cross-confrontation of perceptions and gap analysis. Of the plethora of scales developed in literature to assess leadership, this recent one has the merit of incorporating the communicational aspects of the leader role that are currently increasingly proving distinctive of a genuine leadership from a leadership by appointment.

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## In Defense of Being Soft

Fluid boundaries among countries and societies have led to an increasing number of people traveling across cultural and organizational frames (Griffith, 2003). As a result, dealing with the full complexity of human diversity has become a daily task for a substantial part of the business community (Lauring, 2011, p. 231). On this regard more work in needs to be done to reconcile the individual, relational, and contextual nature of leadership. The emergence of conversational leadership could represent a nexus connecting and finally reconciling these different facets of leadership construction.

Besides idealistic tensions, conversational leadership seems to imbue corporate life with a humanistic afflatus centered on relationships between people as human beings and not just cogs on the wheel of the company machinery (Gambetti & Biraghi, 2015). This leadership is not defined by conferment of responsibilities, tasks, and subordinates; rather it relies on a sharp sensitivity toward people's needs, expectations, and desired beyond cogent stakes and on a brave capability to invest in the enhancement of "the soft" sides of business.

According to Henry Mintzberg there are three management skills that all leaders need to possess:

1. *Technical or business skills* involve the ability to use methods and techniques to perform a task
2. *Decision-making or conceptual skills* are based on the ability to conceptualize situations and select alternatives, to solve problems and take advantage of opportunities
3. *Interpersonal skills* involve the ability to understand, communicate, and work well with individuals and groups through developing effective relationships both inside (employees) and outside (customers, suppliers, stakeholders, and other communities) the organizations. They are nontechnical and they can be also called *human, people, and soft skills*. Now since organizations are human creations, operated by human beings, the very core of leadership becomes the *conversational work* performed thanks to *soft skills*.

Soft skills refer to the collection of personality (intrapersonal and interpersonal) traits and attitudes that drives one's behavior (Roan & Whitehouse, 2007). These skills are currently becoming the most sought-after human capabilities on the job market while hiring graduate students (Lavy & Yadin, 2013). Actually, the emphasis given in the business environment to those soft skills such as leadership, teamwork, critical, holistic and lateral thinking, logical reasoning, and communication skills is seen as capable of allowing the proper expression, implementation, and collaboration for optimal use of knowledge assets (Brill, Gilfoil, & Doll, 2014). Chakraborty (2009) incisively claimed the essential role of soft skills in shaping well-rounded individuals who will be the key constituents in successfully navigating the change with which we are confronted.

A recent study performed by the Institute for Labor Studies (2010) in collaboration with some of the world's leading business schools offered us an understanding of the most valuable soft skills for the future. Potential employers of over 300 companies were asked to indicate what they believed to be the most important soft skills of the future. Among the results of this survey, more than 64% of employers mentioned teamwork, 54% problem-solving skills, 36% value decision-making capabilities, and 35% interpersonal communication skills. All employers valued coaching skills and the ability to facilitate dialogue among the most important soft skills for the future (Dixon, Belnap, Albrecht, & Lee, 2010).

Not only soft skills are considered increasingly important for the success of organizations in these times of continuous change and instability, but they are also extremely difficult to transfer through training. Recent anecdotal evidence has emphasized that soft skills training is significantly less likely to transfer from training to the job than hard-skills training due to their being strongly individual-specific and not replicable (Laker & Powell, 2011). This lack of soft-skill transfer results in an extremely costly waste of time, energy, and money for companies. That points at the importance for organizations of unravelling, nurturing and supporting the expression in their executives of conversational leadership abilities,

since co-constructive dialogue and interaction as key elements of this kind of leadership constitute the fuel innervating and encouraging the development of soft skills in individuals.

### Case Studies 13: Soft Skills Provide Hard Results!

#### Starbucks

Starbucks Chairman and CEO, Howard Schultz, majored in Communications at Northern Michigan University. His “soft” skills and values helped revive the company in 2007 when the coffee giant’s sales and stock price plummeted. Schultz returned to his role as CEO and re-ignited the brand through a stubborn mix of passion, love, and inspiration. Looking back on the challenge Schultz explained to Oprah, “We had lost our way. The pursuit of profit became our reason for being and that’s not the reason that Starbucks is in business... We’re in the business of exceeding the expectations of our customers” (Gallo, 2013).

Schultz’s first step was to bring together 10,000 Starbucks managers for a four-day conversation in New Orleans (Gallo, 2013). His purpose? Inspire, engage, and challenge. Within four years the company experienced record-high profits, revenue, and stock price.

For Schultz, the secret sauce is not coffee; it’s people and relationships. According to Schultz, “Starbucks is the quintessential experience brand and the experience comes to life by our people. The only competitive advantage we have is the relationship we have with our people and the relationship they have built with our customers” (Gallo, 2013).

In his book, *Pour Your Heart into It*, Schultz reveals the soul of a storyteller and a deep belief in the dignity of hard work and workers. A business executive motivated to build an organization founded on values of fairness, respect, and dignity first—and great coffee second. A vision that was heavily influenced by a work-related accident suffered by his blue-collar father who, without health insurance, was unable to continue in the job (Schultz & Jones, 1997).

Schultz’s gift for inspiring employees stems from his unapologetic humanity and a passion fueled by clear, consistent, and heartfelt values. His ability to connect emotionally with baristas and executives alike is consistently cited as the core of his exceptional leadership skill.

The “soft” essence of Starbucks remarkable success is further revealed in Howard Behar’s 2009 book, *It’s Not About the Coffee: Lessons on Putting People First From A Life at Starbucks*. Behar, a 20-year Starbucks senior executive, reveals the ten core leadership principles that drive the company’s success. None of them is about coffee. Nor does the list include any “hard” principles associated with traditional command and control management. Rather, Behar touts the virtues of building a culture of mutual trust and defining success by how the company develops its people. Behar attributes Starbucks success to its genuine commitment to listening, empathy, and “communication with heart” (Behar & Goldstein, 2009).

### Discussion Questions

1. Starbucks' competitive advantage is the relationships the company has with its employees and the employees have with their customers. Do you feel that he over-emphasizes the importance of relationships or that he's correct? Why?
2. Think about relationships in your life that are important and characterized by trust. Describe the qualities of those relationships that make them so strong and valuable to you? Do you think those qualities are important to building strong relationships between employer and employees and/or employees and customers?
3. Can you think of any organizations (include businesses, brands, nonprofits) that you feel loyal to? Which ones? What is it about them that engenders your feeling of loyalty?

### Wegmans

People love Wegmans. They love buying groceries there. They love working there. Some love the New York-based grocery chain so much they get married there.

The company receives a steady flow "love letters" from former customers who fell in love with the grocers while living in the northeast USA (where the company's 79 stores are located) but who have since moved away. One fairly typical letter reads,

Ohhhhh, Wegmans. I haven't even been in one in maybe 5 years, since the last time I visited Ithaca (where I went to school). After I moved to Washington, my new friends thought I was nuts for being so obsessed with a grocery store. But see, it's not just me! PLEASE, Wegmans—we need a grocery store in Penn Quarter. Do you know how happy I'd be if you opened one here? (Love Letters to Wegmans)

The actor Alec Baldwin confessed to David Letterman that his mother refused to leave her home in upstate New York because there are no Wegmans stores in Los Angeles (Gordon, 2010).

What's at the root of all this love? Something simple, old-fashioned and "soft." *Treating people with respect.* Wegmans is a family-owned business that has been around for over 90 years. The company employs 42,000 people and generates annual revenues of over \$6 billion. Employee turnover is half that of its peers. Wegmans has been included in Fortune Magazine's Top 100 Places to Work in America ever since the list was founded in 1998. This year Wegmans was ranked # 7. In 2005, they earned the #1 honor (Points of Pride).

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Wegmans is committed to two-way communication with its employees, its customers and the communities it serves. Company executives listen and act upon what they learn. Staff at each store earnestly urge customers to ask questions and delight in conversation. It starts at the top. The company's CEO, Danny Wegman (grandson of the company founder), is legendary for his constant visits to chat with front-line employees. "He acts just like one of us." is the oft-cited employee description of their boss. His "soft" skills include a gift for remember employee names and life stories. He takes time to get to know Wegmans employees as people. He trains managers to ask employees how they can best do their jobs—rather than telling them. Perhaps most telling of all, he's described as a great listener who truly cares about people.

A visit to the company's website reveals this decidedly old-fashioned explanation: "...*We really have created something special: a great place to work where caring about and respecting our people is the priority.*" *The accompanying list of five core values is: caring, respect, making a difference, high standards, and empowerment (Points of Pride).*

Putting people—employees and customers in particular—at the center of the enterprise is the essence of Wegmans competitive advantage. In a 2012 interview in the Atlantic Magazine the company's VP of human resources concluded: "*What some companies believe is that you can't grow and treat your people well,*" *Burris told me. "We've proven that you can grow and treat your people well"* (Rohde, 2012).

### Discussion Questions

1. Some purchase decisions are driven entirely by price/value. Others are influenced by trust, relationships, and loyalty. Can you list several purchases you have made that are strictly price/value driven vs. those that are trust/relationship/loyalty driven?
2. Think of friends or family members who you trust and respect and enjoy. What role, if any, do you think genuine listening plays in your relationships? Express what you consider to be the qualities of a good listener. Can those qualities be embraced by organizations? How?

## Zappos

In 2009, Amazon CEO Jeff Bezos acquired “online shoe retailer” Zappos for nearly \$1 billion. Many wondered why Amazon wouldn’t simply sell shoes on their own. After all, Amazon essentially invented online retail. Bezos explained that the prize wasn’t shoes. It was culture. And passion. And the leadership of Zappos CEO Tony Hsieh (Taylor, 2014).

In 2000, Zappos sold \$1.6 million of shoes online. By 2008, the company’s inventory had expanded well beyond shoes; annual revenue reached \$1 billion. Asked to explain the company’s remarkable growth, Hsieh denied the popular assumption that social media mastery was the key. Or even that Zappos legendary customer service was the secret. Hsieh’s singular focus and the single most powerful driver of success is *culture* (Taylor, 2014).

And culture starts with hiring. Every Zappos employee, regardless of function, participates in the same four-week onboarding training. After 2 weeks of experiencing the company’s values, culture, history, and zealous commitment to customer services, employees are asked to leave the company. In fact, they are offered one month’s salary if they conclude that Zappos is not the right career fit. No questions asked. No strings attached.

Why? *Culture*.

Passion for people is hard to train. Hsieh believes it takes rare personal values and personality to render consistent “wow” service. They know it when they see/feel it. Employees do too. So the real benefit of paying employees to leave rests in those who turn-down thousands of dollars to stay. Those who belong. Those whose passion is people and service. Those who can’t wait to get back to work.

Unlike most customer service departments, customer reps at Zappos are not timed and evaluated on how quickly they resolve customer concerns. In fact, they’re encouraged to spend as much time as it takes to delight customers. (The current record is a 10-h phone call.)

Zappos website includes actual stories of crazy customer service. One story, as told by Jerry Tidmore, the manager of Zappos’ help-desk concierge service goes like this: “...A guest checked in to the Mandalay Bay hotel [in nearby Las Vegas] and forgot her shoes.” According to Tidmore, the guest called Zappos, where she had originally purchased the style, looking for a replacement, but they didn’t have any in stock. So the company found a pair in the right size at the mall, bought them and delivered them to the hotel—all for free (Zappos.com).

Recently, Amazon implemented a Zappos-like “pay-to-leave” approach for their fulfillment center staff. Once a year each employee is offered money to leave. At first the offer is \$2000 and then it is increased \$1000 every subsequent year up to a maximum of \$5000 (Taylor, 2014).

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The most recent chapter in the Zappos culture book is the elimination of traditional job postings, resume review, interviewing, and hiring process. Instead, they've launched Inside Zappos, a social network for Zappos employees and potential employees to hang-out. Under the banner "*Where culture thrives, passion follows*" possible job applicants join the network so the potential candidate and the company's employees can get to know each other as human beings. The obvious goal is to find those needle-in-a-haystack individuals who will thrive in and contribute to Zappos unique culture. As members learn more, they're asked to narrow their participation to a particular team to foster even more sharing and even more familiarity between those "inside" and "outside." As candidates and employees get to know each other better, recruiters gather deeper and more personal input as the applicant pool is narrowed and the few are invited to Las Vegas to meet face-to-face.

Even after extensive face-to-face interviews, Zappos' search for insights into every candidate's "fit" and passion for people is not over. Hiring managers ask the shuttle drivers who ferry candidates to company headquarters a vital question: "*How did he or she treat you during the drive from the airport?*"

### Discussion Questions

1. Tony Hsieh is convinced that culture and brand are two sides of the same coin. Can you explain what he means?
2. The success of Zappos suggests that the "fit" between an organization's values and those of its employees is very important. Do you agree that "culture fit" is important to organizational success? Can you think of examples in your life where your "fit" with the culture helped you to be successful? How about the opposite?
3. Tony Hsieh and his team at Zappos look to hire individuals who are genuine and even a "bit weird." They celebrate individuality and authenticity. They believe that employees who have to force themselves to fit into an organizational culture that is not consistent with their true selves waste lots of energy trying to "fit in." Have you ever found yourself in situations where your true self was not aligned with the dominant values of a group or organization? How did you adapt? If you were the head of hiring and recruitment for an organization, would you emphasize culture fit? If so, how would you "screen" for fit?

### Chapter Summary

In this chapter we supported conversational leadership as the emergent response to the dramatic increase of organizational and stakeholder complexity, which calls for an executive characterized by a flexible sensitivity in mastering relationships with people in time of disruption.

No matter who we are and what we do, the true leader is a savvy connoisseur of the how of leadership that is a process of the collective building of wise actions through intimate, dynamic, inclusive, and interactive conversations. As shown in the World Café.

In the frame of conversational leadership soft skills are currently becoming the most sought-after human capabilities on the job market. Although measuring the effectiveness of soft skills is realistically almost impossible to achieve, attempting to dimension and quantify the phenomenon to allow leaders and their colleagues to better orient their expectations and attitudes is currently emerging as a primary concern in organizational dynamics. In this regard, a very recent effort to assess leadership is represented by the Perceived Leadership Communication Questionnaire. Finally, the power of soft skills in providing hard results is clearly evident in Starbucks, Wegmans, and Zappos case studies.

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## Abstract

In this chapter we investigate the relationship between leadership and dependability. Dependability is a skill that relates to a number of other workplace skills. The Bases of Competence skills model has been used to capture the skills related to dependability. There are four bases—*Managing Self*, *Communicating*, *Managing People and Tasks*, and *Mobilizing Innovation and Change*—made up of individual skills. Three of the bases consist of four skills and one is made up of five skills. The performance of a leader was shown to relate to the skills and other factors. Leadership performance and dependability are presented through several concepts: 360 degree stakeholder interactions, meeting deadlines, credit given to others, trust, mindfulness, and motivation. The difference between leadership in a crisis and in a stable situation is considered. A case study entitled “Saadiyat: A Global Team in Trouble” concludes the chapter.

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## Keywords

Dependability • Workplace skills • Competence skills model • Managing self • Communicating • Managing people and tasks • Mobilizing innovation and change • 360 Degree stakeholder interaction • Deadlines • Giving credit

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## Introduction

Dependability relates to leadership through various managerial skills. It is not just meeting deadlines (although that is very important), but relates to the leaders' promptness and attitude toward workers' dependability. In this chapter we will explore the relationship between leadership and dependability in the context of critical workplace skills. The skills are based on "The Bases of Competence" (Berdrow & Evers, 2009, 2010, 2013; Evers & Rush, 1996; Evers, Rush, & Berdrow, 1998). This model consists of four bases, each of which is made up of four or five specific workplace skills.

Dependability can be defined as "worthy of trust."<sup>1</sup> Furthermore, a worker might think of his manager's dependability in terms of: "when you always do everything that you say you will and never make promises you cannot keep."<sup>2</sup> Dependability is similar to reliability or repeatability, i.e., always carrying out what you set out to do.

Leadership is commonly defined as the art of convincing a group of people to accomplish a goal that the leader sets out to achieve. It is similar to management but a broader concept not necessarily tied to managers. The core of leadership is related to dependability in that a good leader or manager does what she says she will do. Leadership is a much broader concept than dependability made up of many skills that must be used in an ongoing manner. For our purposes in this chapter we will use "The Bases of Competence" skills.

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## The Bases of Competence

The Bases of Competence were developed in a research project called "*Making the Match between University Graduates and Corporate Employers*" (Evers et al., 1998; Evers & Rush, 1996). A total of 1610 university students and university graduates completed three waves of questionnaires. Managers were also asked to complete questionnaires on the same topics. The topics covered competency of the skills, demand in the future and related questions. The major result of the project was a model of skills that university graduates need in corporate employment. We developed an 18-skill model first and then summarized the skills into four bases: "*Managing Self*," "*Communicating*," "*Managing People and Tasks*," and "*Mobilizing Innovation and Change*" (Table 14.1). One skill, "Quantitative," was dropped from the analysis because it did not factor analyze with any on the other skills. Therefore we have a 17-skill model incorporating the four bases of competence.

*Managing Self* was defined as "constantly developing practices and internalizing routines for maximizing one's ability to deal with the uncertainty of an ever-changing environment" (Evers et al., 1998, p. 5). It consists of four skills: "Learning,"

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<sup>1</sup> <http://dictionary.reference.com/browse/dependability>.

<sup>2</sup> <http://www.yourdictionary.com/dependability>.

**Table 14.1** The bases of competence and specific skills***Managing Self:***

*Learning:* involves the ability to gain knowledge from every-day experiences and formal education experiences

*Personal organization/time management:* involves managing several tasks at once, being able to set priorities and to allocate time efficiently in order to meet deadlines

*Personal strengths:* comprises maintaining a high energy level; motivating oneself to function at optimal levels of performance; functioning in stressful situations; maintaining a positive attitude; working independently, and responding appropriately to constructive criticism

*Problem solving/analytic:* consists of identifying, prioritizing, and solving problems; individually or in groups. Includes the ability to ask the right questions, sort out the many facets of a problem, and contribute ideas as well as answers regarding the problem

***Communicating:***

*Interpersonal:* involves working well with others, understanding their needs and being sympathetic with them

*Listening:* involves being attentive when others are speaking, and responding effectively to others' comments during a conversation

*Oral communication:* involves the ability to present information verbally to others, either one-to-one or in groups

*Written communication:* involves the effective writing of formal reports and business correspondence, as well as informal notes and memos

***Managing People and Tasks:***

*Coordinating:* involves being able to coordinate the work of others and encourage positive group relationships

*Decision-making:* involves making timely decisions on the basis of a thorough assessment of the short- and long-term effects of decisions, recognizing the political and ethical implications, and being able to identify those who will be affected by the decisions made

*Leadership/influence:* involves the ability to give direction and guidance to others and to delegate work tasks to others in a manner which proves to be effective, and motivates others to do their best

*Managing conflict:* involves the ability to identify sources of conflict between oneself and others, or among other people, and to take steps to overcome disharmony

*Planning and organizing:* involves being able to determine the tasks to be carried out toward meeting objectives, perhaps assigning some of the tasks to others, monitoring the progress made against the plan, and revising a plan to include new information

***Mobilizing Innovation and Change:***

*Ability to conceptualize:* involves the ability to combine relevant information from a number of sources, to integrate information into more general contexts, and to apply information to new or broader contexts

*Creativity/innovation/change:* involves the ability to adapt to situations for change, at times initiating change and providing "novel" solutions to problems

*Risk-taking:* involves taking reasonable risks by recognizing alternative or different ways of meeting objectives, while at the same time recognizing the potential negative outcomes and monitoring the progress toward the set objectives

*Visioning:* involves the ability to conceptualize the future of the organization or group and provide innovative paths for the organization or group to follow

“Personal Organization/Time Management,” “Personal Strengths,” and “Problem Solving/Analytic” (definitions of the skills are in Table 14.1). *Communicating* was defined as: “interacting effectively with a variety of individuals and groups to facilitate the gathering, integrating, and conveying of information in many forms (for example, verbal, written)” (Evers et al., 1998, p. 5). *Communicating* also consists of four skills: “Interpersonal,” “Listening,” “Oral Communication,” and “Written Communication.” The third base, *Managing People and Tasks*, was defined as: “accomplishing the tasks at hand by planning, organizing, coordinating, and controlling both resources and people” (Evers et al., 1998, p. 5). *Managing People and Tasks* is the only base that consists of five skills: “Coordinating,” “Decision-Making,” “Leadership/Influence,” “Managing Conflict,” and “Planning and Organizing.” The final base, *Mobilizing Innovation and Change*, was defined as: “conceptualizing, as well as setting in motion, ways of initiating and managing change that involve significant departures from the current mode” (Evers et al., 1998, p. 5). It consists of four skills: “Ability to Conceptualize,” “Creativity/Innovation/Change,” “Risk-Taking,” and “Visioning.”

The overall ratings by students, graduates, and managers were between “high” and “average” on a five-point scale (“very high” to “very low”) for all the skills, and hence, the base competencies. Within this range there were interesting differences. *Communicating* and *Managing Self* were consistently rated higher than *Mobilizing Innovation and Change* and *Managing People and Tasks* (Evers et al., 1998, p. 43). New hires consistently gave themselves lower *Mobilizing Innovation and Change* and *Managing People and Tasks* scores than other groups and rated themselves higher on the other two bases (Evers et al., 1998, p. 44).

We also asked our respondents which skills they felt would be in greatest demand in the future and which ones needed to be improved. Visioning, creativity, and risk-taking from within the *Mobilizing Innovation and Change* base were felt to be in the highest demand in the future (and yet were rated the lowest in terms of competence). Also, leadership and managing conflict from the *Managing People and Tasks* base were viewed as critical skills for university graduates in corporate employment. When asked which of the 17 skills were most in need of improvement, *leadership* ranked first (Evers & Rush, 1996, p. 292). It should be noted that although the study was conducted some time ago, the model has been verified in several studies (Berdrow & Evers, 2009, 2010, 2013).

So, we have leadership as a skill needing competency improvement while being in great demand in the future. Taken as a whole, the bases and related skills can be thought of as contributing to dependability in the workplace. Leadership and dependability are abstract concepts incorporating a number of dimensions.

The bases help to understand the relationship between leadership and dependability. *Managing Self* focuses on having the strengths to learn to deal with various tasks and being able to handle problems that occur. This is the foundation for being dependable and functioning as a good leader. Leaders are not necessarily managers; an individual working in an organization may be in a team and need to take on the leadership of the team for a particular project. Individuals who are self-employed need to act as leaders when they deal with clients and other organizations.

*Communicating* is another important base competency when it comes to working with others. Excellent *Communicating* clearly is a sign of a dependable leader. Colleagues, supervisors, and those supervised have to understand what individuals are communicating in writing, orally, and via computers in order to be dependable workers and leaders.

*Managing People and Tasks* is at the heart of dependability and its relationship to leadership. Coordinating, decision-making, managing conflict, and planning and organizing are all related to leadership. Being a dependable leader depends upon how well these skills are used in everyday work. We included leadership as a skill in this base competency because of its importance. *Mobilizing Innovation and Change* is a complex base competency related to understanding a problem and its relationship to resources and visualizing creative solutions. It also encompasses careful risk-taking when necessary to the solution of a complex problem. These are the final elements in the development of a successful and dependable leader.

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## Performance of a Dependable Leader

The actions of leaders can impact work performance, quality of work output, satisfaction and morale, and cohesiveness of work groups (Agho, 2009, p. 1). Leadership performance can be measured as the effectiveness of the group over time (Hogan & Kaiser, 2005, p. 172). The leaders' influence over the group comes through their credibility, integrity, decision-making, competence, and ability to convey a vision.

While there is an ongoing debate over the impact, if any, leaders can actually exact on the effectiveness of organizations, there is support for the argument that a leader influences the outcomes of followers. It is at this local level of analysis, those interpersonal, group level activities, that we focus our assessment of performance outcomes.

We have laid out the competence-based view of leadership—what competencies a leader needs to effectively influence the work and direction of others. We have also laid out what we mean by dependability—the leader that can be relied on to do what they say they will do and not surprise others. In essence, we believe in the perspective of leaders as enablers of individual, team, and organizational performance. Now we focus on the performance outcomes of this dependable leader. How do we know if the dependable leader is achieving high performance outcomes? We look to their actions and interactions with the task and the people engaging in that task, the followers.

### (a) **360 Degree Stakeholder Interactions**

For a leader to achieve a goal or an outcome by guiding the work of others, they must be aware of all who can impact, or will be impacted by, not only their own decisions and actions but also the decisions and actions of the people they are leading. This 360 degree consideration of all stakeholders is critical to making the right choices, anticipating and responding to the strengths, weaknesses, opportunities, and threats (SWOT analysis). Even if not all stakeholder objectives can be

satisfied, they do have to be considered. Blind spots will lead to surprises that can jeopardize the whole team and/or organization.

This analysis depends on the leader's ability to identify and interact with relevant stakeholders. This calls on all of the base competencies. The skills of problem solving/analysis and learning are important for mapping out the stakeholders, and incorporating the input they provide into effective leadership decisions and actions, guiding the team around threats and into areas of opportunity. Effective communication, in particular listening, is the vehicle through which connections are made, relationships are established, and important information is gathered. Coordination and decision-making turns the information into useful next steps. Potentially the most important skill is the ability to conceptualize, combining, recontextualizing, and applying relevant information to new or broader contexts.

In the process of conducting the stakeholder analysis, a dependable leader also gathers information about their own performance, and uses that information to improve their style, their relations with followers, and to continually develop their leadership skills. This continual learning builds trust and communicates the importance of self-managed skill development.

360 degree stakeholder consideration creates a culture of inclusion and consideration, rather than exclusion and competition.

(b) **Meeting Deadlines**

Leaders are responsible for two main activities—achieving outcomes and managing relationships. One cannot happen without the other. But if the goals and objectives are not met in an efficient and effective manner, the role of the leader is called into question. Fundamental to leadership is achieving outcomes through others. If deadlines are missed, the leader might have a list of reasons but the assessment would still be ineffectiveness of leadership efforts. Consistently setting and meeting appropriate deadlines characterizes a leader as dependable, one who is able to deliver regardless of obstacles along the way.

(c) **Credit Given to Others**

Leaders are most powerful when they share their power with others, providing opportunities for followers to learn, achieve, and be rewarded appropriately. Acknowledging achievements of others, rather than taking the praise and rewards for themselves, enhances self-efficacy and motivates followers to stretch further.

(d) **Trust**

An effective dependable leader is by definition trustworthy, and creates a culture of trusting teamwork. Establishing a climate of trust is imperative for individuals to work together cooperatively. If people do not trust each other, or the leader, it is highly unlikely that they will freely offer their skills, knowledge, or efforts to a common activity. A leader establishes his trustworthiness through transparency, consistency, and commitment.

(e) **Mindfulness**

“Mindfulness” according to Thich Nhat Hanh, a leading Buddhist, “is the energy of being aware and awake to the present moment. It is the continuous practice of touching life deeply at every moment of daily life.”<sup>3</sup> Shapiro and

Carlson (2009) define mindfulness as “the awareness that arises through intentionally attending in an open, caring, and non-judgemental way” (p. 4).

A mindful leader is one who is aware of what is happening both in the task and the relationships of the team, and responds with intelligence and compassion. Being aware and present for the issues that arise allows a leader to gather all relevant information without preconceived notions of what is happening. As soon as we label a person or event, we shortcut our analysis jumping straight to pre-programmed responses. In doing so we miss critical information that might have led to a better decision or reaction. Reading body language, facial expressions, tone, and personal interactions can facilitate accurate assessments of team climate and personal circumstances.

Blindness to or inconsideration of people’s situations, anxieties, ideas, or aspirations sends a message that they don’t matter, it is not important to the situation at hand. Trust is broken; the leader is no longer viewed as dependable. Acknowledgement creates a connection, sends a message that even if I can’t fix this, I recognize it and am supportive.

(f) **Motivation**

Followers are motivated when they know what is expected, they believe they will be appropriately rewarded in ways that matter to them, and they feel they are capable of doing what is being asked. Leaders can foster motivation by ensuring that the right people are in place and that they have the resources they need. This ability to create and outfit an appropriate team can be challenging, particularly in a complex environment in which there is uncertainty and ambiguity. McKelvey (in press) argues that complexity theory suggests leadership should focus on the ability to “foster and speed up the emergence of “distributed intelligence” (DI), which is a function of “strategically relevant human and social capital assets—the networked intellectual capabilities of human agents” (p. 1).

Leaders facilitate knowledge sharing and effective performance within a team by building the team’s expertise. The leaders’ role as “knowledge builder”—to “create opportunities and processes that stimulate and encourage knowledge sharing amongst team members”—is vital to the team’s effectiveness in sharing, utilizing, and evolving their knowledge pool (Lee, Gillespie, Mann, & Wearing, 2010, p. 475).

“Complex leadership involves creating the conditions that enable productive, but largely unspecified, future states” (Marion & Uhl-Bien, 2001, p. 391). Marion and Uhl-Bien argue that leadership effectiveness is not just about controlling the future; it is about fostering the conditions that enable a productive future. These leaders are able to cultivate emergent interactions that shape and direct people towards high performance outcomes. This means the future and the path towards it is not predictable. Followers depend on their leaders to support and guide them through that uncertainty. In doing so leaders build confidence in followers, modeling appropriate assessment and risk-taking, as well as effective decision-making. This trust in the leader and confidence in themselves is a winning combination for creating effective outcomes.

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<sup>3</sup><http://www.plumvillage.org/mindfulness-practice.html>.

## Conclusions

This chapter has focused on the relationship of leadership and dependability through a skills model and a number of concepts. A number of conclusions can be made. Leadership is the process of getting others to achieve the leaders' goals. Dependability is delivering on promises and goals set out. Leaders get things done through the work of others, operating individually or in teams. Leaders are responsible for themselves and others. Leaders are responsible for the tasks and relationships of themselves and their workers. Leadership is a competency understood through four bases of competence: *Managing Self*, *Communicating*, *Managing People and Tasks*, and *Mobilizing Innovation and Change*. Leaders operate in a complex network of relationships and events. A dependable leader may act differently in a crisis than in a stable situation, but the characteristics of trustworthiness remain constant. Dependable leadership is enacted through 360 degree stakeholder analysis, meeting deadlines, giving credit where credit is due, creating a culture of trust, embodying mindfulness, and motivating others.

In conclusion, leaders who are not dependable jeopardize the existence of their organization. They will not be successful over the long haul. The climate of an organization with leaders who are not dependable will be an unpleasant place to work. Dependability is at the very core of good leadership.

### Case Study 14.1: Saadiyat: A Global Team in Trouble<sup>4</sup>

#### Situation

As Bob and Michal sat down to begin their assessment of the Saadiyat project, Bob worried about how to gain the trust of the team while getting the project back on track. As Global Fast Start Lead for AECOM, a \$19 billion global company focused on designing, building, financing, and operating the world's infrastructure, it was Bob's job to facilitate rapid improvement of team performance.

The Saadiyat commission was to provide a large multidisciplinary team providing technical services to a demanding Middle East client. The Project Team consisted of approximately 90 professionals from numerous countries representing over 15 nationalities. The Project Team was at the project site, integrated with the Client Team. The Project Team was in crisis; hence the contract was in crisis. Bob and Michal were the 2-person leadership team injected into the Project Team with the aim of quickly recovering the situation.

Peter, the original Project Team leader, had left abruptly without a succession plan and there was a complete loss of trust by the client team

(continued)

<sup>4</sup>Provided by Bob Coote, AECOM, with thanks from the chapter authors.

(collectively and individually). Project Team performance was generally poor overall and team members were distrustful of the client and of each other. There were several nonperformers on the Team. And to make matters worse, there was no structure to the work—no documented procedural or work practice framework; in other words, no rules of the game. The deputy leaders were burnt-out, they left shortly after Bob and Michal arrived, providing a limited handover. The Team was in a crisis-of-the-day reactive mode rather than a proactive mode. In essence the Project Team was “rudderless”; there was no “recovery plan” and no plan to develop a “recovery plan.”

Concurrent with this situation the client project was entering a critical delivery phase: the Project Team’s workload was increasing in scope and complexity and the team had commenced a significant staff build-up which was exacerbated by both voluntary and involuntary staff departures. The majority of staff was new to the Team and new to the company.

In summary, the new leaders had to reconfigure the bus while it was moving quickly down a busy highway with very important, and distrustful, clientele on board.

### **Approach**

The Leadership approach was to conduct a rapid situation assessment and to then develop and implement prioritized actions which included the development of a comprehensive, longer-term Recovery Plan. The critical task was to reestablish trust throughout the Team and with the client.

The immediate steps were to:

- (a) Communicate the situation to AECOM. This step ensured the necessary management support for implementing actions.
- (b) Develop a Short-term Action Plan addressing the immediate people, process, and tools deficiencies.
- (c) Communicate the approach to the client (the first step in reestablishing Trust).
- (d) Communicate the Short-Term Action Plan plus the underlying reasons to the Project Team (This established a shared understanding of the situation and set the *commitment baseline*-Leadership promises to the Project Team and to the client).

By delivering against the commitment baseline, Bob and Michal were able to demonstrate their dependability and thereby start the Trust establishment process.

The development of a longer-term Recovery Plan was a critical, once-only Team re-building opportunity; Bob and Michal spent significant effort in getting this right which included involving the Team in the development and implementation of the Plan.

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They knew that individual leaders needed to demonstrate that they followed through on their commitments and were visibly accountable for their actions; Bob and Michal instituted a number of activities and processes to provide the necessary opportunities. These were used to enable these behaviors to be cascaded through the Team (sub-teams, working group, and individual level).

### **Analysis**

This situation and the leadership response serve to illustrate a number of the concepts discussed in this chapter. What follows is a description of actions taken against those concepts.

#### **1. Skills of a Leader**

- (a) Dependability of the leaders was demonstrated by publicly announcing leader commitments and then following through on those commitments.
- (b) Bases of Competence
  - *Managing Self*—Each Leader was assessed and individual coaching/mentoring implemented when required. This included 360 degree assessments.
  - *Communicating*—Leaders facilitated regular and routine team meetings supplemented by an open-door policy.
  - *Managing People and Tasks*—Leaders established a documented procedural framework and aligned individual goals and objectives to the broader Team Purpose and Values.
  - *Managing Innovation and Change*—Through the enhanced communication means and procedural framework leaders were able to move from a reactive to a proactive delivery mode giving confidence and trust to the Project Team and to the client.

#### **2. Performance of a Dependable Leader**

- (a) 360 degree interaction was achieved by leaders':
  - Regular communication to the broader team.
  - Development and implementation of a High Performance Team Development Plan.
  - Implementation and review of 360 degree team assessment and feedback.
- (b) Meeting Deadlines:
  - Established daily “Huddle” meetings.
  - Created highly visible deadline charts to highlight and track the achievement of milestones in this time schedule-driven project.

(continued)

- (c) Credit given to others—via the daily “Huddle” and monthly meetings.
- (d) Trust:
- Bob and Michal established personal connections with the team members. By introducing themselves collectively, then with one-on-one sessions with key team leaders, and finally with one-on-one sessions with each team member, everyone had an opportunity to get to know the new leaders and communicate their experiences and opinions about the project.
  - Consistently following through on commitments; (established a baseline of delivering on commitments ~ the daily “Huddles” were a very good means to achieve this), used open communications, establishing stated and public team behaviors (Core Values) and linked these to individual goals and objectives for performance management purposes.
  - Removed the client from the immediate team presence; moved from integrated to co-located organization. This successful disengagement was an initial “win” by Michal and Bob as it was a demonstration that they had effected a clear change for their team.
  - While the client had established a list of Project Team nonperformers in conjunction with the previous leadership team, Michal and Bob insisted on a re-evaluation period during which they reviewed individual’s performances based on feedback from the client, relevant Project Team leaders, their one-on-one interviews and direct observations. Where appropriate they also assigned perceived nonperformers with individual tasks to assess their level of performance. The Leaders also insisted on implementing formal performance improvement protocols in accordance with natural justice processes (i.e., identifying performance issue to the individual and agreeing on performance improvement areas and metrics). The end results were that non-performers and core value transgressors were removed from the Project Team. Those with potential were put on Performance Improvement Plans. Team members who were deemed to have been wrongly labeled by the client as non-performers were defended, on occasion in public.
- (e) Mindfulness—the daily “Huddle” provided insight into current and emergent issues, instituted a “management by walking around” culture; restricted intra-team email.
- (f) Motivation:
- Developed a Purpose and Values statement and then established Sub-Team Goals; linked these to individual Job Descriptions, the

(continued)

documented Procedural framework (clear roles/accountabilities) and individual Goals and Objectives (performance management).

- Reinforced positive achievements through routine and ad hoc communication with the Team.
- Addressed performance issues proactively.
- Communicated situational change impacts immediately with the team once they were known.
- Publicly defended unwarranted client criticisms.

### Discussion Questions

- What is the relationship between leadership and dependability?
- What is the purpose of the Bases of Competence?
- How do the Bases of Competence relate to leadership and dependability?
- How can a leader effectively rebuild a team that has suffered under poor leadership and performance?
- Is leadership dependability assessed equally in times of crisis versus stability; in times of growth versus decline?
- How can leadership dependability be established in virtual environments?
- How does the case study show leadership dependability?

### Chapter Summary

- The relationship between leadership and dependability is studied.
- The Bases of Competence skills model is used to define the skills that are needed in the workplace by university graduates.
- There are four bases: *Managing Self*, *Communicating*, *Managing People and Tasks*, and *Mobilizing Innovation and Change*.
- Each base consists of individual workplace skills. There are four skills in all but *Managing People and Tasks*, which consists of five skills.
- Research results showed that the competence of university students and graduates working in corporation was higher on *Managing Self* and *Communicating* than *Managing People and Tasks* and *Mobilizing Innovation and Change*.
- Looking at the specific skills “leadership” was found to be high in demand and need for improvement but lower in competence than many of the 17 skills.

(continued)

- Dependable leadership was investigated in detail and shown to be enacted through 360 degree stakeholder analysis, meeting deadlines, giving credit where credit is due, creating a culture of trust, embodying mindfulness, and motivating others.
- A case study showing leadership dependability and the relation to the base competencies is included.

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## Abstract

Creativity is a leadership quality that should be an essential part of the job description. Leaders may not need to be creative themselves, but they need to understand key elements of the creative process (freedom/autonomy, working-memory limitations, ownership, acceptance, and creativity principles). Leaders should provide education, time, resources, and encouragement for their employees to generate many novel ideas. Leaders should make available and guide the use of specific techniques available for proper framing of tasks or problems and for stimulating the divergent and convergent thinking needed for arriving at optimal solutions for tasks and problems. The decision-making required of leaders should be delayed and focus on weeding out poor options frequently and quickly and in guiding the implementation of best ideas. Introduced here is the idea of systematically using a set of techniques known to guide idea creation and to treat ideas as a database that can be managed.

The history of vaccines provides a clear and concise case study of how creative ideas emerge and evolve into commercial development.

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## Keywords

Initiative • Global development • Environmental degradation • Political stability • Capitalism • Transformation • Feminism • Management education • Student engagement • Transformational intent

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## Creativity as Part of the Job Description

In 2013, IBM conducted a global survey of over 1500 CEOs in 33 industries in 60 countries revealing that creativity is now considered the most important leadership quality for success in business. The reason is that corporate challenges are frequently changing, unpredictable, and increasingly complex (Nikrvan, 2015).

These challenges come from the rapid pace of technology development, market dynamics, and competitive pressures. Even if the product or service is an established brand and change may not seem advisable, creativity is frequently necessary for cost cutting, better production efficiency, better distribution, and marketing plans. Think of all the well-branded companies that no longer exist: Arthur Anderson accounting, DeLorean Motor Co., E. F. Hutton brokers, Enron energy, General Foods, Transworld Airlines, Eastern Airlines, Compaq computers, MCI WorldCom phone company, PaineWebber brokers, Pullman railroad cars, Woolworth's department stores, Pan American World Airways, Standard Oil (U.S. Business, NBCNEWS.com, n.d.). Even recently, we have seen demise of such stalwarts as Blockbuster, Nokia, Borders Books, and Motorola. These companies went under for different reasons, but all might have been saved had management been more creative.

The Compaq Computer Company provides a classical example of the importance of creativity. The company was founded when the founding leaders drew on a napkin a diagram of one of the most creative ideas of our time: a portable personal computer. But apparently the leaders became too comfortable with the brilliant idea of a suitcase-size computer. The creative juices withered on poorly nurtured vines and the company missed what now seems the obvious opportunity to invent laptops, tablets, and smart phones.

Even when creativity is needed, only lip service may be paid to it. I noticed this phenomenon in the Air Force Systems Command, where there was a continual challenge to come up with better weapons systems and R&D policies and practices (Klemm, 1990).

Many leaders actually have a bias against creative ideas, especially if they are not the ones who thought of them. In the Air Force we called this the N.I.H. syndrome (not invented here). This seems to be human nature. People like to hear tales of leaders whose fresh thinking transforms their organizations, but they don't like to work for creative leaders (Mueller, Goncalo, & Kamdar, 2011). The problem with creative leaders could be that they force employees out of their comfort zone. We all value order, peace, and quiet—especially the status quo.

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## Understanding the Creative Process

Creativity and innovation are not mysterious forces over which leaders have no control. It is true, however, that leadership is often associated with orderly, controlling behavior, while creativity can be chaotic and unrestrained (Slocum, 2015) (Fig. 15.1).

**Fig. 15.1** Creativity is often thought of as some magical process wherein “stuff” is poured into the brain and wondrous creations comes out. Graphic from William Tallent. Permission granted (evidence available)



It probably doesn't matter much where an organization's creativity comes from, whether from the leaders or the workers. But if leaders themselves are not creative, they need to understand how to get the most useful creativity out of their workers (Reiter-Palmona & Illiesb, 2004). In any case, as Slocum says, creativity should be “a shared sense of responsibility.” We are moving into an era where creativity comes not from a few single free thinkers but rather a group process. The most important thing a leader can do is to communicate a compelling vision for where the organization needs to go and then support a culture that stimulates the creative ideas needed to get there. A leader has to know what motivates people to be creative in order to provide the right motivation. Below is a summary.

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## Freedom/Autonomy

Perhaps most people like to be told what is expected, what they are supposed to do. Not creative people. They want the freedom to make a unique impact on their organization. When they have what is arguably a better idea or plan, they want the chance to prove it.

Creative people are frustrated with leaders who have the N.I.H. syndrome. There are, unfortunately, leaders who think that only they can come up with good ideas.

Leaders who want a work culture of creativity need to apply pressure up front by letting their people know that creativity is expected and valued. Stating tasks and problems in ways that are open for “out of the box” thinking is usually a good idea (see later comments about framing ideas).

Personality has a great influence. The most creative people are those who are risk takers, intuitive, and who tolerate doubt and ambiguity.

Age discrimination is unwise. Older workers often have a historical perspective that promotes options that others might not consider. On the other hand, packing a work team with older workers can create a negative creative environment dominated by such thinking as “we never have done that” or “not invented here.”

Creativity teams should therefore be heterogeneous, including people with diverse educational and work experiences. It can be a good idea to have a few team members who have no expertise in the topic at hand.

## Ownership

What kind of incentive is there for a worker to generate good ideas, if management takes credit for them? People have pride in their “babies” and therefore want the recognition they deserve. The recognition may provide more deep satisfaction than a bonus.

This principle has actually been tested in corporate environments (Pelz & Andrews, 1976) who surveyed companies that provided opportunities for their scientists and engineers to have their names associated with the product, report, or process that they developed. Specific practices of such companies included:

- Giving employees as much autonomy as practical.
- Minimizing micromanaging.
- Letting professionals influence policy-making and set some of their own goals and priorities.
- Letting professionals present their own work in briefings and reports.

## Acceptance

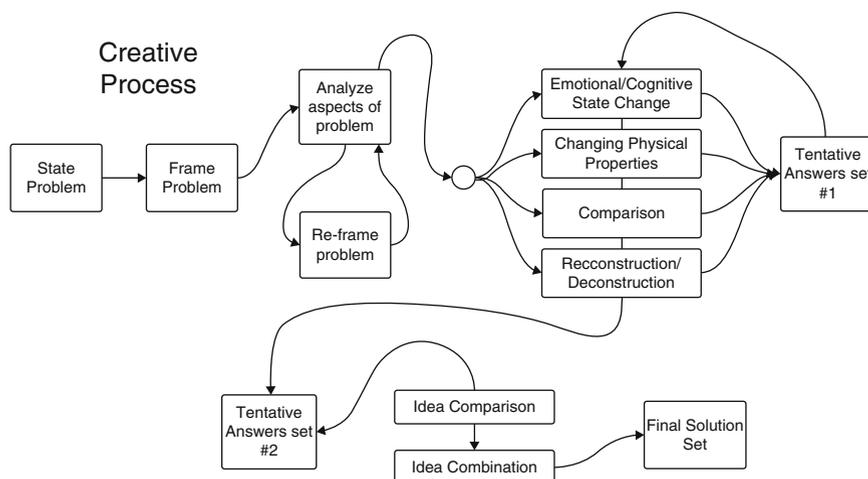
Creative people need to be valued, not regarded as crackpots, mavericks, or nuisances. They need encouragement from significant people in the organization. This often occurs in the form of a high-level “champion,” as documented in the classic book by Peters and Waterman (2004). Punishing unaccepted ideas will nullify the message that creativity is expected and valued. People tend to be naturally risk-averse. Punishment aggravates that problem.

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## Promoting the Right Processes

Scholarly papers on creativity abound (Reiter-Palmona & Illiesb, 2004). The main steps in the creative process are: (1) understand and frame the task or problem, (2) gather information, (3) generate a wide array of ideas, (4) compare and combine ideas, (5) narrow the list of options to those that are most promising, and (6) pick the winning ideas (Fig. 15.2). There are formal tools that leaders can provide to facilitate this process (see section “Creativity Principles and Techniques”).

*Frame the Problem.* The first and fundamental step in the creative process is to state the task or problem in a way that does not create a logjam to novel ideas. A question can easily limit creative thinking if it restricts the space of potential answers. It therefore is important to pose questions in open-ended ways and ways



**Fig. 15.2** Summary of how principles of creative thinking and a grouping of specific associated tools can be integrated to enhance creativity and problem solving. From Talent, LaFayette, and Klemm et al. 2015

that do not make too many assumptions about an acceptable answer. As Reiter-Palmona and Illiesb (2004) put it, “The leader’s role is to facilitate the construction and selection of the problem definition that is most appropriate given the organizational goals and needs.”

*Gather Information.* As creative thinkers gather information they habitually ask themselves, “How might this information apply to the problem I need to address?” A proper role for leaders is to manage the process so that employee findings and ideas are connected and shared widely. Unfortunately, some leaders hoard knowledge because it is a source of their individual power (at the expense of organizational power).

Special care is needed to avoid search and encoding activities that foreclose securing the information to support new ideas (Reiter-Palmona & Illies, 2004). What counts as relevant should be flexible and allow collection of a wide range of information. Commonly, creative ideas come from knowledge domains outside the one of the immediate task or problem.

*Generate a Wide Range of Ideas.* Generation of new ideas begins with the imperative of deliberately trying to think of multiple options. The practical task becomes one of reducing the size of the problem and alternative solution space to workable dimensions. That may well be why one has to be immersed in the problem for long periods, with subconscious “incubation” operating to help sort through various alternatives and combinations thereof.

Specific creativity tools can be a necessary part of such divergent thinking (see below). Leaders should make these tools available to employees and encourage their use. Some patience is needed, inasmuch as the first ideas generated are not as likely to be novel as ones that emerge later in the process (Reiter-Palmona & Illies,

2004). In Einstein's case, once he got the basic idea for general relativity right, which took about a decade, he worked out the equations for it in the last five weeks.

Imagery is more likely than language to stimulate new thought. Some famous scientists claim that their best thinking occurs in the form of visual images, even at the level of fantasy. Words and language, according to Einstein, had no role in his creative thought and math was used mainly to express and test the ideas quantitatively. In one of Einstein's fantasies he visualized himself riding on a beam of light, holding a mirror in front of him. Since the light and the mirror were traveling at the same speed in the same direction, and since the mirror was a little ahead of the light's front, the light could never catch up to the mirror to reflect an image. Thus Einstein could not see himself.

A famous Nobel Prize scientist, Linus Pauling, said "To have a good idea, you have to have lots of ideas." Knowledge can empower thinking because it provides a source for seeing other potential alternative approaches to a task or problem.

The reader may perhaps recall the famous quote from Louis Pasteur, "Chance (discovery) comes only to the prepared mind." Einstein, for example, would not have discovered relativity if he had not known basic physics in general and Maxwell's ideas and equations in particular. As my friend, Ann Kellet has said, "To think outside the box, you have to know what is inside the box."

Though organizations need employees with expertise, all organizations can benefit from having at least a few generalist "Renaissance" people because of the diverse perspectives of their knowledge. Leadership training in the military creates diverse experience by frequently rotating the types of command assignments.

*Think Beyond the Obvious Relationships.* Our natural tendency to classify things can block creativity. For example, something in Newton's sensory or cognitive world caused him to see the similarity between an apple and the moon in a new way; of course they both were round, solid bodies, one red, one yellow, one edible, the other not. But Newton saw another relationship: both could fall in response to some force (gravity). Our usual insistence on describing, naming, and classifying can get in the way of fresh thinking.

*Compare and Combine Ideas.* The next stages involve realizing permutations of alternatives that are significant. These alternatives can be processed logically (by associating, sorting, and aligning into new or unusual categories and contexts) or more powerfully by the use of images, abstractions, models, metaphors, and analogies.

This convergent thinking stage of creativity involves a progressive narrowing of options and a readiness to break down and reformulate the categories and relationships of thoughts and facts and reconsider earlier decisions in the later stages.

These operations must occur in working memory, which unfortunately has very limited capacity. That is probably the reason why insight and creativity are so hard to come by. People think stepwise with what is in their working memory. The practical point is that as tentative ideas surface, they should be condensed into as few words or drawing elements as possible, because they need to be held in working memory while searching for associations with other options (which also should be chunked).

*Narrow the List.* When working to reduce a list of potential ideas, best results for finding novel associations and spin-off of other ideas will occur if the original list is shuffled several times. Serial order of items affects how well they are held in working memory, which favors the most recent items in a serial list. Also, items first in a list also get preferential working memory treatment. Shuffling the list gives the options in the middle of a list a better chance to receive their due notice.

*Pick the Winners.* Critical and logical analysis should be delayed until this final stage to force a refinement of the emerging ideas. Analysis may force the realization that the wrong problem is being worked or that it needs to be reformulated. The final choice only requires that each idea is tested against the selection criteria (cost, efficiency, competitive advantage, or whatever is appropriate). Selection may even be data driven.

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## Creativity Principles and Techniques

Leaders need to know how to get their colleagues' creative juices flowing by using specific methods and tools that have been designed just for that purpose. My colleagues (Will Tallent and Carol LaFayette) and I have surveyed about 100 known methods and tools that reportedly stimulate creative thinking, as summarized at <http://www.mycoted.com>. Our aim was to identify the set of underlying principles embodied by those methods and tools. We identified four major categories of principles as follows:

### 1. Emotional/Cognitive State Change

- *Emotional Perspectives:* frame the problem through different emotional or mental states.
- *Competition:* use a game-like environment to liven up a group or individual.
- *Shock Factor:* use something shocking or “off the rails” to get the mind off the task at hand and loosen up a mind that is too focused.
- *Visual Representations:* use visual representations of ideas, words, or problems.

### 2. Changing Physical Properties

- *Expansion:* use a more generalized view, looking at the bigger picture, or changing the size and scale of a problem or solution.
- *Synonym:* change a word or phrase into something similar in order to get a different perspective.
- *Opposite:* change an entire sentence or any element of it into its opposite meaning.
- *Visual Abstraction:* use either purely abstract visuals to spark ideas or abstract an already formed idea.
- *Abstract Associations:* imagine how to relate two things that are either somewhat or completely unrelated.

### 3. Comparison

- *Comparison of Possible Solutions:* find quantitative differences and/or similarities in solution sets or aspects of a problem.

#### 4. Reconstruction/Deconstruction

- *Deconstruction*: pull apart elements of a problem or idea.
- *Combination*: combine ideas, similar or not, into one cohesive plan or idea.

We recommend that whenever leaders are confronted with a problem or need for invention, they should guide workers through a set of tools that embody the principles in each of the four categories. Most of the creativity literature emphasizes framing the problem and then seeking novel ideas by divergent thinking to generate a wide range of alternative solutions. Many divergent thinking techniques use random stimuli to force novel connections. Convergent thinking approaches creativity in the different, but complementary, way of being more specifically goal-directed to the task or problem at hand. Here the idea is to view a problem from multiple perspectives. In each category, we ranked the methods we liked best and identify them here. However, we emphasize that a comparison of the effectiveness of the various methods has not been experimentally tested, and research in this area seems sorely needed. Nonetheless, here are the approaches we think show promise, by category (Table 15.1).

**Table 15.1** Recommended tools for creativity

Technique	How it works
<b>Framing the Problem</b> (state the problem in different ways to gain new perspective)	
Exaggeration	Change the magnitude or nature of the problem (make it bigger/smaller; use caricature; change power or status).
Osborn's checklist	As in Exaggeration. Also, substitute, reverse, combine, or rearrange components of the task.
Boundary examination	Underline key words and examine each for hidden assumptions. Redefine with different words.
Reversal	Reverse statement of the task or problem.
<b>Divergent Thinking</b> (use non-typical thinking to generate ideas)	
Escape thinking	Change the assumptions. Compare multiple alternatives.
Brutethink	Bring random word into problem and think of its associations. Force connections with the problem.
Heuristic Ideation	Choose two novelty goods related to area of interest and describe the attributes of each good.
Circle of technique	Draw a clock with 12 numbers and list attributes of the problem on each number. Roll dice to select two attributes in turn and identify how they can associate with each other and with the problem.
<b>Convergent Thinking</b> (view the problem at hand from different perspectives)	
KJ method	Write all facts and information on separate post-its cards, shuffle, and group cards that seem to belong in the same group. Name the group. Create larger groups from the initial grouping. Use arrows to show relationships (cause/effect, interdependent, conflicting, similar, etc.). Verbally explain the structure of the cards.
Cherry split	State tentative challenge or problem in two words. Then state each word with two separate attributes. Split each of these into two more attributes. Think of ways to change each attribute with the aim of refining to a better solution.

(continued)

**Table 15.1** (continued)

Technique	How it works
Analogies	Identify what you want ideas for. Find a core verb phrase that captures the nature of what you are looking for. Find analogies for each verb phrase of what each action is like in some way. Pick an analogy that is interesting and comes from another domain. Describe the analog including how it works, what it does, what it affects. Use description to suggest refined ideas relevant to your problem.
Morphological forced connections	A matrix method for using problem or idea attributes to identify uniquely useful combinations. List attributes of situations, task, or problem in top row of matrix. Below each attribute create rows to place as many alternates as you can think of. When completed, make random runs through the alternates to pick a different one from each column and assembling the combinations into entirely new forms of the original.

## The Organizational Environment for Creativity

Leaders, even unimaginative ones, can learn how to recognize and value creative people and provide a welcoming environment for new ideas that does not intimidate or punish people for maverick thinking.

One road-block for managers to cultivate a creativity culture is the assumption that only a few workers are creative and that there is not much you can do to turn “sows ears into silk purses.” Certainly it is true that naturally creative people are rare and may be hard to entice onto the payroll, but a proper creativity environment can bring out the best in an ordinary workforce. Just what is needed?

People who have looked carefully at the creative process have learned that everyone of ordinary intelligence has latent creative abilities that can be enhanced by training and by a favorable environment. But many of us have not developed our creative capacity. Our brains seem frozen in cognitive catalepsy, boxed in by rigid thinking. Yet most people have innate creative abilities that can become manifest when creativity is nurtured. D. N. Perkins, author of *The Mind's Best Work*, reports experiments showing that creativity arises naturally and comprehensibly from certain everyday abilities of perception, understanding, logic, memory, and thinking style.

One job of a leader is to stimulate workers to be more creative. Beth Comstock, the CMO at General Electric, gives some practical advice on how to think innovatively (Comstock, n.d.). Her specific advice for workers and leaders includes:

1. Nurture the newborn idea. Be patient with questionable ideas. They will often grow or transform into better ideas. Sit on it, let it incubate (Fig. 15.3).
2. Commit to a promising idea. Successful ideas are nurtured by passion. If you believe in the promise of an idea, noodle it to fit a meaningful problem. Do your homework. Smooth the rough patches. Ask others to help make the idea better.



**Fig. 15.3** Good ideas have to be nurtured as they grow to yield their fruit. Image courtesy of Sura Nualpradid at FreeDigitalPhotos.net

3. Tell others, even when you feel embarrassed about how weird the idea might be. This clarifies your own thinking and at least a few of your listeners may get intrigued and help you improve the idea.
4. If you believe in your idea, don't give up. Don't be intimidated by negative feedback. Use such feedback to improve the idea. If necessary, put the idea in storage until improvements come to mind, or new technology or resources become available, or others are more accepting.

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## Leadership in Decision-making

Organizational leaders need to be engaged in making a final decision on which ideas to pursue. This process is beyond the scope of this chapter, but I suggest use of some formal decision-making tools such as Value Engineering ([www.mycoted.com](http://www.mycoted.com)).

## The Value of Fast, Frequent Error

You may not have ever watched a rat learn a maze, but it can be instructive. A rat (that knows the maze has a food reward at the end) will move rapidly through the maze, making rapid mental notes on wrong choices. The faster the rat can make those errors, the faster they will find the right path.

This applies to human testing of new ideas. Many such ideas are not practical, and the faster you find that out, the faster you can find the ideas with big payoff

(Babineaux & Krumboltz, 2013). This winnowing can be accomplished by “proof-of-concept” tests that are small-scale trial runs. Such tests identify problems early on, leading quickly to finding glitches, dropping poor ideas, and identifying limitations of good ideas that need to be patched early when it is probably less expensive to do so.

## Transitioning to Implementation

In technical fields, this process is called “technology transition.” But whether a great creative idea involves technology or not, the final process of transitioning has to be accomplished. Implementation is a whole different ball game with different rules and required skills of managers and workers. In military research and development, for example, there are formal distinctions made between basic research and applied research (putting “rubber on the runway” as they say in the Air Force) (see examples in Table 15.2).

In some research and development environments, a “team” mentality prevails in which the original idea becomes a team project which they implement. This has the advantage that the team is invested in the idea and motivated to make it succeed. But all too often, the original team lacks the skills to achieve successful transition. At the very least, management needs to provide such teams with a “champion” and supporting resources that do not exist within the team (Peters & Waterman, 2004).

As an example of a complete R&D process, we could consider how the US military has been doing it for many decades. I was fortunate enough to participate in this process in a small way and share here a summary of the categorization scheme that the military uses in weapon-systems research and development. I paraphrase the steps in Table 15.2. This process outline seems to have application to civilian R&D.

**Table 15.2** Military R&D processes<sup>a</sup>

Category	Processes
6.1	Seek basic knowledge and understanding without applications in mind
6.2	Seek a knowledge and understanding that might lead to a solution to a known problem
6.3	Prepare for proof-of-concept field experiments and tests
6.4	Test in a realistic operating environment to assess cost and performance
6.5	Evaluate needed engineering and manufacturing capabilities
6.6	Develop management support systems
6.7	Begin manufacturing and acquisition. Test and evaluate

<sup>a</sup>[http://www.rand.org/content/dam/rand/pubs/monograph\\_reports/MR1194/MR1194.appb.pdf](http://www.rand.org/content/dam/rand/pubs/monograph_reports/MR1194/MR1194.appb.pdf)

### Case Study 15.1: A Condensed History of Vaccines

Vaccines either contain antibodies to combat a bacterial or viral infection (passive immunity) or stimulate a patient's immune system to develop the antibodies (active immunity). Historically, these vaccines are produced by harvesting the antibodies from an animal or tissue culture or harvesting the infectious agent after it has been weakened in some fashion.

The idea of vaccines was first formalized by Edward Jenner who lived in a time when smallpox was rampant throughout the world (Reidel, 2005). Infected people often died, but Jenner focused on the ones that survived. Why did they survive? He reasoned that the infection might have stimulated a body defense mechanism. He also knew from public reports that people who survived smallpox were resistant to a repeat infection, and such people were often used to provide medical care for smallpox patients. Jenner correctly reasoned that some benefit might accrue from deliberately infecting people with a weaker version of the virus that was not potent enough to kill them. It was a "what doesn't kill me makes me stronger" idea.

Jenner's professional life was probably relevant to his creative insight. He was trained as a physician, but one of his main mentors was a biological scientist. Jenner had diverse interests, even studying geology and conducting multiple biological experiments that included human blood, hedgehog hibernation, bird migration, cuckoo rearing of chicks. He even built and launched a hydrogen balloon. He played the violin and wrote poetry.

The smallpox breakthrough came when Jenner learned that dairy maids who had contracted cowpox from milking infected cows seemed unaffected by smallpox epidemics. Voila! Could it be that cowpox is a weakened form of smallpox that could be used as a vaccine? Yes. In 1796, he injected matter from a dairymaid's skin lesion into an 8-year-old boy. The boy became sick with a mild fever but recovered after 9 days. Two months later, Jenner injected matter from a fresh smallpox lesion into the boy. No sickness occurred. Jenner submitted a research report to the Royal Society, which they rejected. He repeated the experiments with other patients with the same good results and self-published a booklet explaining his research and its implications. Scholars of the era rejected Jenner's data and ideas in that publication. Fortunately, some of Jenner's physician contemporaries knew about his work and bought in to the idea and generated compelling data. By 1800, smallpox vaccination became widespread in Europe. Consider the discussion questions in Table 15.3.

#### Epilogue

A whole pharmaceutical industry developed over the next 200 years that used technologies to scale up vaccine production and to develop vaccines for a wide range of diseases. Invariably, these technologies involved cultivating infectious organisms in live animals, eggs, or tissue culture.

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**Table 15.3** Smallpox analysis questions

1. What is the relationship of creativity to the dictum: "Find a need and fill it?"
2. What in Jenner's life background might have helped make him a creative person?
3. Did those experiences make him more creative or just reflect that he was creative?
4. What roles in his creative vaccination ideas do you think were played by such factors as:
  - Observation (seeing what others looked at but did not see)
  - Prior knowledge
  - Persistence
  - Serendipity/luck
  - Risk acceptance, courage
  - Communication with others
  - Leadership

But a wild new idea has emerged in the last few years, derived from the whole new industry of genetic engineering. Why not figure out a way for plants to make vaccines? Plants are cheap to grow, they grow fast in large quantity, and they make proteins (antibodies are proteins). Traditional vaccine production methods can take six months or more. Plants can theoretically do it in a matter of weeks, which can be crucial for a sudden epidemic like Ebola or a new flu strain for which there is no existing vaccine. We know that genes direct which proteins are made inside cells, whether they be from animal or plant origin. In animals or humans that make antibodies in response to a specific infection, there must be a gene that directs the cells to make that antibody protein. How do we get those genes into plants?

Remember the Greek Trojan-Horse story? Why couldn't you use a living organism to insert those genes into a plant so that the plant can make the antibody protein cheaply, rapidly, and in large quantities? The rigid cell walls of plant cells also could allow the vaccine to be taken orally and protected from destruction by stomach acids. The theory is sound. It is just a matter of developing the technology. But the technology needed had its own demands for creative thinking. Which plants? How do you get them infected? In 2000, a U.S. Patent US 6034298 was awarded on this idea to Prodigene, Inc. that had developed a practical approach.

Proof-of-concept was developed in tobacco plants in North Carolina (Reuters News, 2014). My own university received a \$40 million federal grant to help turn this novel idea into a new industry (World Heritage Encyclopedia, 2014). Tobacco plants are being used by Caliber Biotherapeutics

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for the rapid production of flu antibodies. A viral antigen that triggers an immune response is identified. The gene that makes this protein is transferred to bacteria, which in turn are used to “infect” the tobacco plant so that it starts “manufacturing” the antibody.

An extension of this idea is to find a way to get the genes into the reproductive organs of the plants so that seeds of each generation of the plant have the ability to make the vaccine. This may prove to be tricky, but a proof of concept has been successful. Consider the discussion questions in Table 15.4.

**Table 15.4** Plant vaccines analysis questions

1. What is the relationship of creativity to the dictum: “Find a need and fill it?”
2. What roles in the creativity do you think were played by such factors as:
  - Observation (seeing what others looked at but did not see)
  - The negative and positive effects of prior knowledge
  - Metaphors
  - Persistence
  - Serendipity/luck
  - Risk acceptance, courage
  - Communication with others
  - Leadership
3. How does this example illustrate the differences between basic and applied research?
4. If plant production works better, how would you go about creating a way to rescue traditional companies?
5. What is the limitation of plant production of vaccines? Hint: can they make an active vaccine with an attenuated live infectious agent? Why or why not?

### Discussion Questions

1. Is it important for leaders to be creative if they value creativity and nurture it in their employees? Why or why not?
2. Do you agree with Slocum’s assertion that creativity should be a shared responsibility in an organization? Why or why not?
3. If you were conducting a hiring interview, what questions would you ask to find out if the job applicant was creative?
4. If you were a leader of a work team or organization, what would you do to create a systematic process for generating task-relevant ideas and deciding which ones to implement?
5. Describe a task or project that you have been involved in where creative ideas proved to be essential. How did that creativity arise? Describe also a task or project that failed because of insufficiently creative ideas. What interfered with the production of creative ideas?

### Summary

- Creativity is part of the job description for leaders.
- Leaders need to surround themselves with creative people, especially if the leaders are not particularly creative.
- Leaders can get too comfortable with the current status quo.
- Creativity and intelligence are two different things, often not found in equal degree in the same person.
- Creativity and innovation are not mysterious forces over which leaders have no control.
- Creativity requires freedom/autonomy, a balance between pressure and freedom, framing ideas to accommodate human working memory limitations, a sense of ownership over one's ideas, acceptance by significant others, and the right processes that stimulate creativity.
- Creative strategies include framing the task or problem, gathering information, generating multiple and diverse ideas, use of imagery, and use of specific creativity-stimulating techniques.
- Creativity principles include emotional or state change, changing physical properties, comparison, and deconstruction or reconstruction of the emerging tentative ideas.
- To create a work environment for creativity requires supportive leadership and creativity tools that collectively encompass the full range of creativity principles.
- In early stages of creativity leaders should be hands-off, but in final stages they should structure the process to identify weak ideas quickly.
- Implementation transitioning needs highly structured and sequenced processes.

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### Abstract

Leadership entails initiative. Scholars and teachers have many opportunities to demonstrate leadership through our choice of projects and the theoretical lenses we apply to them. We take our position with those scholars who suggest that the predominant direction of global development generates significant social and environmental degradation and fuels the insecurity this degradation generates. We provide a radical feminist orientation to this view of globalization and introduce some inspiring initiatives intended to contribute to the transformation of local and global development in ways we value. Thus we begin the chapter by sketching our radical feminist position on our stand with those who are critical of the current path of global development. We then draw attention to initiatives that express values of leaders infrequently hailed in management education. We make suggestions for student engagement with our analysis of globalization, our radical feminist orientation, and our chosen stories of transformational intent.

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### Keywords

Initiative • Global development • Environmental degradation • Political stability • Capitalism • Transformation • Feminism • Management education • Student engagement • Transformational intent

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## Telling Stories of Initiatives with Transformational Intent

There is no country in the world which offers equality to women and girls.

Even supposedly more advanced societies still codify discrimination against women in their laws<sup>1</sup>

## Initiating Question About the Dominant Story of Global Development

The system of global economic development based on the coming together of democratic and capitalist principles has been attributed by their advocates as the source of much wealth, the alleviation of much poverty, and the uniting of nations through the promotion of individual freedom. The story such advocates tell is one of a declared shared interest in freedom. It is a story of equal opportunities as justice. They advocate for universal inclusion in the means to just livelihoods. It is a story about social and political stability that is to be defended by just wars, political interventions in geopolitics areas of interest, and the strengthening of police powers to quell inappropriate disturbances of the peace. This mode of development however, has a dark side. This dark side includes the growing disparity of wealth and influence within and across nations and the systemically generated environmental degradation that puts the well-being of people and planet at risk. These worrying trends are recognized by global institutions such as the United Nations, the G7, and many corporate leaders. These trends have also found discussion in the more recent themes of the Academy of Management, the leading professional body for management researchers in Anglophone nations.<sup>2</sup>

Despite significant agreement about the dangers of the prevailing form of globalization, the many calls for drastic action, and much investment in technologies for change, the predominant trajectory of global development seems not to be transforming for the better the systemically generated social and environmental degradation and the insecurity this degradation generates. We explore our understanding of paradox and contradiction in the model of global development that advocates freedom and prosperity for all yet degrades so much. We suggest that the kind of leadership that has prevailed—particularly as conceived of and taught in western-orientated business schools—remains deeply committed to the service to The Economy with vestiges of Patriarchy perhaps under pressure but not erased.

In this chapter, we call for leadership to vanguard the well-being of all people and the restoration of the vitality of Mother Earth. We do so with the insights of radical feminist ideas as a guide. We thus begin our chapter with a brief review of the scholars whose views about globalization inform our thinking. We describe our attraction to radical feminist orientations to such critique and to the associated

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<sup>1</sup>Jacqui Hunt, Director and Head of Equality Now's international discrimination in law program, (Fortsythe, Y. 2015: *M2Woman: World Report* p. 37). <http://www.equalitynow.org/about-us>.

<sup>2</sup><http://aom.org/annualmeeting/2014/theme/>.

mandate to act. As scholars our initiative is the intentional contribution to radical analyses of seemingly intractable issues of social injustice and environmental degradation. We move from articulating our theoretical orientation to telling stories of initiatives that express the values of leaders not often hailed in our classrooms. We then describe a research initiative undertaken in conversations with our peers that include an intention to converse responsibility for the transformation of such social and environmental degradations as expressed in this chapter. Our peers are researchers and teachers in schools of management studies. We conclude the chapter with some questions of ourselves, of our peers, and for our students.

## **Critics of Globalization: A Radical Feminist Orientation**

Has feminism entered into a dangerous liaison with capitalism?

The question above is asked by Hester Eisenstein (2005). It was a question asked more than a decade earlier from within the academy that positioned Calás and Smircich (1993) as leaders in this field. More than two decades later the concerns expressed by authors such as Calás and Smircich and by Eisenstein are as important as ever. It is the globalization of capitalism particularly in its current form that we have put our minds to in this chapter on leadership and initiative. This form of economic direction is often expressed as global development and implies a sense of responsibility of compliance with its initiatives in the purported interests of the common good. Our initiative is to invite a refreshed critique of the globalization of capitalism from feminist points of view.

### **Feminist Views**

Feminist views come in many varieties. Feminist orientations generally share a concern about the oppression of women. They seek to achieve the emancipation of women from gendered injustice. As a general orientation of values and beliefs about the oppression of women, feminist ideas are often represented as a cohesive ideology. Diverse feminist orientations however, may be more accurately viewed as the portfolio of political, social, economic, cultural movements that aim to establish equality between women and men. With this diversity of feminist perspectives, come different ways of understanding globalization.

Globalization is a term used by authors leading a critique of capitalism as the prevailing form of global development. They include such people as David Korten (2015), Naomi Klein (2014), Graeme Maxton (2011), Joseph Stiglitz (2010), Noam Chomsky (2006), Jane Kelsey (2002), Susan George (2000), Vandana Shiva (2000), and many other thought leaders. Some bring explicitly feminist ideas to their critique. None would deny that gender is significant in terms of opportunities and outcomes. Globalization, argue these critics, is intensifying competition as a significant organizing dynamic that serves elite interests sometimes with life-threatening outcomes for individuals, communities, and whole nations. This analysis of prevailing economic directives is growing in strength in communities around the world.

From their visibility in World Trade Organization protests at Seattle in 1999 to the Occupy Wall Street Movement and its replications the world over, protestors may have been policed off the streets, but their ongoing impact as part of a growing critical community are still being amplified and are well networked the world over.

The growing critique of the dominant form of globalization has generated conversations across the political spectrum about the future of capitalism. The G7, the United Nations, and numerous civil society and professional bodies have joined in. The Academy of Management has demonstrated leadership in these debates in various initiatives. The themes of their recent calls to conferences stand as examples: “Capitalism in Question (2013), “The Informal Economy” (2012), “West Meets East” (2011), and “Dare to Care” (2010). Parallels may be seen in the calls to conferences by European Group for Organization Studies where there has been a courageous invitation for greater scrutiny of the present reverberations of past European colonization endeavors and for greater engagement with humanly induced climate change. The endorsement of the United Nations initiative for Principles for Responsible Management Education (PRME)<sup>3</sup> and the growing space given to Critical Management Studies are two further examples of leadership initiatives within the Academy that address the concerns about the dark side of the prevailing model for global development. In all discussions, the gendered effects of the prevailing form of globalization are shown as affecting women and their dependents disproportionately.

### **Feminist Views on Globalization**

Feminist engagement with the critique of capitalism and its intensification globally did not begin in response to the crises capital faced at the end of the twentieth and beginning of the twenty-first century. A variety of feminist ideas can be found throughout the history of western imperialism and its economic enchantment with various forms of capitalism. What they have in common is a call to action. Feminist ideas not only bring into question male domination and a patriarchal status quo but also encourage action for social change. “Feminist theories are critical discourses and are considered to be political” (Calás & Smircich, 2006, p. 219). Accordingly, feminist work in organizational studies has provided many initiatives that have been integrated in management studies and practices. The most influential of these initiatives might be articulated as the EEO philosophies and practices intended to ensure equal opportunities for women and men in all aspects of life. However, despite these fervent commitments to principles of liberty, justice, and universal inclusion, the growing evidence is that countless hardworking people complying faithfully with economic and political directives are experiencing downward pressure on their well-being. While this is a wide-spread phenomenon, these outcomes are uniquely or more intensively experienced by women and their dependents.

Long embedded gendered differentiation has persisted despite changes in the way some women have been able to access positions of influence and personal opportunities. The EEO initiatives that have opened opportunities for a relatively

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<sup>3</sup><http://www.unprme.org/>.

small proportion of women around the globe are largely generated from liberal values of the very kind that Calás and Smircich (1996) analyzed so deeply and from so many feminist perspectives. Verbos and Humphries (2012) invite a review of the prevalence of this liberal perspective and call for a rethink. They invite the decoupling of notions of equality and of diversity management brought together in a system-preserving liberal agenda. They suggest a more critical approach to ideas of justice, inclusion, and the flourishing of people and planet by paying closer attention to the values expressed by many indigenous peoples. Their call requires a letting go of vested interests in forms of reasoning that prioritize a western instrumental ethic in the directives of relationships among people, processes of development, and the relationship between people and planet. It requires a significant amount of initiative, courage, and creativity to loosen the bonds that tie ideas about the emancipation of all women to the false promises implied in current trajectory of globalization.

Hester Eisenstein (2005) sees much potency in feminist perspectives. “Feminism” she writes “acts as a cultural solvent as globalization erodes the traditions of patriarchy” (p. 487). We are not so sure. Eisenstein expresses her concern about globalization in terms of the decline in a viable family wage, the regression of welfare systems, the growth on microfinance programs for women, and in the most dangerous of equality agenda, equal opportunity for women in the “war on terrorism.” Her concerns flow from her response to the question: *Has feminism entered into a dangerous liaison with capitalism?* The tension between the liberal and radical in response to this question is worthy of closer inspection. It is often expressed as a contest of “left vs. right.” Eisenstein enters this contest. She calls “the left” to take on board the crucial contribution of feminist ideas and activism, as we contemplate a world when “alternatives to capitalism have become devalued and de-legitimized” (Eisenstein, 2005: p. 487).

A decade after Eisenstein expressed her views the study of links between social and environmental degradation and the prevailing economic order are intensifying. The impacts of human life on climate change, the global insecurity generated from accessing raw material and labor, the shaping of humanity through identity-altering consumerism, and the quest to dominate space are just some examples. Gender is always implicated—privileging some women through career progression into positions of system-preserving leadership—with all the dangers this liaison brings. Liberal feminists have been diligently at work to achieve an equal representation of women in all fields of human endeavor, and at all levels of leadership. Even when assessed according to the principles of equal opportunity embedded in the neoliberal version of globalization, equality between women and men in positions of leadership, income, wealth, and power are far from achieved. Regardless of all these initiatives, gender inequality remains evident the world over. Of the few women we have seen on the global stage, we suggest most are likely to serve as system-preserving leaders than leaders whose initiatives will bring forth a more just and sustainable future for all. Paradoxically, the remedies to disparities, injustices, and insecurities they have benefited from are framed as solutions to the very system of development that is generating the injustices for many more women, men, and the

very planet we must all rely on for life. In the face of this paradox, we have been drawn to consider more radical analysis and to leadership initiatives that call us towards very different ways of being human and a very different relationship with Earth than is assumed in the prevailing forms of global development.

### **Radical Feminist Orientations and Intentionality**

Whelehan (1995) argues that radical feminist perspectives in a pluralist society are ways to demonstrate women's responsibility to justice. According to Echols (1989) radical feminists posit patriarchy to be the main source of women's oppression. Such feminist perspectives intend to bring change in women's lives by producing epistemologies for transforming patriarchy (Maynard & Purvis, 1994). Such feminists call for a deeper analysis of fairness and justice than is currently offered by those seeking to achieve equality between women and men in system-preserving adaptations. Is Patriarchy an outdated concept? We suggest that Patriarchy is thriving, with a select few women drawn into its service and many men, women, and Earth herself pressed into subjugation.

From a radical feminist perspective, equality and equity are considered to be two distinct ideas that need clarification. Equality can be related to treating people on equal terms whereas equity may be regarded as fairness or justice. Equity is viewed as fair treatment without discrimination. According to Calás and Smircich (1996) gender equity is a more fruitful area of exploration but this equity cannot be considered without a broader consideration of the exclusions and discriminations that are generated by the economic and organizational systems for both women and men. Calás and Smircich (2003) recommend a radical rethinking of development in organization and management studies in a global economy. Humphries and Verbos (2012) argue that The Academy is an example of the pervasiveness of market-orientated logics driven by managerial interests that may not produce the conditions of optimum vitality for women (or men). Persistent inequality, either in their own institutional experiences or for the lives of many in their wider communities, are influenced by the institutional logic that appears to pervade in what (Deetz (2003) calls the colonization of the life-world. A radical feminist orientation to any form of colonization posits Patriarchy as a dominant dynamic. The current form of global developments deepens patriarchal control largely shaped as the corporate dominated form of globalization. Merely "adding women in" to gain numerical representation with men in the current form of globalization is not an adequate step towards a universally just and sustainable future. But to agree with critique alone does not change a situation. Who must take the initiative to lead change?

#### **Case Studies 16: Radically Different Ways of Being Human—Inspiring Initiatives**

We have chosen to apply more radical feminist ideas to the issues critics have voiced as endemic in globalization. Our choice is part of an amplifying idea that a liberal response to the current form of neoliberal global development is

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**Case Studies 16** (continued)

not adequate to address the issues embedded in that form of globalization. This form of development is increasingly articulated as unacceptable, dangerous, and plain wrong by increasing numbers of scholars, practitioners, and citizens. One of the ways in which academics can show leadership and initiative with regard to enhancing social justice and contributing to the restoration of the planet is through the stories we choose to tell and the networks we choose to engage with. We provide three examples below:

***Example One: Restoring Earth and Fighting for Justice***

Patricia Gualinga is a community leader who with her community of 1200 Kichwa people lives in the village of Sarayaky. Together they have successfully fended off oil companies and a government intent on exploiting their land for profit. Patricia travels the world speaking out in defense of indigenous rights and for the protection of Earth. The Kichwa are part of the counter-capitalist vision that is spreading the world over. They call it “umackawsay” or in English “living well”. Patricia explains it as “choosing our responsibility to the seventh generation over quarterly earnings, regeneration over economic growth, and the pursuit of wellbeing and harmony over wealth and financial success”. The leadership on these matters come as a warning to energy company executives and the mutual strengthening of an alternate future for humanity and the planet in organizations such as Amazon Watch, Amnesty International, and the United Nations (Goodman, 2015 p. 29).

As scholars we can choose what parts of these stories we bring to view in our writing and our teaching. Feminist orientations to the story of exploitation of people and land are not without controversy and contradictions. An example of such a controversy can be seen in Hilary Clinton’s assertion that “dirty oil” is a necessity to preserve the American way of life even if the preservation of the American way of life calls for the sacrifice in health and well-being of some specific individuals and parts of Earth well beyond a specific drilling site.<sup>4</sup>

**Questions for Example One**

- How does power and responsibility go hand in hand?
- Would the placing of more women in strategic positions of authority transform the ways of the world?
- Why do we tend to overlook some indigenous perspectives on life and righteousness and find attraction to others when global development is being promoted?

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<sup>4</sup><https://www.youtube.com/watch?v=61X4IQnmd0>.

### Case Studies 16 (continued)

- Where do we see lines of disagreement and convergence between indigenous and corporate models of global development for catering to the needs of people and for the restoration of the degradation of Earth?
- How can management educators who are not rooted in indigenous ways of being, facilitate student exploration of indigenous initiatives towards taking action in the face of global challenges?

Liberal feminist initiatives have provided Hilary Clinton with the kinds of career opportunities that allow her now to run for the Presidency of the USA. Such opportunities might be read as a victory for EEO advocates and activists. She might be considered an icon of liberal achievement. Her values however, stand at odds with more radically orientated critics from many quarters who insist that the trajectory of global development we have discussed above is unsustainable and harm many women, men, and Earth. We now have a woman ready to compete for the Presidency of the nation still considered as the most powerful nation on Earth. She is steeped in the logic of the development ideals that some believe to be the very cause of human and environmental degradation. She and many leaders like her may not be “radical” enough to help change the dangerous dynamics of the prevailing trajectory of global development. They may not even aspire to such a vision. To invite reflection on alternatives for the trajectory of humanity and our relationship with the planet, we showcase courageous grandmothers who call on their experience of colonization and their knowledge of ancient wisdom that may hold the seeds of a different story to narrate our universal future.

#### *Example Two: Grandmothers Speak*

In 2004, 13 grandmothers from indigenous communities came together from territories now known as Alaska, America, The Pacific, Asia, and Africa. They met in New York to form a new global alliance. Their initiative was motivated by their observation of the unprecedented destruction and degradations of Earth and all her creatures.

We are deeply concerned with the destruction of our Mother Earth, the contamination of our air, waters and soil, the atrocities of war, the global scourge of poverty, the global threat of nuclear weapons and waste, the prevailing culture of materialism, the epidemics that threaten the health of the Earth's people, the exploitation of indigenous medicine, and with the destruction of indigenous ways of life.... We join with all those who honor the Creator and all who pray and work for our children, for world peace, and for the healing of our Mother Earth.<sup>5</sup>

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<sup>5</sup> <http://www.grandmotherscouncil.org/alliance-statement>.

**Case Studies 16** (continued)

When we think of the Grandmothers, we are encouraged to respect their wisdom. When we listen to their call, we are invited to remember the spiritual, the mysterious, the unknown as well as the known. When we think of Earth as our Mother, our ancient and future Mother who defies time, we are encouraged to see the hills, the trees, water, and land as living relations.

**Questions for Example Two**

- What is the evidence in your life that the views of old women are to be respected?
- Where are the commonalities in calls to prayer and action for justice and environmental restoration among the communities you know of?
- How do we encourage respect for indigenous values practices in our environment and our daily life?

The Grandmothers call our attention to the exploitation of indigenous knowledge and ways of life. What examples can you think of that add evidence to their concerns?

Where, in your life, are the mysteries of spirituality given time and attention? To what effect?

The practical out-working of a view that seeks to prioritize the well-being of Mother Earth is complicated. Our third story is of a young woman whose priority is to save Earth and in doing so, hands out tough justice on the people of the rain-forest.

***Example Three: Dangerous Initiatives***

The seemingly irresolvable tension between responsibility with regard to Planet Earth and the rights to a sustainable livelihood for all people is made exceedingly start in the consideration of activities in the Amazon. The story of Ana Rafaela D'Amico brings to life the courage of a leadership in an initiative to prioritize the well-being of the forest and the River.

At the age of 27, Ana Rafaela D'Amico is the youngest national park director in Brazil. In order to save the rainforest, she has declared war on the drug gangs and logging mafia and on illegal fishing. The Campos Amazonicos National Park is like a microcosm of all the problems found in Amazonia: illegal logging, cattle breeding, tin mines—and a drugs route that goes right through the middle of the park...

"Our biggest problem here in the park—and all over the Amazon—is that we don't know who the men behind this environmental crime are. We always find the poor man hired to occupy or clear the land. But we seldom find out who is really behind it, who provides the money, or which politicians support and fund these criminal acts."...Ana Rafaela has been fighting ardently to preserve the rainforest ever since she took over the management of the park a few years ago. She has already achieved a great deal, yet the obstacles the young woman from the city faces remain formidable.... And yet, Ana Rafaela's efforts do bear fruit. Since she has

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### Case Studies 16 (continued)

been managing the park, illegal fishing has declined and no new mines have been opened. She believes in her success, and that it is possible to save Amazonia if everyone does their bit. She will not give up—this is the only way she knows.<sup>6</sup>

Ana is a leader. She shows courage in her initiative to protect the forest. Her career choices stand testimony to the success of liberal feminist influences on the educational opportunities for many women.

### Questions for Example Three

- Our cities cannot find employment for all the people displaced from indigenous lands. What of the fathers in this region who seek a livelihood for their families?
- How does this example raise questions about the radical feminist ideas about patriarchy as underpinning much western development?
- What initiatives can you find, where the need to restore Earth and the well-being of human beings are being worked out symbiotically?

## Conversing Response-Ability with Our Peers: A Radical Feminist Initiative

The reflection on critical analysis of the trajectory of globalization has led us into deep thought about our own professional contribution to the future. As part of our concern, we sought to develop an aspect of a project through which to engage our peers—women employed as researchers and educators in publically funded universities in our own country, New Zealand. While this may seem a small and insignificant nation on the global stage, we are aware that New Zealand has and still leads initiatives in global development, particularly with regard to the neoliberal mind-set we have critiqued. Helen Clark, for example, is among significant leadership positions for global development. While addressing an international female trade unionists gathering, Clark (2004) proclaimed the globalist vision of meeting existing demands of transnational action to the global issues relating to the working force across the world. The response to the impact of globalization in New Zealand was to harness the positive effects and to diminish its negative aspects. She argued that governments have to play the major role in establishing equal opportunities to all. She addressed the emancipation of the vulnerable people and building the communities aiming towards sustainable development. As a former Prime Minister of New Zealand Clark now occupies the third highest position of the United Nations

<sup>6</sup><http://www.aljazeera.com/programs/fightforamazonia/2012/02/2012227104557668365.html>.

Development Programs (UNDP) and has served the member of Council of Women World Leaders, a network of current and former women presidents and prime ministers that works on collective action in mobilizing women leaders occupying the highest positions globally and dealing with the issues of women inequality. Clark leads the committee that considers UN funds, programs, and works on the development issues. Yet, in New Zealand, the model of development she has endorsed has seen the same patterns of growing disparities we have named in the first part of our chapter. Does this mean Clark's leadership is somehow flawed?

We recognize the aspirations and achievements of women such as Clark. Like Hilary Clinton, she is another beneficiary of the achievements of western liberal feminists—as are we. Our lives are immeasurably more comfortable than the lives of the vulnerable of the world. We feel obligated to retain our attention on the paradoxes and contradictions we notice as we take a radical feminist view of the future of humanity and the impacts of our actions on Mother Earth. We urge the conversation to continue—conversations channeled as research projects, teaching commitments, community engagement, and the many ways teachers might highlight and explore initiatives and leadership in the realms of our profession. Below we describe a project that sought to bring such conversations in one initiative generated by a radical feminist orientation.

### **Careers with Privilege and Responsibilities**

According to Sandoval (1991), individuals can challenge situations and contribute to the transformation of an existing social order. Helen Clark is a stellar example of such leadership. With such potential to influence the future from a small country such as New Zealand, and with our mind on the persistent issues arising with the trajectory of development in this country, we initiated an opportunity to converse with academic women in our professional field as management educators. The project was envisioned to reflect on career responsibilities that come with our relatively privileged positions. The perspectives participants offered through our conversations invite a journey into radical feminist orientations through which to examine the leadership initiatives they bring to their work.

The participants in this research are all senior academic women. This makes them both extraordinary and ordinary—a point to which we will return. The women are all employed in public universities and are focused on organizational studies of various kinds. They were selected as potential participants because they were known among their peers to have a strong commitment to social justice and/or environmental restoration. Together we sought to explore and enhance their career aspirations through conversations that included the consideration of the mandate in this country, for academics employed by the State to serve as a critic and conscience of society. While this mandate may not be a legal requirement in all state funded universities the world over, our research suggests the ethos is widely articulated—though fragmentally applied.

## The Process: Reflecting on Responsibility

Our enquiry into the extent of leadership among academic women in our field of management education began as an initiative to bring to light the ways in which participants made sense of their career opportunities and the impacts of career dynamics on their personal vitality. From a philosophical point of view, vitality is considered to be the energy that empowers a person, a positive quality or attribute that is defined as an essential yet intangible quality that enable purposeful production (Reyes-Gonzalez, 2007). Vitality is considered to be a sense of well-being within individuals. Deci and Ryan (2008) defined the concept of vitality as “the energy available to the self that is considered to be exhilarating and empowering and allows people to act autonomously and persist more at important activities” (p. 184). It was hoped that the mutual reflection might not only explore the dynamics that enhanced or diminished personal vitality, but in the process invigorate energies devoted to their aspirations in various justice related commitments. Indirectly, and implicit in the radical feminist orientation of the research, we sought to make sense of the seemingly intransigent inequities many of the participants expressed concerns about as they manifest in their own lives or more at times dangerously in the lives of many people the world over. Indeed, participants did connect the state of the world with a sense of responsibility:

...It is quite frightening in terms of the future for our grandchildren when I look at the world that we have created. It is my generation that has done it. We have created all of the pollution and all of the crap in the world. And I think we have to put our hands up for some responsibility in that....

Almost all the research participants have claimed that working in academia is an amazing privilege.

I view it as a privilege. I think it is an amazing privilege. I can't believe that people pay me to read which is just fantastic. I think the variety and the autonomy make it such a huge joy for me to work in this area.

I always know that I am very privileged, very privileged indeed.

They speak of the ways in which they engage with their perceived privileges and the ripple effects of their opportunities to influence students.

...having the opportunity to work with students to introduce new ideas and to learn from the students as much as they learn from me... really good students go out there and make a difference in the world...

...I think we would all like to think that the insights we bring from our research will make incremental differences in the world. It's wonderful that we who are very small nation and number few on this small panel of scientists can actually make an impact on this our country and then hopefully for others in the world as well...

Initiatives taken by participants include using mass media opportunities and involvement through networking with the community groups to widen their impact beyond their teaching and research.

...I join quite a few networks through my work like anti-child labor and child poverty...  
 ...I am happy to appear on the popular press. I am quite often on the news and go on those kinds of programs where there is really accumulation of knowledge....  
 ...I get interviewed on radio, newspaper and TV....  
 ... as well as publishing... most of my knowledge transfer would be through working in the community and helping different organizations that way. It's more hands on networking being involved with the actual community group. It's talking to people....

The initiatives that women academics take in environmental issues are varied.

...I am particularly interested in nutrition and I think that lots of my work is around nutrition, obesity and overweight—particularly from a sustainability perspective. The idea that some continue to over-consume while there is enough to feed everybody ... [my work] is an opportunity for developing a program to really focus on how we can produce more high value nutrients for benefit of the country and for export markets as well....

... My PhD students are partnered with organizations like Plant and Food and so in quite an applied focus. So I think those kinds of initiatives are important contributions to a research environment as well as general articles....

...I am a bit of a greeny, a bit of environmentalist and that has been seen as being a bit extreme too. But I think it is important to stand up for what you believe in. I am aware of many insights of number of feminists but I call myself an eco-feminist rather than a radical feminist or a critical feminist....

... I have certainly developed an informed curriculum and guide staff in the area of environmental issues. I review a lot of papers in that area. I teach PhD student in that area. I try and live a lower impact life. I do a lot of walking and take public transport every day. I try and buy local when I can. I question myself around my behaviors and how they impact. I do quite a bit of speaking around some of these issues....

The initiative demonstrated in this chapter invites consideration of leadership as entangled in the initiatives of (extra)ordinary everyday lives of (extra)ordinary women—women going about their jobs—women telling stories of their lives—stories that have us search for other great stories of where initiatives are taken and leadership is demonstrated. There is a twist to this tale. Our careers in universities bring both privilege and constraints. Liberal feminist ideas have opened opportunities for us, opportunities to thrive, to make an impact on the world. Yet, equal hierarchical representation and across the disciplines is far from a reality. The matter is considered in part, one of inadequate leadership. Moves are a foot, as they have been for many years, to address a perceived leadership deficit in academic women. Universities in New Zealand have committed resources to developing leadership among the women staff. The Women in Leadership Day, for example, was started in 2009 to encourage and support women in leadership positions in New Zealand Universities.

I got sent to the course called New Zealand Women in Leadership. It was pretty dreadful. I realized I was being drawn into uphold a part of the neoliberal university. But what I got out of it was that I met fantastic women and we could support each other. It is not exactly revolutionary. It is a simply a thing to bring some women together and to encourage them to think positive about their possibilities. It's something I can do.

This participant sees the NZ Women in Leadership Day as an example that further manifests the neoliberal notion of a university. Woven into this awareness is a

sense that the program is a way to get women together to encourage each other, a way to enhance positive thinking among women. It is a liberal response to a program furthering liberal ideals—but one with a glimmer of consciousness about its limitations.

Many participants admit that there are institutional barriers that may impede the progress of women and leadership.

Are we making great big strides? No! There are lots of institutional barriers to women's advancement and women leadership. Are we making some gentle steps? I think so.

There is no denying that the position of women scholars in university contexts is not equal to that of men. There is a mandate to use our positions for the enhancement of society—women, men, children, and Earth. We (women academics) are secured but unequal to our male counterparts in our own institutions. We are thus variously positioned to envision and manifest a just world in our own environs and beyond. Are we “secured” by a liberal project to serve as system-preserving adjustments to the critiques of more radical critics? This project brings us to deep reflection. From a radical feminist perspective Patriarchy remains a force operative in the Academy and beyond; from a perspective of justice, this is a contradiction of the values expressed in both neoliberal and democratically orientated societies.

### Discussion Questions

#### *Questions of ourselves, of our peers, and for our students*

Neoliberalization is understood by its critics as giving rise to shifting of public rights to private opportunities. They foresee no actual benefits to the poor and vulnerable. Critics of the neoliberal trajectory claim that the power of corporates is intensifying and that along with this intensification the dark side of globalization will be exacerbated. Our initiative as authors of this chapter is to demonstrate that we can all “do leadership” from wherever we are in our own specific place and time. We round off this chapter with some questions designed to invite self-reflection. We have grouped them into three sections. In the first section we shape some questions we ask of ourselves and thus readers might invite of themselves. The second set of questions are questions we might ask of our peers as we practice leadership in bringing difficult topics into conversations in our professional context. We illustrate the effectiveness of this form of intentional co-enquiry with some examples drawn from radical feminist research initiative described above. In the final section, we generate some questions that can be posed to students to discuss or to journal—the priority being on self-reflection.

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**Discussion Questions** (continued)*Encouraging self-reflection and action*

- What “ways-of-knowing” are implicit in my life?
- How much attention do I pay to the implicit values infused in my teaching and research?
- How do the examples of the initiative in this chapter support or challenge my ideas about leadership?

*Encouraging self and professional reflection and action with peers*

- How important are opportunities for self-reflections to you personally?
- How important are opportunities for self-reflections to you with regard to your professional development and influence?
- Tell me a story of an initiative you have lead or supported for a social or environmental cause.

*Encouraging student self-reflection and action*

- Invite students to discuss or journal how important self-reflection is to them.
- Invite student to describe or journal radical initiatives in day-to-day life or under extraordinary circumstances
- Invite for group discussion: “What social or environmental initiatives have you taken/are you taking at present/or would you like to take in future? Why? How? What would be your criteria for effectiveness?”

**Chapter Summary**

A radical feminist research orientation was chosen to draw attention to some of the oppressions and degradations that appear to be so intransigent in the trajectory of globalization. Through an explicitly radical feminist orientation to this chapter, we took a close interest in the articulation of values in examples that differ from those that are more commonly found in mainstream western leadership studies. These more holistic values expressed by many indigenous peoples and by westerners with a more holistic point of view have invited a critical review of western liberal feminist orientations. We introduced a project through which wide-ranging conversations about vitality could be explored. We took specific interest in the extent to which the academic women who joined us, devote their energies to the transformation the kinds of vitality-sapping systemic ills now up for greater scrutiny. The women who joined us in conversation were known for commitment to justice in their career context. Commitment to community or global issues that could be tackled as part of their career invigorated the vitality of many participants. The research project demonstrated an acknowledgement of gendered inequality in the academy, recognition of personal privilege and responsibility, and

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### Chapter Summary (continued)

demonstrated a relatively compliant notion of gendered assimilation into the dominant values of the neoliberal university. It is in the paradox and contradiction between an acknowledgement of western neoliberalism as contributing to the issues facing humanity, and the system-preserving compliance with the system that provides our privilege, that the spaces for a radical responsibility might be explored. We call for initiative that radicalizes leadership in ways that prioritize the dignity and well-being of all women, of all men, and of Earth who sustains us.

In this chapter we

- Draw attention to the dark side of globalization and call for innovations and forms of leadership that might bring radical ideas to wider considerations
- Invoke radical feminist perspectives to transcend liberal feminist ideas which may be dangerously system-preserving
- Provide examples of radically different orientations to ways of being human by calling for greater engagement with values expressed by many indigenous leaders
- Report on a research initiative through which we reflect with our peers on leadership for a future that is just for all and restores Mother Earth so she may sustain us all

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## Abstract

Self-confidence has two aspects: general self-confidence, which is a stable personality trait that develops in early childhood, and specific self-confidence, which is a changing mental and emotional state associated with the specific task or situation at-hand. We develop both types of self-confidence through automatic, mostly unconscious, internal dialogues whereby we make judgments about ourselves based on our experiences and others' feedback. While both types of self-confidence profoundly affect our thoughts, emotions, and behavior, our levels of general self-confidence are important primarily in new and unusual circumstances while our specific self-confidence is pertinent to our everyday performance. High levels of both types are essential for effective leadership and enable the leader to influence his collaborators, or followers, to build task-specific self-confidences that can strengthen their job performance. This chapter includes instructions for a conscious mental process called self-leadership, which effective leaders routinely employ and through which we each can learn to positively influence our internal dialogues so that we, too, can build on our innate abilities and develop specific self-confidences to do what we choose.

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## Keywords

Self-confidence • Personality trait • General self-confidence • Specific self-confidence • Internal dialogs • Emotions • Goal-setting • Influence • Authenticity • Psychological empowerment • Self-leadership

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## Introduction

The ancient Chinese philosopher, Lao Tzu, who wrote about leadership in his troubled times, observed that confidence is a person's greatest friend. Modern leadership researchers generally agree as most of those who have focused on the leader's personality traits include self-confidence in their lists of what makes leaders effective.<sup>1</sup> In fact, a review study found, in 2002, that in the ten existing reviews of research on leadership traits, self-confidence was the only trait that appeared in a majority (eight) of the lists.<sup>2</sup> Even scholars who focus on leader behaviors or leader–follower relationships generally include self-confidence in their discussions.<sup>3</sup>

This chapter discusses the nature of self-confidence, how it affects both leaders and their collaborators, or followers, and how a person can strengthen and maintain it.

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## The Nature of Self-Confidence

As with many psychological constructs, scholarly as well as popular definitions of self-confidence vary considerably, with most people describing it as how we feel about ourselves and our capabilities. For the purposes of this chapter, it is defined as *an individual's level of certainty about his or her ability to successfully do tasks and manage situations*. Self-confidence is formed through complex internal processes of judgment and self-persuasion<sup>4</sup> whereby we attach meaning to our personal experiences—particularly our successes and failures in past performances—and comprehend others' reactions to us.<sup>5</sup> Thus, it involves sense-making<sup>6</sup> whereby we learn to understand ourselves and create expectations of our future performances. Some psychologists conceptualize our resulting beliefs as a continuum with high self-confidence at one end and uncertainty at the other.<sup>7</sup>

We experience self-confidence in two different forms—as a stable personality trait of *general self-confidence*—e.g., “I know that I will do well in any job for which I am qualified”—and as a variable state of *task-specific self-confidence*—e.g., “I can help with the research but I am not good at creating PowerPoint presentations.”

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<sup>1</sup> See, for example, Bass and Stogdill (1990), (Goleman, Boyatzis, and Annie (2001), Goleman (1998), Kirkpatrick and Locke (1991), Northouse (2016), Stogdill (1948), and Yukl (2001).

<sup>2</sup> Judge, Bono, Ilies, and Gerhardt (2002).

<sup>3</sup> Alvolio, Waldman, and Yammarino (1991), Heifetz and Laurie (1997), Kouzes and Posner (1993), and Zaleznik (1977).

<sup>4</sup> Bandura (1990).

<sup>5</sup> Oney and Oksuzoglu-Guven (2015).

<sup>6</sup> Weick (1995).

<sup>7</sup> Oney and Oksuzoglu-Guven (2015), Stajkovic (2006), and Tubbs and Schulz (2006).

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## General Self-Confidence: A Personality Trait

Our levels of *general self-confidence* have to do with our beliefs and judgments about our ability to do well irrespective of the task or context. They develop early in our lives, within the contexts of our families and other social environments such as day-care and kindergarten,<sup>8</sup> as an aggregate of our judgments and feelings about our capabilities and, therefore, ourselves.<sup>9</sup> These early childhood self-assessments become part of our personalities and, so, are highly resistant to change.<sup>10</sup> In consequence, the level of general self-confidence that we each acquire in childhood remains fairly stable over our lifetime. For example, if Ryan is repeatedly told that he is stupid when he fails in various tasks, he will tend to develop a low level of general self-confidence while Maryam, who is told that she has the ability to do anything that she wants, tends to develop a high level, as long as her performance matches her expectations.

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## Specific Self-Confidence: A State of Mind

Our level of *specific self-confidence* reflects our beliefs and feelings about our ability to do specific tasks that we are facing at particular points in time. Like general self-confidence, specific self-confidence is built primarily on our judgments about our performances. However, unlike general self-confidence it is a state of mind that alters, largely by strengthening or declining, after almost every new experience.<sup>11</sup> Both Ryan and Maryam will gradually gain confidence as they learn to do specific tasks and succeed in performing them but when they fail their task-specific confidence may wane.

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## The Interaction of General and Specific Self-Confidence

People with high levels of general self-confidence find it easier to enter into new environments and take on new tasks than do people with low general self-confidence<sup>12</sup> So, on the first day of their new jobs, Ryan may feel more anxious and uncertain than does Maryam who, with high general self-confidence, is better equipped to develop the new specific self-confidences that are required. However, at the end of their successful probation periods, both are likely beginning to develop beliefs in their competence relative to the tasks they have been performing, and that affects their expectations and behavior far more than do their general levels of self-confidence. Specific self-confidence supports our ability to deal with recurrent and familiar problems though general self-confidence affects our ability to cope with the unknown.<sup>13</sup>

Thus, with regard to self-confidence, at least, it is fair to say that eight decades of formal leadership research has demonstrated that *leaders are both born and made*.

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<sup>8</sup> See, for example, Conger (2004).

<sup>9</sup> Oney and Oksuzoglu-Guven (2015), and Stajkovic (2006).

<sup>10</sup> Matthews, Deary, and Whiteman (2003), and Oney and Oksuzoglu-Guven (2015).

<sup>11</sup> Demo (1992).

<sup>12</sup> Oney and Oksuzoglu-Guven (2015).

<sup>13</sup> Oney and Oksuzoglu-Guven (2015).

### Case 17.1: Speaking Truth to Power

Rachael was the new administrative manager of a special research unit in a teaching hospital. One morning, the ward clerk ran into her office, saying, “Dr. Smith is yelling at Carol in front of a patient!” Though anxious about facing this formidable senior physician, Rachael hurried to the patient’s room, sized up the situation, grabbed nurse Carol’s arm and drew her toward the door, saying, “I am sorry, Dr. Smith, but I need Carol in my office immediately.” Astounded, he followed.

Once both were in her office with the door closed, Dr. Smith turned on Rachael, saying angrily, “How dare you interfere with patient care!” “I am sorry for interrupting,” Rachael replied, “But, in the future, if you feel you need to shout at Carol, I will be happy to vacate my office so that you can do so in private. Your patient is dependent on his nurse and you may have just damaged his confidence in her, which is not to your patient’s benefit, Doctor.” He glared, turned on his heel and stalked out.

Rachael sat down, before her knees could cave in, and took a deep breath. Carol gave her a quick hug and left. Rachael immediately called her boss, Dr. Rand, to explain what had happened before he heard Dr. Smith’s version. She later learned that Dr. Smith had complained about her but Dr. Rand had supported her actions. Then he had complained about both of them to the Dean of the medical school. However, several weeks later, hospital scuttlebutt maintained that Dr. Smith had all but stopped shouting at nurses throughout the hospital.

1. *What factors made Rachael willing to challenge Dr. Smith’s authority and how were they each relevant to her decision and actions?*
2. *How would you have handled this situation, and why?*

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## The Self-Confident Leader

Self-confidence plays a role in every aspect of a leader’s thoughts, feelings, behavior, relationships, and job performance,<sup>14</sup> through an internal psychological mechanism called self-leadership.

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<sup>14</sup>Kolb (1999), and Neck and Manz (1992).

## Self-Leadership: A Meta-Skill

As we go about our daily lives, we continually receive incoming sensory data that we must process in our minds before we can make sense of it. This automatic and largely unconscious activity draws on all our internal resources—including our values, beliefs, assumptions and expectations (VABEs), memories, attitudes and motivations—to assess the input and determine what it means for us.<sup>15</sup> Our conclusions are also shaped by our personality traits such as self-confidence.

The practice of *self-leadership* enables us to influence those conclusions by consciously inserting selected information into the deliberative process; that is, by attempting to persuade ourselves of something that we want to believe. For example, after we fail at a task, we may habitually berate ourselves but if we practice self-leadership, we might consciously tell ourselves that we failed only because it was a learning experience and assure ourselves that we will succeed next time. Articulating this causal attribution and positive expectation helps guide our thoughts in a constructive direction and manage our emotions,<sup>16</sup> so it helps build task-specific self-confidence. This, in turn, can enhance our performance<sup>17</sup> because people who believe they can perform well tend to do better than those who expect to fail.<sup>18</sup> It can also help us avoid overconfidence, which develops through internal dialogues that focus solely on our successes, thus fostering unrealistic beliefs and expectations.<sup>19</sup>

In short, self-leadership may be the leader's single most important psychological skill, an effective tool that can help build task-specific self-confidence and, so, shape our internal life story to foster success.<sup>20</sup> For this reason, it is now being widely recommended in practitioner-oriented books, scientific journal articles, and leadership training programs.<sup>21</sup>

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## Effects of Self-Confidence on Leader Behaviors

Self-confidence is not only affected by, and affects, self-leadership but also plays a role in other psychological and behavioral phenomena. Both general and specific self-confidence influence self-beliefs and expectations, so, are not distinguished in most of the research that is relevant to leadership.

*Psychological empowerment:* Self-confidence plays a role in psychological empowerment by influencing our willingness to take control of our work and function

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<sup>15</sup>Kleitman and Stankov (2006), Knippenberg, Knippenberg, De Cremer, and Hogg (2004), and Komives, Owen, Longenbeam, Mainella, and Osteen (2005).

<sup>16</sup>Schlaerth, Ensari, and Christian (2013).

<sup>17</sup>Neck, Neck, Manz, and Godwin (1999), Neck and Manz (1992), and Prussia, Anderson, and Manz (1998).

<sup>18</sup>Gist and Mitchell (1992).

<sup>19</sup>Parker and Stone (2014), and Van Zant and Moore (2013).

<sup>20</sup>Shamir and Eilam (2005), and Weintraub (2015).

<sup>21</sup>Neck and Houghton (2006).

independently in our decision-making and other behavior.<sup>22</sup> For example, research shows that to manage performance problems, self-confident managerial leaders tend to work directly with their subordinates, using informal persuasion and supervisory power, while those with less confidence may fall back on formal administrative processes or refer the problem “up the ladder.”<sup>23</sup>

*Goal-setting:* Self-confidence is a prerequisite for challenging the status quo, which is what the best leaders often do.<sup>24</sup> Leaders with strong self-confidence tend to have positive expectations and, so, are willing to take risks that others might avoid.<sup>25</sup> By enabling them to comfortably face accountability, self-confidence allows them to make difficult decisions and follow up with decisive action.<sup>26</sup> This willingness to take risks, coupled with their belief in their own competence, also prompts self-confident people to set high, hard goals,<sup>27</sup> which serve as a very effective self-management technique that maximizes performance.<sup>28</sup>

*Motivation and persistence:* Self-confidence also enhances self-motivation and engenders persistence in the pursuit of goals. Even though he is not naturally motivated by a particular activity, a self-confident leader will tend to demand of himself that he do it, and do it well, which both generates a goal and builds commitment to a high level of performance.<sup>29</sup> Our levels of self-confidence also affect our willingness to persist in tasks when we fear failure. For example, in situations where our known levels of achievement are insufficient to achieve particular goals, people with strong self-confidence will increase their efforts and persistence while those with low confidence may quickly give up.<sup>30</sup> When the discrepancy between goals and achievements is so large, however, that it undermines our specific self-confidence, people with high general self-confidence will adjust their goals while low-confidence people tend to become discouraged and abandon their goals altogether.<sup>31</sup> (Also see Chap. 12, Motivation, and Chap. 19, Perseverance.)

*Management of emotions:* Self-leadership plays a role in helping us manage our emotions,<sup>32</sup> particularly for self-confident people, so that we can distance ourselves from our feelings and view them in perspective. It softens the blow when we fail, which is important because failure affects us viscerally since confidence judgments shape our emotions as well as our rational thoughts.<sup>33</sup>

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<sup>22</sup> Paglis and Green (2002), and Spreitzer, De Janasz, and Quinn (1999).

<sup>23</sup> Goodstadt and Kipnis (1970); Kipnis and Lane (1962).

<sup>24</sup> See, for example, Zaleznik (1977).

<sup>25</sup> Chemers, Watson, and May (2000).

<sup>26</sup> Kirkpatrick and Locke (1991).

<sup>27</sup> Locke, Shaw, Saari, and Latham (1981).

<sup>28</sup> Latham and Locke (1991).

<sup>29</sup> Manz (1986).

<sup>30</sup> Bandura (1986).

<sup>31</sup> Bandura and Cervone (1983).

<sup>32</sup> Schlaerth et al. (2013).

<sup>33</sup> James (1890).

Through emotion management, self-confidence has a positive impact on a leader's ability to manage conflict.<sup>34</sup> By helping a leader remain emotionally stable, containing his anxiety and anger during difficult confrontations, it allows him to focus all his attention on positive, functional and constructive language and approaches that will yield beneficial outcomes.<sup>35</sup> In short, self-confidence plays a role in emotional control, enabling a leader to act with honesty and integrity in reliable and adaptable ways.<sup>36</sup> Self-control also enhances others' perceptions of his abilities, while lack of self-control tends to damage trust and commitment. (Also see Chap. 7 Emotional Intelligence.)

*Presence and voice:* Presence and voice are twin facets of how we present ourselves to the world. The "right" presentation for the culture and circumstance confers social status on a leader and, so, helps him win allies and rally support.<sup>37</sup> Though self-confidence is an internal attribute, a leader must ensure that it is evident in his voice, words, and physical mien, for example, in his use of persuasive arguments, rather than coercion, to influence others.<sup>38</sup>

A display of self-confidence works in combination with other characteristics, such as assertiveness and decisiveness, to generate so-called executive presence,<sup>39</sup> which comprises a set of cues that most people naively associate with leaderly strength and competence.<sup>40</sup> The characteristics associated with executive presence, in the West, tend to be inherently masculine, so it should come as no surprise that the term is rarely applied to women.<sup>41</sup> Modern workplaces, though, are demanding new patterns of leadership behavior, so both men and women are forging new styles of presence and voice that prove to be effect with particular constituencies like internationally-mobile professionals and workers of the Millennial generation.

*Authenticity and achievement:* Leaders who have a strong sense of self-confidence tend to be comfortable disclosing their personal values and beliefs.<sup>42</sup> This enables them to act authentically rather than hiding behind masks, as people with low self-confidence often do. When their driving values are prosocial, though, such as treating everyone with respect and wanting to make the world a better place, the work of any leader can become intrinsically spiritual and transforming.<sup>43</sup> This both helps them reach their full potential and raises the aspirations of those around them to achieve things beyond themselves. (Also see Chap. 8, Spirituality.)

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<sup>34</sup>Schlaerth et al. (2013).

<sup>35</sup>Kirkpatrick and Locke (1991).

<sup>36</sup>Goleman et al. (2001).

<sup>37</sup>Bielak and Moscovitch (2013), and Van Zant and Moore (2013).

<sup>38</sup>Mowday (1979).

<sup>39</sup>Kirkpatrick and Locke (1991).

<sup>40</sup>Van Zant and Moore (2013).

<sup>41</sup>Dagley and Gaskin (2014).

<sup>42</sup>Sparrowe (2005).

<sup>43</sup>Neck and Milliman (1994).

### Case 17.2: Leading in Fits and Starts

Whenever Michael, the President of a large, urban teaching hospital, announced that he was going away for a few days to attend a managerial leadership workshop, his managers exchanged knowing glances and mouthed the words, “Not again!” across the room. On his return, they knew, he would insist that they stop what they were doing and focus on implementing the new management model or practices that were recommended in the workshop. And so it happened—the old vision was replaced, priorities shifted, and leaders throughout the hospital started on new courses once again.

Over time, the managerial leaders who wanted to accomplish lasting changes that would improve the hospital experience for the patients and their families, and the employees, lost their motivation and left. Those who remained were largely people who were comfortable living with the *status quo* of intermittent and episodic change.

#### Questions:

1. *How and why do you think the workshops affect Michael’s management decisions?*
2. *What should his loyal managers do in this situation?*

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## The Self-Confident Leader and His Collaborators

Self-confidence plays an important role in a leader’s ability to influence his collaborators’ thoughts, attitudes, emotions, and behaviors,<sup>44</sup> in large part, by bolstering his credibility, since perceived credibility is a cornerstone not only of leadership<sup>45</sup> but also of interpersonal trust.<sup>46</sup> Thus, while it is important that a leader be self-confident, it is imperative that collaborators perceive him that way.<sup>47</sup>

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## Confidence-Building

The GLOBE studies of culturally relevant leadership attributes found that “confidence-builder” is positively endorsed as a leadership characteristic in *all* of the numerous countries around the world where its researchers conducted their culturally localized studies.<sup>48</sup> Other research in the USA has demonstrated

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<sup>44</sup>Caetano, Vala, and Leyens (2001), Conger (1991), and Stake (1983).

<sup>45</sup>Kouzes and Posner (1993).

<sup>46</sup>Axelrod (2004).

<sup>47</sup>Kirkpatrick and Locke (1991), Kolb (1999), Popper, Amit, Gal, Mishkal-Sinai, and Lisak (2004), and Sümer, Sümer, Demirutku, and Çifci (2001).

<sup>48</sup>Den Hartog, House, Hanges, Ruiz-Quintanilla, and Dorfman (1999).

that a leader's self-confidence can enhance the confidence of his collaborators<sup>49</sup> and, consequently, their performance.<sup>50</sup> Some leadership scholars even contend that fostering other people's self-confidence is one of the hallmarks of great leadership,<sup>51</sup> and, so, is one of the most important tools for individual and organizational transformation.<sup>52</sup>

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## Empowerment and Motivation

Employee empowerment is vital in all modern organizations, especially those that rely on creative knowledge work such as architecture, economic development, or technological innovation.<sup>53</sup> Strong, self-confident leaders empower collaborators by articulating expectations of high performance and expressing confidence in their ability to achieve it.<sup>54</sup> Empowered employees take initiative, engaging in volitional behaviors that give them a sense of freedom and autonomy.<sup>55</sup>

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## Goals and Performance

Collaborative goal-setting by a leader and subordinate produces different effects depending on the subordinate's levels of both general and task-specific self-confidence. Those with strong self-confidence will tend to choose higher goals and accept more difficult challenges, commit more strongly, spend more effort and persist indefinitely in the face of difficulties.<sup>56</sup> Thus, they generally achieve more than do those with low levels of confidence, who are more conservative in their aspirations, unless the latter receive significant amounts of the leader's attention and ongoing support.<sup>57</sup>

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<sup>49</sup> Bandura (1986).

<sup>50</sup> Greenacre, Tung, and Chapman (2014), and House, Javidan, Hanges, and Dorfman (2002).

<sup>51</sup> Kerfoot (2010).

<sup>52</sup> Conger and Kanungo (1988), De Cremer and Knippenberg (2004), De Cremer and Wubben (2010), and Paglis and Green (2002).

<sup>53</sup> Carmeli, Meitar, and Weisberg (2006), and Conger and Kanungo (1988).

<sup>54</sup> Bandura (1986), and Conger and Kanungo (1988).

<sup>55</sup> Ryan and Deci (2000).

<sup>56</sup> Locke, Frederick, Lee, and Bobko (1984), and National Research Council (1994).

<sup>57</sup> Bandura (1986), and Lewin, Dembo, Festinger, and Sears (1944).

## How to Develop and Maintain Self-Confidence

As discussed above, though we cannot improve our levels of general self-confidence, we can dramatically increase our task-specific self-confidences through learning, practicing, and interpreting our performances in positive ways.<sup>58</sup> Research has shown that engaging in self-leadership by using the following strategies and techniques, can help us achieve masteries that we might not have believed to be possible.<sup>59</sup>

### 1. Interpreting Our Performance Experiences

Information about our past performances, as we interpret it, has the strongest and most lasting effect on our self-confidence, for better or worse.<sup>60</sup> Our internal assessments generally take into consideration the difficulty of the task, how much external aid we received, and how much effort we expended to achieve those performances.<sup>61</sup> So, it is only insofar as we credit ourselves, rather than external agencies, with our successes that our memories of the experiences contribute, over time, to a robust sense of self-confidence.

### 2. Monitoring Our Emotional and Physical States

Noticing the emotions triggered by thinking about or engaging in a task can help us discern whether our self-confidence about it is low or high. For physical activities, ranging from keyboarding to dancing at the company gala, we tend to interpret our physical symptoms—such as high energy, fatigue, or pain—as indicators of our competence.<sup>62</sup> When we face these and other types of tasks, we may feel fear and self-doubt, which promote anxiety. Detecting these emotions and managing them by constructing positive internal dialogues can help improve our self-confidence for the tasks.

### 3. Heeding Our Cheerleaders

Other people play a crucial role in helping us build self-confidence (or not) by setting expectations, evaluating our performances and helping us understand the reasons for our successes and failures, as well as supporting us emotionally by celebrating wins and supporting us through losses.<sup>63</sup> To be effective, their input and feedback must be believable and must explicitly credit our underlying ability to do the task. This feedback is most influential when it comes from people whom we perceive to have expertise and prestige, as well as credibility and trustworthiness,<sup>64</sup> and it plays an important part in our self-leadership dialogues.

Formal coaching is effective not only in sports but also in other areas of endeavor. So-called executive coaching can increase a leader's sense of efficacy<sup>65</sup>

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<sup>58</sup> Weintraub (2015).

<sup>59</sup> National Research Council (1994).

<sup>60</sup> National Research Council (1994).

<sup>61</sup> Bandura (1986).

<sup>62</sup> Bandura (1990).

<sup>63</sup> Alvolio et al. (1991).

<sup>64</sup> National Research Council (1994).

<sup>65</sup> See, for example, Popper and Lipshitz (1992).

so that he feels better equipped to deal with the difficult aspects of his job<sup>66</sup>; for this reason, many companies fund it for their senior managerial-leaders. Typically, coaching involves personal goal-setting as well as feedback, since both are required to achieve optimal performance, though any kind of evaluative feedback is more helpful than none at all.<sup>67</sup>

#### 4. Comparing Ourselves to Others

The less experience we have had in doing something, the more we rely on social comparison, or modeling, to establish expectations of our own performance.<sup>68</sup> We can best approximate our capabilities by observing models who are similar to us in personal characteristics and general experience.<sup>69</sup> Seeing them achieve their goals through effort and persistence can be a powerful source of aspiration and motivation. “If she can do it, so can I” is a common inference that can help build our self-confidence sufficiently to launch us into a task.<sup>70</sup> When our self-confidence is on the wane, we also can benefit from examples of others’ courage, using it to strengthen and guide us.<sup>71</sup>

#### 5. Reducing Our Performance Anxiety

Anxiety, or stress, negatively influences our self-beliefs about our ability to cope, so managing anxiety is an important way to increase self-confidence in anxiety-prone situations such as confronting an under-performing subordinate or giving a speech in public. We can mitigate the anxiety by rehearsing the event in our imagination, as many experienced leaders regularly do. Over time, this internal dialogue can help us develop a generalized confidence that we can cope with many kinds of stressors. But if high anxiety is an omnipresent challenge, we would do well to consider formal training in cognitive-behavioral coping skills.<sup>72</sup>

#### 6. Practicing Positive Self-Leadership

The techniques described above are helpful only if we can use the information gained from them to positively influence ourselves.<sup>73</sup> This requires that we convince ourselves that we either have or can acquire the skills needed to do the target task. If we believe that it requires an inherent aptitude—such as boldness where we are shy, high intelligence where we are average, or a large accumulation of knowledge that we do not possess—we will never persuade ourselves that it is doable.

As noted above, one way to build our task-specific confidence is to rehearse the activity in our minds, generating *mental imagery* of a successful performance.<sup>74</sup> For example, we might rehearse a counseling session in our minds, imagining things that the under-performing subordinate might say and inventing appropriate

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<sup>66</sup>Gyllesten and Palmer (2014).

<sup>67</sup>Bandura (1986).

<sup>68</sup>Burton (2012), and National Research Council (1994).

<sup>69</sup>Festinger (1954).

<sup>70</sup>David (2010).

<sup>71</sup>Child (2013), and Peng, Schaubroeck, and Xie (2015).

<sup>72</sup>Smith (1989).

<sup>73</sup>Johnson and Staple (2011), and Neck and Manz (1992).

<sup>74</sup>National Research Council (1994).

responses, then concluding the session inspirationally. Then, when we get to the actual session, we have already done it once and learned by the experience.

Another technique is to engage in constructive *self-talk*.<sup>75</sup> Both before and after doing a task,<sup>76</sup> a well-constructed series of affirmations and ego boosts can undercut our inner critic, reduce our anxiety (even for those with perennial, trait-based anxiety<sup>77</sup>), and help us learn to trust our ability to achieve success. Self-talk is most effective when we address ourselves by our given names in our internal thoughts and directives. Avoiding the pronouns, “I” and “me,” helps distance us emotionally so that we can focus on the task,<sup>78</sup> working through our thoughts and feelings to rationally compare the task requirements with our known aptitudes and skills.<sup>79</sup> And afterwards, whether we succeeded or failed, positive self-talk helps us construct a confidence-building narrative to augment our accumulated experience.

Some of these techniques outlined above will probably be familiar as we all sometimes practice them consciously. Others may feel odd, at first, but if we persist in practicing them, they can help us develop task-specific self-confidences and, so, become more effective in all domains of our lives.

#### **How I Can Talk Myself Through a Challenging Task<sup>80</sup>: A Lesson from Ryan**

- *Ryan sits back and takes a few deep breaths, which will relax him. He tells himself that he does not need to be anxious because this is an easy task and he has already done something similar.*
- *First, he goes through the steps of the task in his mind. He has assembled the things that he needs. Wow, he tells himself, this will be easier than he had thought!*
- *Now, Ryan is ready to do the actual task. The first step is just like he imagined. He tells himself that it really came out well. The next step is more complicated but Ryan tells himself that he can do it. Oops! That does not look right but now he knows what it should look like so it will be easy to fix.*
- *It's all done and Ryan tells himself that it looks great! He came through with flying colors! He acknowledges that he messed up one piece of it but that now he knows how to do it correctly, he won't make that mistake again. He has been successful and now is ready to see what the boss thinks about his work.*

<sup>75</sup> National Research Council (1994).

<sup>76</sup> Weintraub (2015).

<sup>77</sup> Kross et al. (2014).

<sup>78</sup> Weintraub (2015).

<sup>79</sup> Kross et al. (2014).

<sup>80</sup> Adapted from Weintraub (2015).

### Discussion Questions

1. What are the two types of self-confidence described in this chapter and what role does each play in our lives?
2. Consider a very recent experience where you failed to meet your own standards of excellence. Did the failure impact your specific self-confidence? If so, how and why? If not, why not?
3. Think about a leader whom you have observed close-up, such as your boss, another manager, officer, politician, or religious leader. Do you think that he or she has a strong sense of general self-confidence or not? Drawing on the material in this chapter, as well as your own experience, explain what led you to that conclusion.
4. You have been randomly assigned as the leader of a group of peers who have volunteered to arrange an event for your club or class or school. What would you do to ensure that each of you contributes as effectively as possible to the task?
5. Select one thing that you are not confident about doing but that you need to do either now or in the near future. Jot down some ways that you can mentally prepare yourself for it, drawing on the techniques described in the last section of this chapter.

### Chapter Summary

- Self-confidence is formed through complex internal processes of judgment and self-persuasion whereby we attach meaning to our personal experiences—particularly our successes and failures in past performances—and comprehend others’ reactions to us.
- Our levels of general self-confidence have to do with our beliefs and judgments about our abilities to do well irrespective of the task or context.
- Our levels of specific self-confidence reflect our beliefs and feelings about our abilities to do specific tasks that we are facing at a particular point in time.
- People with high levels of general self-confidence usually find it easier to enter into new environments and take on new tasks than do people with low general self-confidence.
- Self-confidence plays a role in every aspect of a person’s thoughts, feelings, attitudes, behavior, relationships and job performance, through an internal psychological mechanism called self-leadership.
- Self-confidence also plays an important role in a leader’s ability to influence his collaborators’ thoughts, feelings, attitudes and behaviors, in large part, by bolstering his credibility.
- We can dramatically increase our task-specific self-confidences through learning, practicing, and interpreting our performances in positive ways, using the techniques described in this chapter.

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## Abstract

Resilience can be defined as the ability to regain balance following exposure to an adverse event or events. Resilience is not an end state of being, but rather a process of adaptation and growth within a risky landscape. A resilient organization not only survives, but also thrives in an environment of change and uncertainty. Strong leadership that promotes cohesive and interdependent teams is a critical component of a resilient organization. Organizational resilience evolves over time as management and teams adhere to the mission and to the core values of the organization. What are the dimensions of resilience and why do some leaders and organizations adapt and sometimes grow even stronger following crisis? The answer is complex and multifaceted, involving numerous domains and mediating factors. In this chapter, we discuss the construct of resilience, its mediating factors and some of its most important psychological, biological, and social domains. We relate these factors to individual resilience, how they foster resilient leadership and contribute to resilient organizations.

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## Introduction

Many people experience great discomfort in situations involving unpredictability and change; business leaders and organizations are not immune to the impact of these stressors. Leading an organization involves tackling a myriad of challenges in an ever-changing and fluid business environment. Challenges include managing stakeholders and internal politics, competition for resources, fluctuations in the economy, changes in regulations, technology and data security, new rivalries in the marketplace, hiring and retaining skilled and dedicated employees, among many others.

Leaders and organizations often face challenges and crises that test the strength and flexibility of their systems and resources. Will they bend with stress or will they break? Successful leadership has always been more difficult during periods of rapid change but the unique stressors facing organizations throughout the world today has caused a renewed interest in studying personal and organizational behaviors with a focus on what constitutes effective and adaptive leadership. Interestingly, some leaders and organizations not only survive, but also thrive in these situations while others falter or collapse under the stress of change. Much research and thought have gone into understanding the factors that underlie these differences. Transformational business models have recently focused on the importance of resilience in both leadership and organizational success.

In this chapter, we focus on the dynamic process of resilience as it applies to individuals as leaders and how leaders interact with organizations to affect stability, growth, and positive change in the face of crisis. What are the dimensions of resilience and why do some leaders adapt and sometimes grow even stronger following crisis? The answer is complex and multifaceted, involving numerous domains and mediating factors. This chapter is divided into two sections. The first section briefly reviews the construct of resilience; it provides a definition of resilience and discusses several relevant psychological, biological, and social domains and mediating factors, as they relate to individual resilience. The second section of the chapter focuses on characteristics of resilient leaders and how these characteristics can foster the development and maintenance of resilient organizations.

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## Defining Resilience

Resilience can be defined as the ability to regain balance following exposure to an adverse event or events. Resilience is not an end state of being, but rather a process of progressive growth within a risky landscape across the lifespan.<sup>1</sup> The resilient individual is able to adapt to stress, recover from setbacks, maintain a relatively stable trajectory of healthy functioning, harness resources to maintain well-being, and

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<sup>1</sup> Southwick, Litz, Charney, and Friedman (2011).

find personal growth as a healthy adaptation to crisis.<sup>2,3,4</sup> Understanding resilience, its determinants, and ways to enhance it are of great importance in leadership. As noted in a 2002 *Harvard Business Review* article,<sup>5</sup> Dean Becker, founder of the resilience-training firm Adaptive Learning Strategies, states, “More than education, more than experience, more than training, a person’s level of resilience will determine who succeeds and who fails. That’s true in the cancer ward, its true in the Olympics, and it’s true in the boardroom.”

## Individual Factors Associated with Resilience

Whether a leader perseveres or gives up may depend on multiple influences, from molecules to neighborhoods. Numerous genetic, neurobiological, developmental, and psychosocial factors have been associated with resilience and an individual’s response to stress.<sup>6</sup> We briefly discuss some of these in the paragraphs that follow.

### Genetic and Epigenetic Factors

A complex array of genes work together to impact one’s ability to manage stress. These include genes that mediate neurotransmitter systems and reactivity of the human stress response, such as adrenalin, noradrenalin, cortisol, and serotonin, among others. Inherited variants of genes in these and other systems impact how effectively individuals manage stress as well as their capacity to plan and act rationally during highly challenging situations.<sup>7,8,9</sup> However, genes do not operate in isolation. Rather, they interact with the environment and through a variety of behaviors (e.g., diet, exercise, meditation, cognitive training, socialization, stress), which can affect their expression by turning them on or off through biochemical reactions. These gene by environment interactions have been detailed in the field of epigenetics. It is important to note that while genetic make-up contributes to the way in which leaders respond to stress, genes are only part of the story and appear to have a moderate impact on an individual’s level of resilience. That means that individual resilience is largely determined by non-inherited factors.

### Neurobiological Factors

The neurobiology of resilience is a relatively new area of investigation and one in which business organizations have also shown interest, particularly in the application of management techniques. For example, research done by the Gallup Organization in

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<sup>2</sup>Southwick, Bonanno, Masten, Panter-Brick, and Yehuda (2014).

<sup>3</sup>Krystal (2008).

<sup>4</sup>Reich, Zautra, and Hall (2010).

<sup>5</sup>Coutu (2002).

<sup>6</sup>Yehuda, Flory, Southwick, and Charney (2006).

<sup>7</sup>Meaney and Ferguson-Smith (2010).

<sup>8</sup>Russo, Murrrough, Han, Charney, and Nestler (2012).

2007<sup>10</sup> monitored dopamine levels, a neurochemical linked to positive mood and reward, as a way to explain the efficacy of management techniques that relied on positive reinforcement. Likewise, Peterson et al.<sup>11</sup> at the Center for Responsible Leadership, conducted research into the use of neurofeedback for leadership development.

A variety of neurochemicals have been shown to mediate resilience via the body's response to stress. Some of these include adrenalin, noradrenalin, cortisol, dopamine, and neuropeptide Y (NPY). For example, research shows that individuals with higher levels of oxytocin, DHEA, and NPY may be more psychologically hardy and resistant to high-pressure situations. These neurohormones regulate the stress response in areas of the nervous system and brain known to be activated during fear and autonomic arousal.<sup>12</sup> Unlike stress hormones that put the body on high alert in response to a threat, these chemicals act on several different brain receptors to help shut off the alarm to threat.<sup>13,14</sup> In resilience, these systems are considered to be the brakes during times of emotional over-reactivity to stress.

Additionally, social bonding and interpersonal relations, important in teamwork, are mediated by oxytocin and vasopressin, while learning and critical thinking are mediated by glutamate and brain-derived neurotrophic factor. Specific brain regions involved in these processes include the amygdala (i.e., processes emotions such as fear and threat appraisal), the prefrontal cortex and anterior cingulate cortex (i.e., makes rational decisions and regulates emotions), the hippocampus (i.e., learning and memory), and the nucleus accumbens (i.e., reward). Interconnections and circuits between these brain regions also influence emotion regulation, fear, reward, trust, social connection, and learning,<sup>15,16</sup> all of which contribute to how an individual appraises threat, responds to stress, and finds adaptive mechanisms to manage adverse circumstances.

## Developmental Factors

The type and amount of stress that one experiences in childhood can have a marked impact on how one handles stress as an adult.<sup>17,18,19</sup> Research in both animals and humans has shown that repeated stress that is overwhelming, unmanageable, and out of one's perceived sense of control can lead to exaggerated emotional, behavioral, nervous system, and neuroendocrine responses to future stressors.<sup>20</sup> In contrast, exposing children or young animals to repeated stressors that they can control or master,

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<sup>9</sup> Yehuda et al. (2006).

<sup>10</sup> Gallup Business (2007).

<sup>11</sup> Peterson, Waldman, Balthazard, and Thatcher (2008).

<sup>12</sup> Heinrichs and Domes (2008).

<sup>13</sup> Morgan et al. (2000).

<sup>14</sup> Sajdyk et al. (2008).

<sup>15</sup> Davidson and McEwen (2012).

<sup>16</sup> Russo et al. (2012).

<sup>17</sup> Cicchetti (2013).

<sup>18</sup> Masten (2001).

<sup>19</sup> Masten (2014).

<sup>20</sup> Anacker, O'Donnell, and Meaney (2014).

particularly during key developmental periods, tends to have an “inoculating” or “stealing” effect, so that as adults they can better modulate neurobiological, behavioral, and emotional responses to future stressors.<sup>21</sup> It is also likely that the mastery of substantial challenges early in the life of an organization has a stress inoculating effect, leaving the organization stronger and better prepared to deal with future challenges.

### **Individual Psychosocial Factors**

Resilience has been associated with a wide range of psychosocial factors.<sup>22,23</sup> In many cases it is not known whether these factors promote resilience or simply are associated with it. Resilience factors supported by research in the scientific literature include: the capacity to face fear and regulate emotions, optimism and positive emotions, active as opposed to passive problem-focused coping, adherence to a valued set of ethical and moral principles, disciplined focus on skill development, altruism, attention to physical health and fitness, a strong social support network, cognitive flexibility, the ability to reframe adversity in a more positive light, and commitment to a mission or cause that is meaningful and highly valued. It is important to note that each of these psychosocial factors typically interacts with other psychosocial, genetic, developmental, and biological factors and converge to impact resilience to stress.

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## **Resilient Leaders and Organizations**

### **Mission and Unity of Purpose**

Resilient organizations have leaders who demonstrate continual support of an organization’s mission. Through their words and actions they are able to visualize a positive mission charter for the organization, effectively communicate the plan to others and encourage strong attachment to the course of action. This reservoir of commitment encourages a higher tolerance for uncertainty and perseverance in the face of threat. In their model of transformational leadership, Bass and Avolio<sup>24</sup> cite having a clear vision as one of the key factors accounting for extraordinary leadership performance. Covey<sup>25</sup> also suggests that having a vision is one of the seven habits of successful people and recommends beginning with the end in mind, deeply understanding the goals, values, and desired outcome, and applying this understanding to every task that is undertaken along the way. When the mission is strong and clear, members of the organization view their work as significant, which improves job satisfaction, reduces job turnover, and allows the organization to more readily overcome adversity.

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<sup>21</sup> Lyons, Parker, and Schatzberg (2010).

<sup>22</sup> Southwick and Charney (2012a).

<sup>23</sup> Southwick and Charney (2012b).

<sup>24</sup> Bass and Avolio (1994).

<sup>25</sup> Covey (1991).

Nanus,<sup>26</sup> Zaccaro, and Banks<sup>27</sup> outline five key components of organizational missions: a picture, change, values, a map, and challenge. (1) Creating a picture of the mission allows employees within the organization to visualize the end result or the deliverable, as well as the process of uniting to achieve the desired outcome. (2) Missions also represent change, in that they move the organization forward toward a desired outcome or strengthen systems to achieve new goals. (3) Missions are inherently value based, and positive change is often motivated by defining a mission that adheres to the basic values of the organization. Resilient individuals frequently state that they drew strength in the face of crisis by adhering to the belief that overcoming adversity was worth the values or principles to which they were firmly committed. Similarly, one of a leader's most important goals should be to unite their team behind strong moral principles.<sup>28</sup> Mitigating circumstances and unexpected challenges should never be allowed to distract leaders and organizations from their primary mission. The moral leader reinforces the values behind the mission and integrates them into planning and operational functions. Leaders can serve as positive and resilient role models by adhering to the core values of the organization and by using personal narratives of overcoming adversity and achieving success in order to motivate team members. (4) In order to chart a course of change, the mission requires a map or a business development plan. The map outlines the course, details landmarks or project milestones, and provides a frame of reference for when the organization is off track. Maps and development plans serve as a foundation for project teams, as they provide guidelines for a course of action and detail achievable tasks and goals. (5) The final component of a mission involves challenge. Challenges or risks are inherent in most projects within an organizational setting. These challenges can simply be to achieve better productivity, improve timelines, or increase profits; however, some challenges or risks can actually threaten the life of the organization. Adeptly handling risks often fosters confidence, stress inoculation, and the resilience to face future challenges. The successful and resilient leader will learn to identify risks and chart a critical path, which leads to delivery of objectives and completion of the mission.

## Character and Moral Compass

Many resilient individuals believe in a core set of moral and ethical principles that help guide them and give them strength during times of uncertainty and stress. Admiral James Stockdale, senior commanding officer of American Prisoners of War held at the infamous North Vietnamese prison, the Hanoi Hilton, believed that adhering to a core set of ethical values is an essential component of resilience. This is what he had to say about integrity, "You can't buy it or sell it. When supported with education, a person's *integrity* can give him something to rely on when his perspective seems to blur, when rules and principles seem to waver, and when he's faced with hard choices of right and wrong. It's something to keep *him afloat* when he's drowning."

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<sup>26</sup>Nanus (1992).

<sup>27</sup>Zaccaro and Banks (2001).

<sup>28</sup>Antonaikis, Cianciolo, and Sternberg (2004).

**Case Study 18.1: Dr. Thomas Zeltner, Switzerland's Secretary of Health, provides a Case Example of the Power of Moral Courage<sup>29</sup>**

The chronic illness of his father profoundly affected Thomas's childhood. His father suffered with malignant hypertension first diagnosed at age 35. Physicians were helpless when it came to controlling his extremely elevated blood pressure and his father developed congestive heart failure that impaired the ability to work and walk. His father became extremely depressed, and as a teenager Thomas was required to be his father's caregiver. With tears in his eyes Thomas recalls how his father suddenly lost consciousness, and fell into his arms while they sat together in the living room. His father had suffered a fatal stroke.

As Switzerland's Secretary of Health, Dr. Thomas Zeltner has never forgotten his father's chronic debilitating disease, nor its disruption of his childhood and family life. This first hand understanding of chronic illness explains his passion for improving public health. As the Secretary of Health, he strongly opposed the unseemly lobbying of cigarette companies to stop the World Health Organization from publicizing the health risks of cigarette smoking. The activities ranked Dr. Zeltner at number 2 on the cigarette companies' enemy list. Whenever possible, these powerful companies framed his activities in a negative light, and they continually lobbied for his dismissal. Dr. Zeltner also elicited the enmity of fellow Swiss physicians when he proposed to lower the reimbursement rates for laboratory tests. Fees for blood tests had not changed in over a decade, despite dramatic improvements in automation that had reduced expenses. Physicians were outraged, and convinced their patients to oppose his new policy. He met with the medical societies to explain his rationale, and at one meeting the audience pummeled him with tomatoes. Their treatment was demeaning, and at times he felt as if the entire country was against him. However, in his heart, Thomas Zeltner knew his actions were just and fair, and he stuck by his principles.

As Thomas Zeltner's case vividly exemplifies, challenging the status quo takes courage. Despite intense opposition to many of his policies, Zeltner proved to be the longest serving Secretary of Health in Switzerland's history with a 16 year tenure. His mission nurtured and modified the Swiss Health System making it a model system for the industrialized world. His childhood experiences served as stress inoculation and provided him with the moral backbone to stand up to special interests and to always protect the needs of people like his father. He never lost his sense of values or strong moral compass. Leaders of resilient organizations may embrace the inspiration of Thomas Zeltner's example, and employ objective facts and values to guide their actions. Despite the potential danger of "being pummeled by tomatoes," leaders should always keep their eye on their mission, their values and possess the courage to follow their guiding principles to effect positive change.<sup>30,31</sup>

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<sup>29</sup> Southwick (2012).

<sup>30</sup> Southwick (2012).

<sup>31</sup> George and Sims (2007).

Similarly, Peterson and Seligman,<sup>32</sup> experts in the positive psychology approach, identified an important association between a person's character strengths and their performance in life, which can also be applied to leadership performance. As part of this work, they identified six virtues as signature resources that individuals can draw from to increase performance, during challenging times as well as good times. These include wisdom, courage, humanity, justice, temperance, and transcendence. Taken together, these signature characteristics are powerful components for both personal resilience and by extension, leadership resilience.

## **Realistic Optimism and Risk Management**

Resilient leaders are typically optimistic about their organization. They believe that the future will be bright, that setbacks can be mastered and that there is light at the end of the tunnel. However, it is crucial to clarify that resilient leaders be realistic about their optimism<sup>33</sup> in the business environment. Realistically optimistic leaders understand that an underestimation of risk and an overestimation of ability can lead to failure.<sup>34</sup> Like pessimists, resilient leaders conduct risk appraisals and pay close attention to areas of potential threat and vulnerability; however, unlike pessimists, they readily disengage from negative information which allows for a broadening of scope of attention, greater creativity, and improved decision-making.<sup>35</sup>

Realistically optimistic leaders do not prematurely sound alarm; nor do they engage in confirmation biases or immediately discount information that does not fit with the expected business plan. Confirmation biases pose risk when an overly optimistic leader first sees data that suggests business projections are wrong but attempts to interpret the data in a way that still fits a rose-colored outlook. In an attempt to discredit warning signs before questioning findings or potential impact, businesses lose time and money by not taking corrective actions.

## **Change Management, Facing Fear, and Cognitive Flexibility**

People who are resilient learn how to face their fears. The ability to face fear dramatically broadens the range of possibilities and choices available to the individual, while failure to face fear is highly constricting. One of the most common fears that must be faced and challenged by leaders and organizations is the fear of change.

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<sup>32</sup>Peterson and Seligman (2004).

<sup>33</sup>Reivich and Shatte (2003).

<sup>34</sup>Kruger and Dunning (1999).

<sup>35</sup>Fredrickson (2001).

Modern leaders, particularly those in fields that are rapidly evolving, must know how to foster innovative change. Often this change occurs in matrix organizations, requiring that the concept of change be unified across departments with different areas of expertise and across varied teams.

Unfortunately change within an organizational structure is often experienced as frightening and not all team members respond to change in a resilient manner. Effective leaders will be aware of fear that exists within the organization and actively work to mitigate it. Common situations that engender poor morale and resistance to change may include: (1) *Fear of failure*: If past behaviors were successful, change may be resisted due to fear of poor performance. (2) *Perceived loss of self-mastery*: Routine often facilitates a sense of control. Change may make some team members feel a loss of control. (3) *Change is unfamiliar*: Operational changes require people to step outside of behaviors ingrained in memory into unfamiliar territory. (4) *Rigid or inflexible outlook*: New processes may be confusing and some team members may resist trying new methods once they make up their mind to stay with their “tried and true” approach. All of these roadblocks to change are rooted in fear or perceived threat. The resilient leader will strive to understand the reasons for resistance to change, actively encourage the development of strengths and work to facilitate cooperation in embracing changes to the organization’s mission.

In order to negotiate change effectively, resilient individuals and organizations must be flexible in the way that they evaluate and respond to challenges. Resilience has been associated with multiple expressions of flexibility including: knowing how to accept situations which cannot be changed, having the capacity to switch between different modes of thought and coping mechanisms, learning from failure, and finding meaning, opportunity, and the potential for growth in the context of adversity.

Resilient leaders should not be satisfied with the status quo, and should continually ask, “How can we improve?” Innovation requires that leaders be good observers and diagnosticians, be able to interpret performance data, and be able to encourage adaptive change. By intervening and orchestrating change that addresses current problems and anticipates future challenges, an effective leader helps the organization to minimize potential harm and to more rapidly overcome challenges. In a business model, change management refers to the process of transitioning teams or organizations to a desired state.

## **Social Support and Building Team Cohesion**

Resilient leaders and organizations understand the importance of creating a strong social network. It is well known that social isolation and weak social support is associated with poor physical and mental health. In a recent meta-analysis that

included 148 studies, mortality risk due to social isolation was similar to risk related to alcohol use and cigarette smoking and greater than risk due to sedentary life style or obesity.<sup>36</sup> On the other hand, high social support has been associated with better physical health and decreased chances of developing depression or post-traumatic stress disorder in the face of high levels of stress and trauma. Having a strong and supportive social network increases self-confidence, decreases risky behaviors, and promotes use of effective coping strategies.<sup>37</sup> Social support also affects the stress response. When exposed to laboratory stressors, subjects with low social support have exaggerated neuroendocrine (e.g., cortisol) and cardiovascular (i.e., heart rate and blood pressure) responses compared to subjects with higher social support. Further, the hormone oxytocin, which is related to social bonding, social communication, and trust, reduces anxiety and fear by dampening the amygdala and cortisol response to stress.

When it comes to organizations, one of the most effective social networks to solve problems and achieve coordinated action is an interdependent team. The complexity of our world is far too great for any leader to navigate alone. Modern leaders require one or more leadership teams whose members have broad expertise and problem solving capabilities to assist in establishing the appropriate priorities and for guiding specific actions of the organization.<sup>38</sup> The resilient leader is aware of personal limitations and defers to those with greater expertise whenever necessary. This symbiotic exchange helps to ensure the survival of the organization as a whole. Empowering teams also serves to increase leadership capabilities within the organization and prepares others to assume a lead role when an unexpected challenge arises. A distributive model of leadership increases the leadership quotient allowing an organization to more rapidly adjust to change and to more quickly bounce back from threat or crisis. Team cohesion is considered one of the most important components of highly functioning groups and results in a sense of unity and “we.”

## Recruiting Effective Team Members

Assembling a resilient team requires careful selection of individuals with diverse backgrounds and complementary expertise. Certain personality characteristics and traits are particularly helpful when working in teams.<sup>39</sup> Two of the most important character traits are industriousness and enthusiasm. When an entire team is industrious, no one is simply punching the clock. All members are actively engaged in

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<sup>36</sup>Holt-Lunstad, Smith, and Layton (2010).

<sup>37</sup>Southwick and Charney (2012a).

<sup>38</sup>Wageman, Nunes, Burruss, and Hackman (2008).

<sup>39</sup>Wooden and Jamison (2005).

their work and there is little danger of social loafing, a problem that can seriously harm team morale and slow achievement of the team's goals. Enthusiasm is closely linked to industriousness, since team members who do not enjoy what they are doing, quickly lose motivation and energy dissipates. Other important characteristics in team recruits include loyalty, a sense of unity, and cooperation. The importance of loyalty cannot be overemphasized. Team loyalty builds trust and facilitates sharing ideas. Loyalty prevents a team member from disparaging fellow teammates, which can quickly destroy morale. Cooperation is also important when trying to solve unexpected problems and encourages interdependent team work. Genuine friendship can also be helpful for building trust, team spirit, and improved job satisfaction. Other key characteristics include inquisitiveness, creativity, and flexibility. Rigid personalities who insist on the status quo have difficulty adapting to change, and can prevent organizations from effectively adjusting to unexpected adversity.<sup>40</sup>

## Developing Team Strengths

Successful leaders know that in order to guide and motivate an effective team, they need to assess and understand the strengths and weaknesses of each team member. A good leader concentrates on identifying and developing the individual strengths of each member of the team and assigns work accordingly, utilizing strengths as much as possible. Findings from Gallup's (2013) report on the "*State of the American Workplace*"<sup>41</sup> determined that building upon individual strengths is more effective in raising performance than trying to improve weaknesses. Gallup reported that when individuals become aware of their strengths and use them every day, they are six times more likely to be engaged on the job and less likely to leave the organization. Likewise, teams that focus on strengths every day have a 12.5% increase in productivity.

Leaders may draw from numerous techniques to help develop resilient individuals and resilient teams such as: (1) *Identify strengths*: Meet with team members separately to discuss their unique competencies; outline a plan to integrate these competencies into roles within the team. (2) *Relate individual strengths to achieving team goals*: Help the team members to understand each other's strengths so that they can work together in an effective and interconnected manner. (3) *Reinforcement of strengths*: Regularly check in with the team. Ask how the team might take advantage of each other's strengths in areas where more support may be needed. Care is needed here to focus on the achievements of all members rather than one over others. (4) *Work Assignments*: Be sure to align employees' strengths with

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<sup>40</sup>Heifetz, Grashow, and Linsky (2009).

<sup>41</sup>Gallup (2013).

project goals, in order to foster a sense of mastery and self-efficacy. Fostering self-efficacy through strength specific task assignments, affords individuals a better sense of control over their work environment. (5) *Assign Mentors*: Collaborating with mentors outside of the team often brings a new perspective on processes and work methods. (6) *Performance reviews*: Regularly discuss areas where individuals have excelled in performance reviews; outline goals for the coming year based on strengths. (7) *Encourage educational development*: Support the team in educational opportunities to develop professional skills. Identify courses and programs for in-office seminars and external development. (8) *Encourage collaboration*: Foster a team atmosphere where collaboration and delivery of project goals is the key objective, instead of individual performance metrics. This helps to reduce a competitive atmosphere and encourages team members to help others use and apply their strengths more fully.

## Leading the Team

In addition to recruiting and developing the team, the effective team leader knows how to organize and manage the team. Ideally, an effective team leader possesses a certain degree of humility and a willingness to delegate responsibility to others with specific expertise.<sup>42</sup> This approach flattens the hierarchy or power gradient within the team, permitting members to feel comfortable communicating with the leader and facilitating a willingness to disagree or suggest innovative approaches.

Leaders with good listening skills can ask questions to encourage discussion, dissent, and innovative thinking among team members. Leonard<sup>43</sup> and others have termed this form of discussion, creative abrasion. To encourage active discussion, the effective team leader creates a psychological zone of safety where every idea is considered a potentially good one, and mutual respect is the norm.

Effective team leaders further act as a coach and work through rather than around the team. This form of leadership requires a deep understanding of one's own strengths and weaknesses, as well as the strengths and weaknesses of the team. Self-awareness is an important skill to develop when managing teams. Many leaders review their personal interactions at the end of each day, in order to strengthen self-awareness.

When a team is launched, behavioral norms should be established among members; with one of the most important norms being mutual respect and an understanding that everyone will disagree agreeably. It is also important for leaders to solicit

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<sup>42</sup>Weick and Sutcliffe (2007).

<sup>43</sup>Leonard (1999).

the input of all team members and to clearly distinguish recognition of individual contributions from favoritism. In cases of favoritism, team members may withhold support from one another, which can delay or undermine the project. Instead of having a cohesive team, members may isolate, form silos or have their own agendas. By regularly identifying the contributions of all, the leader ensures the resilience of the team versus singling out the individual shining star. This helps to create a zone of safety and encourages open discussion, allowing trust to progressively increase. Mutual trust is one of the most important ingredients for creating an effective team. The creation of effective interdependent teams has other important dividends.<sup>44</sup> When the team “gels” members create a supportive social network that provides each person with a sense of belonging and when the goals have been properly established, a sense meaning as well.

## Resilient Organizations

How do resilient leaders foster resilient organizations? Before we answer this question it is important to define a resilient organization. Organizational resilience can be defined as “the intrinsic ability of an organization (system) to maintain or regain a dynamically stable state, which allows it to continue operations after a major mishap and/ or in the presence of a continuous stress.”<sup>45</sup> One of the best examples of resilient organizations is high reliability organizations (HROs). HROs must deal with high levels of complexity and uncertainty. Adverse, unexpected events are more likely in these organizations and resilience is critical for effective operation. Aircraft carriers, the nuclear power industry, healthcare delivery systems, and Alcoa manufacturing are some of the most commonly cited examples of resilient HROs.<sup>46</sup> Championship athletic teams and special-forces military units such as the Navy Seals also deal with unexpected events that require rapid adaptation and problem solving. Virtually any organization or company can be faced with unexpected harmful events which need to be contained and overcome.

The following case provides an example of organizational resilience. In this case, Florida football coach Steve Addazio and his team overcame unexpected adversity by adapting to the powerful Oklahoma defense, and as a result, won the national football championship.

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<sup>44</sup>Hackman (2002).

<sup>45</sup>Hollnagel (2006).

### Case Study 18.2: The University of Florida 2009 National Championship Game Provides a Case Example of Organizational Resilience<sup>47</sup>

The University of Florida football team played the University of Oklahoma team for the National Championship game in January of 2009. The game was low scoring and close. The first quarter was scoreless, and at half time the teams were tied at 7-7. The Oklahoma defense had been unexpectedly tough. During the half-time break the offensive coach, Steve Addazio, talked with his players, and assistant coaches. How could they overcome Oklahoma's defense? He knew that he had two of the quickest and most powerful offensive linemen in the country, Mike and Maurice Pouncey. He also knew he had one of the country's fastest runners, Percy Harvin. How could he best utilize these great strengths to penetrate Oklahoma's strong defense? At the beginning of the fourth quarter, Oklahoma passed for a touchdown, and the score was tied at 14. The momentum had shifted to Oklahoma. Florida started the next offensive series at its own twenty-two yard line. Based on his half-time analysis, Addazio called for a trap play—one of the most difficult but potentially one of the most effective running plays in football. He knew they needed a big play. It was now or never. The left offensive end blocked down on the defensive tackle, leaving the defensive end on the left side unblocked. As the end moved forward into the offensive backfield, thinking he had been accidentally overlooked, Mike Pouncey, the six feet five, and 312-pound guard agilely stepped back from the line, turned and ran low to the ground and parallel to the offensive line, toward the unsuspecting defensive end. Building up a full head of steam, he slammed into the defensive end, hurling him out of the off-tackle hole, just as his twin brother Maurice, led interference through the huge opening in the defensive line, big enough for a Mack truck to drive through. Just as the hole opened, the quarterback, Tim Tebow, handed the ball off to running back Percy Harvin, who glided effortlessly and untouched, for fifty-two yards. This beautifully orchestrated play quickly shifted the momentum back to Florida and resulted in a three-point field goal. Florida never looked back, defeating Oklahoma 24-14.

## Characteristics of Resilient Organizations

What characteristics determine organizational resilience? First and probably most important, the organization must have a high leadership quotient. That is many, if not all, members of the organization should feel empowered to make suggestions and take on leadership roles in their areas of expertise.<sup>48</sup> When everyone feels empowered to become part of the solution, information about the prevailing conditions and challenges becomes more granular and more accurate.<sup>49</sup> By deferring to those with the most knowledge and experience in a specific field, the organization takes advantage of its strengths. As Steve Addazio illustrated in the case example

<sup>46</sup> Weick and Sutcliffe (2007).

<sup>47</sup> Southwick (2012).

<sup>48</sup> Southwick (2012).

<sup>49</sup> Weick and Sutcliffe (2007).

above, leaders must understand and utilize the personal strengths of their organization in order to quickly overcome unexpected challenges. Such a strategy is easiest when the organization has a relatively flat power structure, which enhances a sense of individual autonomy, allowing each team member to feel that he or she can make a difference. When personal and team identity are strong, everyone is encouraged to share ideas and all members of the organization feel valued. The creation of a strong collaborative atmosphere instills trust and a sense of belonging that creates a strong social network, sometimes referred to as a web of support.<sup>50</sup>

The winning trap play in our case example also illustrates the importance of true teamwork. All of the players understood their roles and were able to coordinate their efforts to create a massive opening in the defensive line that allowed the running back to gain over 50 yards and deliver the win. Team members of resilient organizations must clearly understand their roles, and when the unexpected occurs, have a shared vision of the challenges they face and a map or development plan of solutions to overcome those challenges. Just as in football, frequent huddles allow members of the team to share current conditions, new potential solutions, and to change role assignments as needed. Interdependence and seamless communication are key elements of all effective teams particularly for organizations that are required to overcome adversity.<sup>51</sup>

Of course, training and practice are essential. If a player who had not practiced the trap play with the other team members had been substituted prior to calling this play, it is highly likely that this complex play would have failed, because the substitute player would not have been familiar with the speed and abilities of his team members. Similarly when members of an organization turn over, the coordination and effectiveness of the team is harmed.<sup>52</sup> High job satisfaction and low employee turnover are critical conditions for achieving and maintaining organizational resilience.

### Discussion Questions

1. Discuss the five key components of an organization's mission and why they are important to its success.
2. One of the most important factors of individual resilience is a strong social network. Discuss why this is also essential in a business environment.
3. Why is realistic optimism a critical factor in risk management?
4. Discuss why it is important for leaders to develop individuals in order to foster a resilient team.
5. What is change management and why do some individuals resist change in the workplace?

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<sup>50</sup>Wise (2005).

<sup>51</sup>Hackman (2002).

<sup>52</sup>Hackman (2002).

### Chapter Summary

- Resilience is the ability to regain balance following exposure to an adverse event. It is seen as a facilitator for change, along with being a means of quick recovery.
- Leaders often face challenges and crises that test the strength and flexibility of their systems and resources. Numerous genetic, neurobiological, developmental, and psychosocial factors have been associated with resilience and an individual's response to stress.
- The neurobiology of resilience can be applied to management techniques. Genes and neurochemicals work together to impact one's ability to manage stress but individual resilience is largely determined by non-inherited factors.
- Mastery of challenges early in the life of the individual and of an organization have a stress inoculating effect, leaving the individual/organization better prepared to deal with future challenges.
- A wide range of psychosocial factors interact with genetic, developmental, and biological factors to influence stress response.
- Resilient organizations support strong and clear missions, resulting in members viewing their work as significant, improving job satisfaction, reducing job turnover, and allowing the organization to more readily overcome adversity.
- Resilient leaders and organizations often live by a set of values and moral principles that foster integrity and strength during times of adversity.
- Resilient leaders are typically realistic optimists who understand that an underestimation of risk and an overestimation of ability can lead to failure. Resilient leaders do not engage in confirmation biases when warning signs do not fit with the expected business plan. Confirmation biases pose risk, as businesses lose time and money by not taking corrective actions.
- Resilient leaders understand the importance of facing fear, particularly the fear of change. They recognize the capacity to effectively deal with change is critical to any vibrant organization and that the resilient organization must strive for continuous improvement through corrective action and anticipate future challenges.
- Resilient leaders are flexible in their approach to problem solving and coping with unexpected challenges. Flexible strategies might include active problem solving, accepting that which cannot be changed, knowing how to learn and adjust from failure and searching for opportunity in adversity.
- Resilient leaders assemble teams with broad expertise and problem solving capabilities and defer to others' expertise when necessary. A distributive leadership quotient allows an organization to more rapidly adjust to change.

(continued)

**Chapter Summary** (continued)

- Team cohesion and complementary expertise are important components of resilient teams as are industriousness, enthusiasm, and loyalty.
- A good team leader develops individual strengths and assigns work accordingly. Building upon individual strengths fosters a sense of personal control and is more effective in raising performance than trying to improve weaknesses.
- Six character strengths have been identified in individual performance, which can also be applied to leadership performance: wisdom, courage, humanity, justice, temperance, and transcendence.
- Effective leaders have a willingness to delegate responsibility, resulting in a flattened hierarchy and facilitating communication. They also create a psychological zone of safety where mutual respect is the norm.
- One of the best examples of resilient organizations is high reliability organizations (HROs). Adverse, unexpected events are more likely in these organizations and resilience is critical for effective operation. High job satisfaction and low employee turnover are critical conditions for achieving and maintaining organizational resilience.

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## Abstract

Perseverance is a human quality associated with exceptional leaders in a variety of domains. It is also linked to personal well-being. Within this chapter we examine the meaning of perseverance, its benefits, how to have it, and when to use it. Included are short cases on Thomas Edison and Abraham Lincoln, exemplars of perseverance. Also highlighted are more commonplace examples of perseverance in the achievement of challenging goals. For instance, pursuing a degree requires perseverance. The chapter begins with a definition of perseverance and a review of findings that substantiate its significance. Then ways to bolster perseverance in yourself and others are discussed—importantly, even though perseverance has trait-like aspects, it is also developable. Finally, we consider when to persevere or, more specifically, the value of adapting a goal or the means to achieve it to an evolving context. Embedded throughout the reading are many opportunities for reflection and application.

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### Case Study 19.1: Edison “Failed” His Way to Success

*More than 80 years since his death in 1931, inventor and businessman Thomas Alva Edison remains well known throughout the world for his numerous inventions. Though he is largely remembered for his impressive successes, he also experienced a number of setbacks along the way to garnering over 1000 patents. His first patented invention, an electrographic vote recorder, flopped because politicians had little interest in the automatic tallying of legislative votes. His invention of a talking doll resulted in so many customer complaints and returns it was taken off the market after only a month. His prolonged attempt to establish an innovative ore-milling plant was a financial disappointment.<sup>1</sup>*



*Even Edison’s successes were cases in persistence. Though he debuted the innovation of the phonograph in 1888, despite having lost most of his ability to hear well before adulthood, it took him about ten more years to make it a marketable success. Thousands of different filament materials were tried before Edison’s best known invention was achieved, the commercially viable incandescent electric light bulb. An associate visiting Edison in his laboratory gives a further account of his tenacity:*

*I found him at a bench about three feet wide and twelve to fifteen feet long, on which there were hundreds of little test cells that had been made up by his corps of chemists and experimenters. He was seated at this bench testing, figuring, and planning. I then learned that he had thus made over nine thousand experiments in trying to devise this new type of storage battery, but had not produced a single thing that promised to solve the question. In view of this immense amount of thought and labor,*

(continued)

<sup>1</sup>DeGraaf, L. (2013). *Edison and the rise of innovation*. New York, NY: Sterling Signature.

(continued)

*my sympathy got the better of my judgment, and I said: "Isn't it a shame that with the tremendous amount of work you have done you haven't been able to get any results?" Edison turned on me like a flash, and with a smile replied: "Results! Why, man, I have gotten a lot of results! I know several thousand things that won't work."<sup>2</sup>*

*Clearly Edison's "iron endurance" played a large role in his achievement. When called a genius, Edison responded, "I tell you genius is hard work, stick-to-it-iveness, and common sense." He also famously said, "Genius is one percent inspiration and ninety-nine percent perspiration." And that failed ore-milling effort, by the way, resulted in production innovations that ultimately transformed the cement industry. You might just say Edison failed his way to success.*

*Consider the following:*

- 1. Thomas Edison is attributed with saying, "Many of life's failures are people who did not realize how close they were to success when they gave up." Do you agree with this statement?*
- 2. In Edison's view, failed attempts provide valuable information regarding what does not work. Explain how feedback gained from failed attempts can help achieve future success. Discuss your own examples.*
- 3. As a boy, Edison did poorly in school and was referred to as "addled" by his teacher. Give an example of someone you know that has exceeded their perceived potential and speculate as to why.*

Related to the previous chapter's quality of resilience, perseverance emphasizes the need for human endurance in order to succeed. Through the lens of perseverance, achievement is viewed as a marathon rather than a sprint. It entails a long-term focus. To persevere is to stay the course in the face of deterrents or tempting distractions. Therefore resilience, or the ability to bounce back when things have not gone as expected, is an important part of the condition of perseverance, but there is more.

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## What Is Perseverance?

There is general agreement among scholars that individuals differ in their natural tendency towards perseverance and, importantly, that it is also influenced by the context. In other words, perseverance is thought to have trait and state aspects. This is a critical point because it means perseverance is not fixed. Further, research suggests ways in which it can be intentionally cultivated in oneself or others, as we will review later in the chapter. First though, we need to examine the definition of perseverance in more detail and identify some of the other labels it is known by.

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<sup>2</sup>Dyer, F. L., & Martin, T. C. (1910). *Edison: His life and inventions* (p. 194). New York, NY: Harper.

## Defining Perseverance as Grit

Distinct labels and definitions for perseverance have developed across different research streams. A combined consideration of the following two definitions provides a richer understanding of this important human quality. Perseverance is defined within the field of positive psychology as the voluntary continuation of a goal-directed action in spite of obstacles, difficulties, discouragement, boredom, tedium, or frustration.<sup>3</sup> The term is used interchangeably with persistence and industriousness. For example, a job seeker that continues to apply for positions after numerous rejections demonstrates perseverance. From the perspective of positive psychology, perseverance is a character strength associated with psychological health. Its connection with well-being is explained as follows, “When sustained activity results from an internal strength, as opposed to threats or deadlines, it is highly engaging. When the activity is complete, it produces satisfaction.”<sup>4</sup>

In the broader field of social psychology, an analogous construct labeled grit has received attention. Grit is defined as perseverance and passion for long-term goals.<sup>5</sup> Similar to the definition from positive psychology, grit emphasizes continued pursuit of a challenging goal in spite of initial failures, adversity, and plateaus in progress. In addition, grit explicitly emphasizes a point that is left implicit in the above definition of perseverance, that is the importance of a *long-term* focus in which effort and interest for the same goal is maintained over years. For instance, graduation from a highly challenging degree program demonstrates grit. Research pertaining to grit suggests this human quality is essential in high achievement contexts and is what distinguishes the star performers.

## Perseverance by Example

To flesh out the meaning of perseverance or grit in a more illustrative way, simply review the biographies of exceptional performers within any domain and you will find a recurring theme of focused, long-term determination for a challenging goal in spite of setbacks. Similar to Thomas Edison in the opening case, entrepreneurs provide some of the most illustrious examples of perseverance because of the daunting odds associated with the success of new ventures, on top of the personal hurdles many notable businesspersons have faced. For instance, Larry Ellison has said he “had all the disadvantages required for success,” including no family connections or

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<sup>3</sup>Peterson, C., & Seligman, M.E.P. (2004). *Character strengths and virtues: A handbook and classification*. New York, NY: Oxford University Press and Washington, DC: American Psychological Association.

<sup>4</sup>*Ibid.*, p. 202.

<sup>5</sup>Duckworth, A.L., Peterson, C., Mathews, M.D., & Kelly, D.R. (2007). Grit: Perseverance for long-term goals. *Journal of Personality and Social Psychology*, 92, 1087–1101.

inherited wealth when he started Oracle.<sup>6</sup> Yet he co-founded what eventually became a multibillion dollar technology business under his leadership as CEO for 37 years from 1977 to 2014. Top corporate leaders that work their way up from the mail-room, so to speak, are also prime examples of perseverance. For instance, Ursula Burns become CEO of Xerox Corporation in 2009 and Chairperson in 2010, many years after her modest start with the company as an intern in 1980. She has said that “Many people told me I had three strikes against me: I was black. I was a girl. And I was poor.”<sup>7</sup> Yet she became the first African-American woman to lead a Fortune 500 company.

#### ***Reflection Exercise: Contrast and Compare Perseverance***

Brainstorm a short list of high and low achievers that you know of personally. Then reflect on what you know of each person on the list in order to evaluate their persistence and passion for their endeavor. Did they persevere towards a single challenging, long-term goal in spite of obstacles or distractions? Or did they switch goals frequently, favor less challenging pursuits, or give up when faced with setbacks? Do you see a distinction in the level of grittiness between the high and low achievers on your list?

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## **Perseverance as a Means to Achievement**

A generalized tendency for perseverance or grit has been shown to predict individual achievement in a variety of situations even after accounting for cognitive ability and certain other personality traits associated with performance, such as conscientiousness. Further, though both grit and cognitive abilities such as general intelligence each play a role in achievement, the two qualities were not found to be correlated.<sup>8</sup>

Motivation has long been touted as a distinct and necessary element for performance, so it is perhaps not surprising that perseverance explains unique variance in achievement. In fact, motivation is often associated with the direction, intensity, and persistence of effort. Whereas the direction of effort has received the most attention in motivation research, grit speaks directly to the intensity and persistence of effort.

## **Findings Related to Grit**

The research by Angela Duckworth and colleagues referenced above, a compilation of six studies, provides the most direct empirical support for grit in relation to achievement. They found that individuals who scored higher on an assessment of

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<sup>6</sup>Wilson, M. (1997). *The difference between god and Larry Ellison: God doesn't think he's Larry Ellison*. New York, NY: HarperCollins.

<sup>7</sup>Burns, U.M. (n.d.). *Ursula M. Burns, Chairman & CEO*. Lean In partner stories. Retrieved from <http://leanin.org/stories/ursula-burns/>

<sup>8</sup>Duckworth, A.L., Peterson, C., Mathews, M.D., & Kelly, D.R. op. cit.

grit also had attained higher levels of education relative to less gritty individuals of the same age. Within an Ivy League university setting, grittier undergraduates earned higher GPAs than their peers, despite having lower SAT scores. Grittier competitors in the Scripps National Spelling Bee outranked less gritty competitors of the same age.

Across samples of new cadets in the United States Military Academy at West Point, grit scores assessed upon arrival in June were a better predictor of which cadets made it through the first summer than the Academy's composite admissions evaluation, which included indicators of cognitive and physical aptitude. West Point describes the 6½ weeks of basic military training that occurs that first summer as "the most physically and emotionally demanding part of the 4 years at West Point," known as the "Beast Barracks" to all who have gone through it.<sup>9</sup>

## The Role of Deliberate Practice

A related stream of research paid specific attention to persistence in "deliberate practice" and its relationship with exceptional performance. Within cognitively demanding fields, findings show that star performers typically accumulate about 10 years of intense practice before reaching expert status. Popularized by writer Malcolm Gladwell as the 10,000 hour rule,<sup>10</sup> the principle was notably observed by Simon and Chase in 1973 regarding chess players that had reached top ranking within their field.<sup>11</sup> Similar findings were attained in evaluation of top achievers within other domains such as musical composition, musicians, mathematics, writers and scientists, diagnosis of X-rays, and medical diagnosis.<sup>12</sup> It is important to clarify, however, that not all hours spent are equal in impact. For instance, in a study of musicians it was the number of hours engaged in solitary practice over time, rather than total hours devoted to music activities in general, that distinguished the best performers from simply good performers and from nonexperts.<sup>13</sup>

Said another way, it is persistence in *focused* practice that reliably predicts high achievement.<sup>14</sup> Just logging hours towards a goal or racking up experience within an occupation does not meet the condition of focused or deliberate practice. Deliberate practice entails deliberate efforts to improve. The above research on musicians by K. Anders Ericsson and colleagues defined deliberate practice as engagement in

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<sup>9</sup> West Point (n.d.). *Information for New Cadets and Parents: Class of 2104*. Retrieved from [http://www.usma.edu/classes/siteassets/sitepages/2014/new\\_cadets\\_parent\\_info.pdf](http://www.usma.edu/classes/siteassets/sitepages/2014/new_cadets_parent_info.pdf).

<sup>10</sup> Gladwell, M. (2008). *Outliers: The Story of Success*. New York, NY: Little, Brown.

<sup>11</sup> Simon, H. A., & W. G. Chase, (1973). Skill in chess. *American Scientist*, 61, 394–403.

<sup>12</sup> See review in Ericsson, K. A., Krampe, R. T., & Tesch-Römer, C. (1993). The role of deliberate practice in the acquisition of expert performance. *Psychological Review*, 100, 363–406.

<sup>13</sup> Ibid.

<sup>14</sup> Goleman, D. (2013). *Focus: The hidden driver of excellence*. New York, NY: HarperCollins.

practice activities designed by teachers and coaches to maximize improvement. This also implies that clear practice goals are set and that feedback on progress is provided or discernable. Similar to Thomas Edison's point on the value of learning what does not work through repeated attempts, optimal practice results in some degree of progress, refinement, and modification as a step towards improvement or goal attainment.<sup>15</sup>

#### ***Reflection Exercise: Personalize Deliberate Practice***

Deliberate practice in the musician study described above entailed solo practice activities to address specific deficiencies. Deliberate practice in the spelling bee study described below consisted of studying and memorizing words while alone. Deliberate practice for inventors may consist of repeated experimental attempts in which feedback is culled each time for ongoing refinement of the approach. The legendary martial arts expert Bruce Lee is credited with saying "I fear not the man who has practiced 10,000 kicks once, but I fear the man who has practiced one kick 10,000 times." Clearly the specific steps for deliberate practice are relative. Think about what these steps would be in order to attain exceptional performance in your own achievement context. Make note of at least one specific way you can be more deliberate in your efforts toward your long-term goal.

## **An Integrated Model of Grit and Deliberate Practice**

Many individuals that persist in deliberate practice do so just long enough to reach an acceptable level of performance, a point where deliberate practice gives way to automatic actions, rather than persevere to an expert or elite level of performance. This is why years of experience alone are a poor predictor of top achievement.<sup>16</sup> So what type of person is likely to keep persisting in deliberate practice? Recent research studied the integrated effects of grit and deliberate practice and found, as logic would suggest, that grittier individuals engaged in more hours of deliberate practice. National Spelling Bee participants that scored higher in grit also logged more hours of solitary studying and memorizing of words over a 4 week period. These grittier participants, in turn, performed better in the spelling competition. In research terms, we would say that deliberate practice mediated the expected grit–achievement relationship. The authors concluded that grit—perseverance and passion for the long-term goals—is what enables individuals to persist with the arduous activity of deliberate practice.<sup>17</sup>

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<sup>15</sup>Ibid., also see pp. 164–178.

<sup>16</sup>Ericsson, K. A., & Lehmann, A. C. (1996). Expert and exceptional performance: Evidence of maximal adaptation to task constraints. *Annual Review of Psychology*, 47, 273–305. Ericsson, K. A., Krampe, R. T., & Tesch-Römer, C. (1993).

<sup>17</sup>Duckworth, A.L., T.A. Kirby, E. Tsukayama, H. Berstein and K. A. Ericsson. (2011). Deliberate practice spells success: Why grittier competitors triumph at the national spelling bee. *Social Psychology and Personality Science*, 2, 174–181.

**Case Study 19.2: Lincoln Sharpened the Axe**

*Dig deeper into the background of those most admired for their accomplishments and you will undoubtedly uncover a story of obstacles and failures they overcame along the way. Abraham Lincoln, the acclaimed 16th president of the United States, is an excellent example. Lincoln is ranked by many as the top US president of all time. During his lifetime, however, he suffered bouts of “melancholy,” what today would likely be labeled clinical depression, and had very little opportunity for formal education.*



*Further, during Lincoln’s political career, he lost more elections than he won. His first campaign, at the age of 23, was for the Illinois General Assembly where he was soundly beat, finishing eighth out of 13 candidates. He bounced back with his next campaign and served four consecutive terms in the state legislature. During this time, he also became a self-educated lawyer and eagerly accepted any case that came his way, and by doing so gained repeated practice in the artful skill of persuasive oral argument.*

*Lincoln next pursued politics at the national level. At the age of 37, he was elected to the U.S. House of Representatives and served one term, ran for the U.S. Senate at age 45 and lost, vied for his political party’s nomination for vice president 2 years later and came close but lost, ran again for the U.S. Senate at age 49 and again lost. However, the high profile debates with his opponent during this second failed but hard fought Senate run earned Lincoln national repute. Shortly after, on February 27, 1860, Lincoln was invited to give a speech to political leaders in New York.*

*On the surface, there was no reason to expect Lincoln’s New York speech to be a success, let alone a resounding success. Contrasted with the polished east coast audience, Lincoln’s lack of formal education, 6’4” gangly appearance, and country bumpkin status in some eyes were all factors against his favor.*

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*Yet by journalist and historian accounts he greatly impressed and subsequently gained his party's presidential nomination. On November 6, 1860, at age 51 Lincoln was elected president of the United States and, as they say, the rest is history.<sup>18</sup>*

*Consider the following:*

1. *Abraham Lincoln is noted as saying: "Give me 6 hours to chop down a tree and I will spend the first four sharpening the axe." Relate this statement to the concept of deliberate practice.*
2. *Calculate the number of years between Lincoln's first political campaign and his eventual presidency. How does this speak to passion and perseverance for long-term, overarching achievement goals?*
3. *Consider Lincoln's various failed attempts at office. Explain ways in which these failures potentially helped him achieve successes.*

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## Development and Support of Perseverance

As stated at the start of this chapter, though individuals differ in their natural tendency towards perseverance, it is not a fixed characteristic. Research points to several ways to bolster this human quality, organized here for our learning purpose into four categories. A challenging goal identifies the need to persevere. Appropriate use of rewards reinforces and enhances the perceived value of perseverance. A growth mindset enhances one's belief that success can stem from perseverance. Smarter practice enhances results of perseverance for development and achievement.

### A Challenging Goal

Perseverance by definition entails a goal. The goal is the object of pursuit, which without there would be nothing to persevere towards. Goals engage effort because they refer to future valued outcomes and, as such, serve to highlight discrepancy between current conditions and desired conditions (Locke & Latham, 2006). Challenging goals, relative to unchallenging goals, increase the size, clarity, and duration of this discrepancy and thus the likelihood that the discrepancy will be detected and acted upon and that such effort will persist (Austin & Vancouver, 1996; cf., Latham & Locke, 1991; Litchfield, 2008). This rationale is supported by the generally consistent finding over hundreds of studies that performance is a linear function of goal level (Latham & Locke, 1991; Locke & Latham, 1990).

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<sup>18</sup>Canales, N.V. (2014). *Abraham Lincoln Complete Biography and Quotes*. Publisher: Author. Miller Center, University of Virginia. (n.d.). *American president: A reference source*. Retrieved from <http://millercenter.org/president/lincoln/essays/biography/2>

Goals also have a hierarchical aspect. Action-plan goals are nested under the higher order of achievement goals.<sup>19</sup> The latter represents the longer-term goal that is fundamental to perseverance. For example, the goal to become a stockbroker is an achievement goal whereas completion of a training program and the licensing exam are relevant action-plan goals that support the bigger achievement goal. Take notice of how the broad achievement goal guided long-term striving in the following example.

### Case Study 19.3: Small Steps Towards a Big Goal

*Chris Gardner today is the CEO of his own successful stockbrokerage firm. His path to that point is a compelling story in perseverance, sufficiently interesting in fact to result in a bestselling autobiography and award winning movie. Gardner set the goal to become a highly successful stockbroker in a moment of inspiration at the age of 27. His many steps towards this goal included competing to land a position within a training program, finding creative ways to survive financially as a homeless single dad during the unpaid training, aiming to be the top trainee by targeting 200 sales calls a day, passing the Series 7 exam to become a licensed broker, then attaining full employee status as a stockbroker, achieving various degrees of success as an employee, about 6 years later opening his own firm, and ultimately accomplishing elite financial and philanthropic success.*

*Consider the following:*

*It was the same overarching achievement goal—to be a highly successful stockbroker—that guided Chris Gardner’s 34 years and counting of perseverance. His mantra during the early and most difficult period was to: “Walk that walk and go forward all the time...Also, the walk didn’t have to be long strides, baby steps counted too. Go forward.”<sup>20</sup>*

*Reflect on your own career accomplishments so far or your planned career goals for the future. Is there an overarching achievement goal that describes your path?*

## Appropriate Rewards

The receipt of rewards is strongly linked to perseverance, but rewards represent a double-edged sword. On one hand, rewarding effort increases effortful persistence. Further, when individuals are rewarded (or reinforced in some other fashion) for exerting high effort in one domain, they are more likely to exert high effort in other domains. This finding is well supported in experimental studies and is explained by the theory of learned industriousness. The theory asserts that individuals learn to be

<sup>19</sup>DeShon, R.P., & Gillespie, J.Z. (2005). A motivated action theory account of goal orientation. *Journal of Applied Psychology, 90*, 1096–1127.

<sup>20</sup>Gardner, C. (2006). *The pursuit of happiness*. New York, NY: HarperCollins.

industrious by initially experiencing reinforcement of this behavior, to a point where high effort itself becomes gratifying because of its association with positive outcomes.<sup>21</sup>

However, when rewards (including nonmonetary rewards such as praise and positive feedback) are perceived as controlling, individuals are likely to reduce effortful persistence. Theories that provide rationale for this effect (self-determination theory, motivational crowding, and the overjustification effect) point to a potential decrease in intrinsic or autonomous motivation for the rewarded task. Self-determination theory further states that intrinsic motivation is fostered when tasks support feelings of autonomy, competence, and relatedness with others. Rewards must therefore be structured with these elements in mind.<sup>22</sup> In this regard, savoring each step of progress towards the overarching achievement goal may serve as a reinforcing yet autonomy supportive form of reward.

It is also important that rewards for achievement do not inadvertently penalize failure because failures represent potential learning opportunities on the path to achieving a challenging goal. A study of 10 years of data on surgeons using a new technology to complete cardiac procedures found that failure was significant to their learning, particularly observing the failure of others. However, it seemed the doctors were less receptive to learning from their own failures. The authors suggest that organizations need to help their members interpret their own failures in unthreatening ways.<sup>23</sup> Some organizations are already doing this by rewarding intelligent failure. One New York advertising company, for example, awards a Heroic Failure trophy quarterly; a payroll services company in Illinois pays \$400 to winners of the their annual Best New Mistake award.<sup>24</sup>

## A Growth Mindset

A distinguished body of work by social psychology researcher Carol Dweck points to the benefits of a growth mindset versus a fixed mindset for persistence towards challenging goals and in overcoming failures. A fixed mindset believes intelligence is innate and fixed, whereas a growth mindset believes intelligence is malleable and can be developed. Consequently, those with a growth mindset are more willing to

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<sup>21</sup>Eisenberger, R. (1992). Learned Industriousness. *Psychological Review*, 99, 248–267.

<sup>22</sup>Deci, E. L., & Ryan, R. M. (2000). The “what” and “why” of goal pursuits: Human needs and the self-determination of behavior. *Psychological Inquiry*, 11, 227–268.; Ryan, R. M., & Deci, E. L. (2000). Self-determination theory and the facilitation of intrinsic motivation, social development, and well-being. *American Psychologist*, 55, 68–78. Also see Peterson, C., & Seligman, M.E.P. (2004).

<sup>23</sup>KC, D., Staats, B. R., & Gino, F. (2013). Learning from my success and from others' failure: Evidence from minimally invasive cardiac surgery. *Management Science*, 59, 2435–2449.

<sup>24</sup>Shellenbarger, S. (2011, September 27). Better ideas through failure: Companies reward employee mistakes to spur innovation, get back their edge. *Wall Street Journal*, p. D1.

embrace challenges, persist in the face of setbacks, and see effort as a necessary means to growth and skill mastery. They do not fear failure, but instead innately see it as a learning opportunity.<sup>25</sup>

Most relevant to developing perseverance is that a growth mindset can be taught. One counterintuitive way to do this is to emphasize to individuals that failure is due to their own insufficient effort. In reference to Dweck's work and related research, two prominent scholars of positive psychology have stated:

In particular, persistence can be increased by teaching people to regard their initial failures as reflecting their own lack of effort. Although some might be skeptical of such an approach insofar as it leads people to blame themselves for failure, its benefits have been established. Apparently, teaching people to blame failures on their own effort encourages them to believe that outcomes are under their control and that they should keep going, preferably with an increase in effort.<sup>26</sup>

## Smarter Practice

An underlying mechanism connecting perseverance to high achievement is practice. As detailed in a prior section of this chapter, it seems that grittier individuals accumulate more hours of "deliberate" practice that in turn supports higher achievement within the area of focus. But not all practice hours are equivalent in effectiveness. For instance, practicing the same bad form over and over will not improve performance. Effective practice requires continuous refinement of your form with each adjustment bringing you one step closer to your goal. Or as the scholar Daniel Goleman puts it, "Smart practice always includes a feedback loop that lets you recognize errors and correct them...If you practice without such feedback, you don't get to the top ranks."<sup>27</sup>

How can you seek out expert feedback for smarter practice? A teacher, coach, or mentor is most useful in this regard. It may require hiring an expert for one-on-one advice, just as you might hire a personal trainer at the gym, or taking a course or training workshop that emphasizes learning by doing. If you have ever watched episodes of the reality show *Shark Tank*, you will have noticed that some budding entrepreneurs seek to partner with a "shark" primarily for the expert advice, not strictly for the financial support.

Technology-enabled adaptive approaches to learning are another means of attaining personalized feedback for development. Used increasingly in education and corporate training, this usually entails software that mimics what a human coach, teacher, or mentor would do. That is, the software program interactively

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<sup>25</sup>Dweck, C. S. (2006). *Mindset: The new psychology of success*. New York, NY: Random House.

<sup>26</sup>Peterson, C., & Seligman, M.E.P. op. cit., p. 245.

<sup>27</sup>Goleman, D. op. cit.

customizes the lesson based on how the individual performs at each step. For example, “A student using a physics program answers quiz questions about angular momentum incorrectly, so the program offers supplemental materials and more practice problems on that topic.”<sup>28</sup> Notice that this is distinct from basic online learning in which the student adapts to a static set of learning materials. It is instead more analogous to an on-demand personal tutor.

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## Knowing When to Persevere

While perseverance has clear benefits, there is also value in knowing when not to persist.<sup>29</sup> A goal influences performance by directing attention and effort toward goal-relevant activities and away from goal-irrelevant activities.<sup>30</sup> “When we’re fixated on a goal, whatever is relevant to that point of focus gets priority. Focus is not just selecting the right thing, but also saying no to the wrong ones. But focus goes too far when it says no to the right things, too.”<sup>31</sup>

Hamdi Ulukaya, the founder of Chobani Inc., the company that fueled the popularity of Greek-style yogurt in the United States, grew his startup company from zero to a billion in annual sales between 2007 and 2012. But he remained so fully focused on growing and running the business that he failed to recognize the business had outgrown the limited management expertise in place. By 2013 he was experiencing increased competition, product recalls, distribution difficulties, customer complaints, a substantial drop in market share, and a financial loss. He used to believe no one could run his business better than he could, but has since adapted his means for goal achievement to include an experienced executive team.<sup>32</sup>

Research shows that letting go of an unattainable goal and reengaging in a new goal can enhance feelings of well-being.<sup>33</sup> But *adapting* a goal, or the means to its achievement, to fit a changed context is also associated with well-being and, unlike when a goal is abandoned altogether, can make an otherwise unattainable

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<sup>28</sup>Feldstein, M. (2013, December 17). What faculty should know about adaptive learning. *e-Literate*. Retrieved from <http://mfeldstein.com/faculty-know-adaptive-learning/>.

<sup>29</sup>Peterson, C., & Seligman, M.E.P. op. cit., p. 240

<sup>30</sup>Locke, E. A., & Latham, G. P. (1990). *A theory of goal setting & task performance*. Upper Saddle River: Prentice Hall. Locke, E. A., & Latham, G. P. (2002). Building a practically useful theory of goal setting and work motivation: A 35 year odyssey. *American Psychologist*, 57, 705–717.

<sup>31</sup>Goleman, D. op. cit., p. 229

<sup>32</sup>Gasparro, A. (2015, May 18). For Greek yogurt king, path isn’t always smooth. *Wall Street Journal*, pp. A1, A10.

<sup>33</sup>Wrosch, C., Scheier, M. F., Miller, G. E., Schulz, R., & Carver, C. S. (2003). Adaptive self-regulation of unattainable goals: Goal disengagement, goal reengagement, and subjective well-being. *Personality and Social Psychology Bulletin*, 29, 1494–1508.

goal attainable.<sup>34</sup> Christopher Isaac “Biz” Stone, one of the co-founders of Twitter, left Google in 2005 to join a friend in a start-up business focused on audio podcasting. They eventually decided none of them had sufficient passion for podcasting, so they shifted their focus to other business ideas. The broad goal of collaborating on an internet start-up remained intact, while the operational aspects of the goal shifted and adapted. And Twitter ultimately emerged.<sup>35</sup> Stone has said, “timing, perseverance and 10 years of really hard work will eventually make you look like an overnight success.”<sup>36</sup>

### Discussion Questions

1. Assess your general tendency to persevere towards long-term goals with the grit assessment instrument developed by University of Pennsylvania professor Angela Duckworth and colleagues, found on her research lab’s website at <https://sites.sas.upenn.edu/duckworth>. Discuss factors that may enhance your future score on this assessment. Specifically consider the role of goal setting and deliberate practice.
2. Assess your growth mindset with the assessment instrument developed by Stanford University professor Carol Dweck, accessed via this link: <http://community.mindsetworks.com/my-mindset?force=1>. Individually compare your outcome from this assessment with your outcome from the grit assessment then determine among the class whether there is a pattern of correlation between the two assessments. There is no need to disclose your scores on the assessments, just whether they are similar in level.
3. Seth Godin, marketing expert and entrepreneur, put it bluntly with regard to innovation: “If you are saying to all your employees, ‘Innovate, innovate, innovate,’ but you give the Employee of the Month parking space to the person who never screwed up and you give the bonus and the vacation to the person who doesn’t make mistakes, you are not serious about innovation, and your team knows it.”<sup>37</sup> Discuss the meaning of this statement in relation to perseverance towards a challenging goal.

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<sup>34</sup> Freund, A. M., & Baltes, P. B. (1998). Selection, optimization, and compensation as strategies of life management: Correlations with subjective indicators of successful aging. *Psychology and Aging, 13*, 531–543.

<sup>35</sup> Stone, B. (2014). *Things a little bird told me*. New York, NY: Grand Central.

<sup>36</sup> Wolf, A. (2014, March 28). Biz Stone: Life after Twitter. *Wall Street Journal*. Retrieved from <http://www.wsj.com/articles/SB10001424052702303725404579461623575366420>.

<sup>37</sup> Byrnes, B. (2003, March 5). *Why the best companies reward failure*. Retrieved from <http://www.fool.com/investing/general/2013/03/05/why-the-best-companies-reward-failure.aspx>.

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4. Weebles were a popular 1970s toy. They consisted of plastic figures with a rounded base that permitted the figure to wobble back and forth but not topple over. You can easily find images on the internet if you are curious. Their catchy marketing slogan was, “Weebles wobble but they won’t fall down.” Name real life individuals that would fit this slogan based on their persistence in the face of obstacles.
5. Leaders are concerned with development of their own perseverance and also that of their followers. Describe leaders that have encouraged you in this area and how they did so. Also consider how you would lead others in developing this quality.

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  - o Perseverance by Example
  - o Reflection Exercise: *Contrast and Compare Perseverance*
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## Part II

### Hard Skills

As the praise for soft skills has increased in recent years, one should not consider hard skills as a thing of the past. Hard skills are still important in professional settings. They are usually the measurable skills that can land you a job because they pertain to intelligence, analytical/technical skills, determination, rigor, vision, and the like. Hard skills have been majorly promoted in past decades, not just in workplaces, but also by Business Schools, and that may be understandable when we consider that B-Schools receive their directives from the work environment.

With such a high number of hard skill-educated graduates in leadership positions today, it may not be so easy to convince them that they should balance their behavior, and include some more empathy, motivation, and social skills in their supervisory roles. But “not easy” is not the same as “impossible.” It just requires appropriate tact to get the overly hard skill-oriented leaders to consider a blend of hard and soft skills in their approaches toward internal and external stakeholders. Many leaders, who have patted themselves on the back for years about their “no-nonsense” approach of intelligence, vision, and rational decision-making, still feel that soft skills should not have a place in the workplace, and resist any coaching in that regard, even though they really want to do a good job. The idea that empathy and its related behaviors should stay out of the work floor is just too deeply embedded in their system, even if they are told about the results that such a shift in behavior would bring, and learn about successful companies that included soft skills in their leadership strategies. These leaders will find an explanation for any evidence presented to them about the need to include more soft skills. If, for instance, a survey is done among their employees and the findings show that they should apply more soft skills, they will either accuse the survey instrument, the participants, or the data analysts of poor quality or performance.

Interestingly, the best approach to convince these leaders about the appropriateness of using soft skills is by using soft skills toward them: approaching them with empathy and using emotional intelligence when confronting them with their leadership flaws. The way to do so is avoid confrontations where others are present, but rather gently do so in one-on-one settings, so that their pride does not get hurt. It is most important to win the trust of these leaders, so that they can gradually adopt the

idea that they have to change their behavior. An important point to consider is that these leaders have a fear of failure, just like most of us. A good approach is to invite them to reflect on approaches in their past where they successfully applied soft skills, so that they can relate to those on the path forward.

All that being said, hard skills still maintain their place of importance in professional settings. In the next few chapters, we will proudly present hard skills, and do so as follows:

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## **1.1 Leadership and Ambition**

Ambition is the driving motive to reach beyond what is considered possible. It is therefore a leadership skill that cannot be denied. This chapter will discuss the importance of nurturing one's ambition, but will also underscore the reasons why ambition needs to be examined regularly to prevent from becoming victimized by it.

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## **1.2 Leadership and Global Understanding**

Ignorance is one of the greatest enemies of leaders. With seven billion people communicating with each other on a continuously increasing scale, leaders cannot refrain from understanding phenomena as cultures, traditions, general values, and other aspects of importance. While nothing has to be learned by heart, awareness in this aspect can be a lifesaver.

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## **1.3 Leadership and Information Technology**

The hard skill of information technology is one that cannot be ignored in an ever-communicating world. This chapter will focus on some developments in the field of IT that leaders, whether savvy in that regard or not, need to be aware of. Some advantages and pitfalls of IT implementation will also be reviewed.

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## **1.4 Leadership and Planning**

Planning is the measurable aspect of vision and problem solving, which were presented earlier. This chapter will explain why leaders need to examine the status quo on a regular basis, so that they can start thinking about and working toward new directions, and thus remain leaders.

Joan Marques

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## Abstract

Ambition is the driving motive that propels us to reach beyond what is considered possible. Ambition fuels creativity, design thinking, and an entrepreneurial spirit, and is therefore a powerful leadership quality. Ambitious leaders are focused on performance because they continuously want to reach higher levels for themselves and their companies. Ambition, like so many other qualities, is multifaceted: it can be positive and negative in nature. When pushed too far, ambition can become a problem instead of an advantage. Consequently, it can lead to excessive workaholism, stress, health issues, and a toxic work environment due to intolerance, micromanagement, and excessive control, leading to dissatisfied coworkers. This chapter will discuss the importance of nurturing one's ambition, but will also underline the reasons why ambition needs to be examined frequently to prevent it from becoming a liability.

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## The Driving Force of Ambition

Ambition has been defined in numerous ways, yet, all definitions seem to boil down to the following:

Ambition is a strong desire to attain improvement, honor, or power. Ambition is revealed in our motivation to strive for a glorious future consisting of ongoing advancement, and leading to personal and professional progress (Judge & Kammeyer-Mueller, 2012).

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Ambition can also be described as “the unique human energy that primes our efforts, and shapes our achievements” (Champy & Nohria, 2001, p. 4). Yet, even as the potential and purpose of ambition in our lives is readily admitted, there is more caution than enthusiasm about this topic among philosophers. Ambition has been linked to specific traits, such as thoroughness, extraversion, neuroticism, and mental ability (Judge & Kammeyer-Mueller, 2012). Our level of ambition determines how we handle these traits.

In addition, ambition is often influenced by three factors: our parents, our character, and our view of the world. People with ambitious parents, especially those with high levels of education and status, will usually turn out to be more ambitious. The reason for that is simple: it’s a reciprocal situation: the children are oftentimes inspired by their successful parents and aim to become just as or more successful than their parents (Bandura, 1999). Conversely, ambitious parents will also project their ambition onto their children and motivate them to aim high in life. Some sources go as far as genetics, and claim that ambitious children may have inherited their ambitious traits from their parents (Judge & Kammeyer-Mueller, 2012). The parental influence in regard to ambition is not limited to successful parents, however. There are many parents who failed to realize their dreams for whatever reason, and subsequently project them onto their children (Brummelman et al., 2013). This is especially the case when parents perceive their children as extensions of themselves. In those cases, which occur very frequently, the parents consider their children as a second chance to realize their dreams (Brummelman et al., 2013).

In regard to our character and worldview, it has been established that these factors propel us to from the inside to achieve high marks in life, such as a good education, a prestigious job, and a comfortable income (Judge & Kammeyer-Mueller, 2012). Under normal circumstances, these three factors are each other’s prerequisites anyway: good education paves the way for finding a high profile job, which usually also pays well. Ambitious people like to be looked up to. They work hard, but they thrive on the consequences of their hard work. They like to be addressed with superlatives such as “successful,” “powerful,” and “affluent.”

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## Negative and Positive Ambition

When discussing ambition in light of leadership, there are as many points of praise as there are points of caution. In this section, we will address one of each: positive ambition and negative ambition.

### Positive Ambition

When a person aims to take a leadership position, there are various nonverbal factors that can reveal whether this person has positive or negative ambition. People with positive ambition are usually competent to do the job at hand, but not excessively eager to take on the leadership role. If and when they do so, they do it because

they are aware of the need to assist others and improve a situation. Positive ambition can be described as being competent, yet reluctantly embarking on a power position, and doing so mainly with the aim to attain communal progress (Larimer, Hannagan, & Smith, 2007). A good example of a leader who displayed positive ambition are Martin Luther King, who was not overly enthusiastic when he was requested to lead the civil rights movement, even though he knew someone had to do it. However, when he accepted his responsibility, he did a job that had no equivalence. In general, it has been established that leaders who demonstrate less enthusiasm in obtaining the power position are favored over those who come across as power hungry.

### **Negative Ambition**

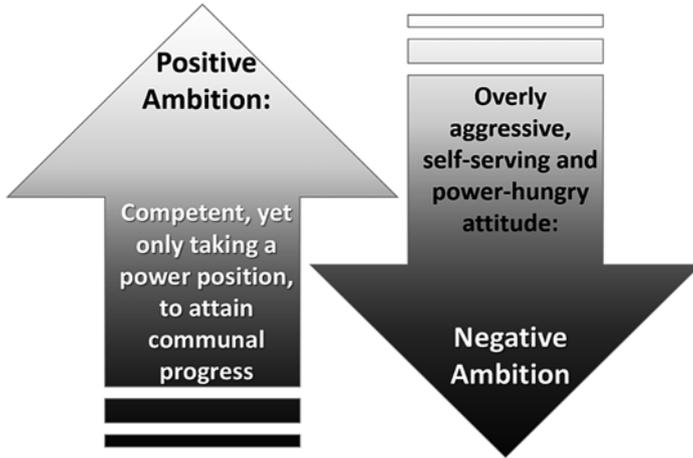
Whenever a leader displays an overly aggressive, self-serving and power-hungry, we have a case of negative ambition on our hands. A study done on positive and negative ambition found that negative ambition is predominantly associated with men because they have traditionally been groomed for and have accepted leadership positions. Negative ambition creates a sense of mistrust among followers, who are then less inclined to accept the leader because they fear that he or she will be very self-centered and controlling (Larimer et al., 2007). In general, followers are not fond of authoritative leaders. Leaders with negative ambition are power hungry and have a major sense of entitlement about special treatment and power. They place their personal interests above those of the group (Larimer et al., 2007). This may explain the change we have seen in recent years, where the emphasis is increasingly laid on less aggressive and more yielding, mellow leadership qualities. It may also explain the emphasis on the more feminine side of leadership in which empathy, compassion, and honesty prevail.

The distinction between positive and negative ambition shows us that the way a leader displays his or her ambition determines whether people will consider it positive or negative, and whether the ambitious person will therefore be cherished or ousted (Fig. 20.1).

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### **Individual and Collective Ambition**

Aside from its appearance within a person, ambition can also be classified as individual and collective ambition. In the case of individual ambition, as we shall see below, a person usually displays ambition in multiple settings and has adopted this quality as a second nature. In the case of collective ambition, a team spirit is involved.



**Fig. 20.1** Positive vs. negative ambition

## Individual Ambition

Ambition is a valuable leadership quality because it is instrumental in climbing the career ladder or staying on top of it. Ambitious people see opportunities where others see challenges. Because of this, they continuously develop their skills and connections in order to transform these opportunities into reality. Ambitious people don't want to be followers for long. Their minds are always searching for ways to break through barriers and ceilings. They participate actively in projects, but do so with a mindset of inventiveness. In other words, they examine the practices and processes they are involved in, eager to find weaknesses they can improve, connections they can establish, or specific niches they can zoom into. They are passionate and take initiative. They often volunteer to do the less desired chores because they are aware of the fact that these often lead to great opportunities.

There are very few leaders—if any—that are not ambitious. Ambition may very well be the number one aspect that distinguishes leaders from followers. Ambition propels forward, always finding ways to improve current situations. On the other side of the spectrum, we have the complacent folks, who prefer to keep everything the way it is, and prefer not to wonder where that leaves them or their organization. They cling to their comfort zone, even though they may complain about it all the time, and dread any change. This has a lot to do with fear: distrust in the motives of those who champion the change, fear of losing their routine, and fear of not being able to do well in a changed situation.

Ambitious people have a number of mindsets and behaviors that are great guidelines to all of us who want to get ahead. Here are some:

1. *Improving old, established processes.* Ambitious people examine the established processes that frustrate them and create novel paths to enhance processes and

performance (Porter, 2015). Finding situations that need improvement is not difficult because they are all around us. It just requires an ambitious, entrepreneurial mindset, and a healthy dose of perseverance. Also, many new inventions were not created by people who were already rich. Rather, they came from people who got an idea from seeing or experiencing something on their path that they did not like and wondering how they could improve it.

2. *Outperforming competitors.* Even if there is no formal competition at stake, ambitious people will always try to outperform others. If they are entrepreneurs, they will frequently follow what their competitors do in order to improve on that. If they are employees, they will compare themselves to one or more colleagues who they look up to, and try to equal or outperform those persons.
3. *Narrowing the focus.* Somewhere along the way, ambitious people learn that their enthusiasm can lead them to take on too many opportunities, leading to mediocre performance or failure of all. As a result, they develop the habit of narrowing their focus by screening through the options, selecting the task they are most passionate about, and go for it.
4. *Finding suitable partners.* Another quality ambitious people learn through trials and tribulations is to share their tasks with people who complement their skills. This is usually a hard lesson because ambitious people prefer to keep all honors to themselves, since they fear that someone else might take advantage of their work, and they often also have big egos. Yet, sometimes it takes collaboration to make something a success. In business terms this is called “synergy,” which is the phenomenon of the whole being greater than the sum of its parts.

## Collective Ambition

Ambition is not always an individual trait. It can very well surface as a team characteristic. Such a team can be large or small: a department or an entire organization. Collective ambition consists of a set of elements that create a sense of collaboration and result in heightened collective performance. These elements are purpose, vision, targets, strategies and priorities, brand promise (commitments to internal and external stakeholders), core values (guiding principles), and leadership (Ready & Truelove, 2011). Of these elements, purpose is most critical because it defines the organization’s very reason of existence and performance. Purpose lies at the core of the story around which the company builds its reasons for existing. The next five elements define the direction the company aims to follow, and the strategies that will lead to realizing this. The sixth and last element, leadership, pertains to the way leaders carry themselves and their workforce toward this common mindset (Ready & Truelove, 2011). Leaders, who examine the functioning of these elements on a regular basis, are well on their way to solidifying a community with an aligned goal.

A point of caution may be in place here: when considering ambition in a group setting, it should be noted that different members of the team will have different levels of ambition. This becomes particularly obvious in the case of transformational leadership. Transformational leaders expect their followers to exceed the call

of duty. Ambitious followers will thrive on that, as they are usually innovative and willing to take risks, but the less ambitious ones will consider the experience rather stressful, which can possibly lead to demoralization among these followers if not addressed properly (Holstad, Korek, Rigotti, & Mohr, 2014).

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## **Ambition as a Key Leadership Skill**

Regardless of frequent warnings about ambition and its influence in our lives, this skill brings its own set of advantages. A longitudinal study demonstrated that ambitious people usually don't consider their ambition as a problem and feel that they could control it if they wanted to. Ambitious people achieve more in the areas of education and professional performance: they hold higher degrees and better jobs, and thanks to that, they feel more satisfied with their lives (Judge & Kammeyer-Mueller, 2012). Even though there are other personality traits, abilities, and socio-economic factors that can influence the course of our life and career, ambition definitely has a strong impact. Let us now briefly look into three perception angles regarding ambition.

### **Preserving our Ambition**

We all experience our share of setbacks in life, and no matter how ambitious we are; these setbacks can bring us down. We may feel defeated and even find our ambition shrink significantly. In such circumstances, it is easy to fall prey to a downward spiral of failures and depression (Pelusi, 2008). A good way to snap out of such a negative pattern is to take a critical look at our setbacks and wonder what we can learn from them.

Because ambitious people learn to focus strongly on their goals, they also run the chance of becoming frustrated if the goal does not get achieved. Having invested so much energy in a promising project that now has failed can make a person feel like a balloon that lost all its air (Pelusi, 2008). It's important to monitor these senses because they are the warning sign that giving up is around the corner. But winners don't quit, so such moments are critical to sit and refocus.

### **Ambition and Critical Thinking**

Ambition is a major foundation for critical thinking because ambitious people always try to find ways to progress. In doing so, they have to develop mental strategies to move from one stage to another. In the process, they may encounter unforeseen obstacles, which will cause them to change their initial plans, and engage in the creative process of exploring alternatives. As has become clear from several examples in this chapter, critical and creative thinking are frequent companions in the lives of ambitious persons. A great example of how critical and creative thinking can fuel ambition is Millard Fuller, the founder of Habitat of Humanity.

Coming from humble backgrounds, but eager to succeed in life, Fuller developed a plan to become affluent, and found a friend with similar aspirations while in college. He worked extremely hard and became a millionaire before he was 30 years old. However, he then realized that his hard work had taken a toll on his marriage, and as he was trying to save this precious bond with his family, he gave up his money and lived poor again with his family. Yet, his ambition was not gone. The only difference was that Fuller, now older and wiser, knew that any progress he would make from then on would have to be constructive and with inclusion of his loved ones. This ultimately led to his engagement in a housing program in Georgia, which later evolved into Habitat for Humanity, a nonprofit that build thousands of homes for the financially challenged in different countries and continents of the world.

When observing people around us who use their critical and creative thinking skills, we can see how they create ways for themselves to do things that so many others in similar positions are unable to do, from finding ways to obtain higher education in order to improve the quality of their lives to reinventing themselves and their careers, thus fulfilling their dreams in different ways as circumstances change.

## **Ambition, Motivation, and Goals**

Ambition is not only a strong skill; it is also a strong motivator. In that capacity, ambition drives us to formulate and accomplish goals continuously. Ambitious people usually have some kind of extrinsic motivator in mind when they set their goals, from a promotion or a raise to earning a degree, acquiring higher status, and becoming more powerful. Yet, while they may have these extrinsic rewards in mind, their behavior is primarily fueled by their own, intrinsic motivation of accomplishment. They see the achievement of each goal as a personal victory and obtain a sense of self-actualization from it. Ambitious people set their own goals, determine how they will approach it, and how they will make it become reality.

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## **Ambition: Some Points of Caution**

Ambition is a dynamic skill, but dynamite can be hazardous if not handled properly. Ambition can run out of hand and make us its victims instead of its captains. Ambition can deliver us such a great boost of energy every time we accomplish something, that we may become addicts of this feeling, and lose our inner peace. Below are some points of caution to be considered in regard to ambition.

### **Lack of Focus**

Ambition needs a focus; otherwise, it will only be a factor of exhaustion. Only when there is a clear goal, can ambition really be utilized optimally and constructively. A major longitudinal study in the UK among ambitious young people

yielded that those who had a clear focus were able to systematically and comfortably realize their dreams and become very successful in society. These focused ambitious youngsters obtained higher levels of education, landed better jobs, and earned higher incomes than those who lacked a clear focus (Sabates, Harris, & Staff, 2011). The above findings are not unique: decades ago, a team of sociologists also established that young people with concrete educational and professional ambition generally ended up with higher positions and better jobs (Sewell, Haller, & Portes, 1969).

## **Loss of Control**

Ambition can become so overwhelming that it transforms into an all-consuming drive. As such, it has the ability to break us, physically and mentally, and keep us dissatisfied, no matter how much we accomplish. An interesting example is bestselling author Roxane Gay, who disclosed that, in spite of the many doors that now open for her, she gets no ultimate sense of fulfillment from the fame and admiration she experiences. She feels as if she always needs to prove herself better, and attributes that to her life experiences, in which early failures, discrimination, and being underestimated, made such a deep impression on her, that her ambition became so relentless over time, and has reached a point where she no longer feels any particular excitement when she achieves a new milestone.

## **From Strength to Weakness**

When we review old literature, it becomes apparent that ambition does not hold the best reputation. It is often described as a destructive quality. Seneca (1806) once likened ambition to a gulf that swallows and buries everything, and does not lead to lasting happiness or contentment, because everything that is taken from others can be taken away again. Seneca discusses leaders such as Pompey, who was an insatiable conqueror, who simply could not stop his conquests, even after being regarded the greatest war hero of his times, and Julius Caesar, whose ambition also drove him to ongoing annexations in spite of already having established unmatched military power. Seneca warns that ambition can get us blinded, and that perceived glamor and greatness does not guarantee genuine, internal happiness.

Yet, ambition should not merely be seen as a weakness that leads to displeasure and discontentment, but should also be considered as a driving motive that can lead to positive outcomes if steered properly.

## **Psychosomatic Factors**

It is important to monitor regularly where we stand with our ambition, and whether we are still enjoying it, or whether it has become our ruler. Monitoring our ambition is not just a wise and kind step toward ourselves, but also toward others.

Leaders who allow their ambition to take the overhand may set goals that are too high and thus cause tremendous stress onto themselves and the people they lead. As a result, their leadership may be experienced as abusive, even if these leaders are very charismatic (Pundt, 2014). Having the ability to elevate people to higher levels than they thought they were capable of reaching is great, but if the pressure on the leader and his or her followers gets too high, a number of unpleasant results may emerge, such as absenteeism due to excessive stress and anxiety, or even worse, lingering health problems such as high blood pressure, strokes, and heart attacks. There have been numerous cases in real life as well as in movies that have demonstrated this effect.

In the movie *Whiplash*, we can see a great example of abusive charisma displayed by a leader and how extreme transformational performance becomes disparaging to all people involved. The movie is about a highly respected but also immensely feared music teacher at a very prestigious college, who pushes his students beyond their limits to draw out the best of their talents. He thereby frequently belittles them in the most painful ways, and drives them to the point of obsession. While the teacher's ultimate intentions may be good, he achieves exactly the opposite: he breaks the spirit of his most talented student, which causes the student to give up on his dream. While the movie ends with a very hopeful scene, it is important to realize that too much of anything is unhealthy. This also goes for ambition. There is nothing as valuable as the process of cautiously monitoring in order to maintain a healthy balance instead of destroying everything.

## Workaholism

A factor that should never be underestimated in regard to ambition is workaholism. Workaholism is often a consequence of ambition. The critical issue with workaholism is that it is so common and seemingly inevitable when climbing the career ladder. Yet, workaholism has a tendency to increase, consistently demanding more work focus and less relax and family time, thus resulting in psychosomatic symptoms, as mentioned earlier: strokes, heart attacks, nervous breakdowns, and more, as well as alienation from loved ones.

While workaholism can manifest itself everywhere, some jobs are infamous for the percentage workaholics they represent. One of those is the work of attorneys. Working with compelling cases in such an intellectually challenging profession takes a tremendous toll on those who are determined to succeed in their job. Breaking time barriers by staying awake for more than 24 h in a row often results in too much coffee, and sometimes too much other substances, in order to battle the need to sleep. Family functions, marriage, child soccer games, and leisurely activities decrease on the priority list, to the point that they become nonexistent on the ambitious performer's calendar. One ambitious achievement is followed by another. The sequence is unending and captivating. Feelings of guilt for prioritizing work above everything else dwindle as professional targets gain prominence. Realizing dreams seems to be the only focus, and others will just have to understand (Dik & Schaap, 2014). Power, status, and money are the magic words in these ambitious people's dictionaries. Work has become their identity. Everything else has turned into an insignificant blur.

One of the most fascinating aspects about ambitious-driven workaholism is that all the reasons given for it make great sense. Yet, so does the side-effect of depression. Research has yielded that about 20 % of all lawyers are depressed, which is significantly higher than most other professions. Similarly, it has been found that 20 % of lawyers are problem drinkers, which is double the number of the US average. In addition, there are higher divorce and suicide rates among this professional group (Dik & Schaap, 2014). This trend presents us with the concerning fact that, as the focus on status and affluence amplifies, the general degree of well-being declines. Many lawyers seem to develop a greater preference for extrinsic motivators, such as money, status symbols, and prominence in society. In doing so, they often neglect their psychological needs, which would have contributed to their happiness and contentment levels (Dik & Schaap, 2014).

What makes workaholism so complicated is the fact that it begins with a great sense of accomplishment, but gradually transforms into an addictive pattern that is just hard to break, not only because of the guilt a workaholic feels when not working, but maybe even more because of the rewards this trait yields to one's ambition. A workaholic is praised because he or she works harder than others, and therefore gets more done, so in comparison, this person tops colleagues easily. A workaholic usually harbors one or more of the following foundational factors: low self-esteem, a great need for accomplishment, coming from a family that promoted work addiction, working in a place where workaholism is valued or where competition is high, and feeling more secure at work than in other life areas (Dik & Schaap, 2014).

Workaholism has also been linked to narcissism. When narcissism is moderate, it is not necessarily a bad trait because it urges to achieve and thus receive praise, make progress, and become more confident at work. Yet, like all things in life, narcissism can also be driven to a point where it becomes excessive, fed by insatiable ambition, and translated into a continuous desire to earn rewards and recognition. This is where workaholism appears on the horizon because earning rewards and recognition requires greater effort than others (Andreassen, Ursin, Eriksen, & Pallesen, 2012).

## Loss of Happiness

It seems that many of the earlier cited sources, as well as some that we have not cited yet, agree that ambition frequently comes at the price of diminished or entirely lost happiness. This may have already become apparent in the sections above: If you want to achieve something, but don't exactly know what because you have no focus, you just move without a purpose, and that will make you unhappy. If you do have determination and focus, but allow your ambition to run away with you, you get dragged from one achievement to another without any sense of real satisfaction, and this will make you unhappy. If you continue to chase status, power, and money, far beyond what you may have envisioned when you started, yet cannot stop, you have also become a victim of your ambition and lost touch with your happiness. If your health, or the health of those around you, is imperiled by your ambitious actions,

and you suffer from psychosomatic ailments, your happiness is also tremendously affected. If all you can think of is your work, and everything or everybody else has lost significance due to your ambitious quest, you may achieve great things, but your happiness will be lost.

It may not be the most comfortable thing to do, but ambitious people would definitely benefit from spending some quiet time in contemplation about what they are after, thereby consciously questioning whether this goal will make them happy. Ambition—and this has been proven by research—often comes at the expense of close relationships (Stillman, 2013). So, while ambitious people may end up with better positions, incomes, and social status, they are not necessarily happier or more satisfied in life than their less ambitious peers. Besides, positions and status are temporary phenomena: they come and go. Invariably, someone else will take over your honorary spot when your energy starts fading, and finding yourself slipping down the same ladder that you once climbed is a pretty crushing feeling. Before giving in to an ambitious endeavor, it might be good to consider all possible consequences, and most importantly, the sacrifices this endeavor will demand on your happiness because short-term success is frequently followed by long-term regret (Stillman, 2013).

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## Professional Setbacks of Ambition

Ambition is overall a useful trait. We communicated that extensively in the previous chapter. Progress would be impossible without ambition because it is this very trait that converts dreams into reality, and thrusts us forward into new realms that were previously unheard or unthought-of.

In the first part of this chapter, we presented some of the troublesome aspects of ambition at a personal level: you can suffer from your ambition if you lack a focus, allow your ambition to take control over your life, allow it to disintegrate into a weakness rather than a strength, suffer from psychosomatic symptoms due to excessive ambition, become an incurable workaholic, and experience loss of your happiness. These are some of the personal setbacks you can experience if you don't safeguard your ambition. However, others may suffer from your ambition as well. If you work or live with other people, they can get seriously affected by the side-effects of your excessive ambitious nature.

## Intolerance

Ambitious people often display a low tolerance for the people around them. They work harder than others, and if they are in charge, they will most likely expect the same from those around them. This can lead to intolerance and impatience when they encounter others that don't take the tasks as seriously as they do. As a result, they may distance themselves from these lower performers, maneuvering them into an "out-group" position, whereas those that match or follow their ambitious targets

are elevated into the “in-group.” Out-group and in-group phenomena, while not a desirable trend in light of fairness, are rather common in workplaces because most leaders simply gravitate more to some people and less to others. Depending on the leader in charge, the parameters for in-group and out-group membership are set. The in-group members are more trusted, more involved in important tasks and decisions, and more likely to progress in the organization due to their affiliation with the leader. The out-group members experience exactly the opposite: they are only informed about the most important facts, not involved in critical processes, and fairly immobile in their position.

In the case of an ambitious leader, the less ambitious employees will most likely be part of the out-group, unless they harbor a special knowledge, connection, or other quality that the leader may consider critical in achieving his or her goals. In those specific cases, a less ambitious employee will be allowed in the in-group for as long as he or she can be instrumental to the leader’s focus. Once that has been achieved, there is a good chance that the less ambitious worker will be heaved to the wayside, unless he or she is politically savvy and cunningly manipulates the key to the leader’s interest.

## **Micromanagement and Excessive Control**

Because ambitious leaders want to secure progress, and do so in a swift and effective way, they may have a tendency to micromanage their coworkers. The deep-rooted motive hereby is their discomfort and mistrust in the capacities of others to do the job as excellent as they do. While they realize that they cannot possibly do everything alone, they will delegate tasks and responsibilities, but look over other’s shoulders as hard and as often as they can, to monitor the process in the way they perceive as the correct one. In doing so, they curtail coworker’s creativity and self-esteem and increase dissatisfaction within these coworkers.

A good piece of advice to ambitious leaders is therefore to allow people to be the best they can be, which is only achieved if they feel as if they have ownership over their part of the task and are allowed to apply their insights. Ambitious leaders should consider this smart strategy of allowing others to be great as well and show confidence rather than contempt for those they work with.<sup>1</sup>

## **Increased Dissatisfaction**

Because we are all different, driven by a multitude of motives, insights, beliefs, and values, we see the world and what we expect from it differently as well. Working with an excessively ambitious leader can have a very stressful, sometimes downright dissatisfying effect on coworkers, especially if they don’t share the

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<sup>1</sup> Champy, J., & Nohria, N. (2000). Ambition: Root of achievement. *Executive Excellence*, 17(3), 5–6.

degree of affiliation with or passion about the goal that the leader aims to achieve. Some coworkers may consider the goal senseless or threatening to their job-security, and may try to contest it where possible. Others may agree with the leader's target but not with his or her path toward achieving the target. They may feel that the leader moves too fast or uses a strategy that is less desirable in their mind. Yet others may be indifferent to the leader's purpose, as they either just see their job as a source of income, or have been contrived to the out-group.

There will probably be a cross section of these characters and considerations in most common work environments. When the leader is highly ambitious, this may be translated as self-centered or self-serving, and prompt gives rise to mistrust and suspicion from the workforce. Highly ambitious leaders should keep in mind that a majority of working people harbors some ambition, but most of the time by far not amounting to the degree of ambition the leader holds. When these people are therefore confronted with a highly ambitious leader, they become insecure and fearful of disruptions to their comfort zone. As a result, they may become very active, but not in the way the ambitious leader would like. Their aim will be to oust this ambitious leader and look for a more moderate lead-figure.

## Damaged Trust and Reputation

The past decades have presented us plenty of examples of corporate leaders who were once revered, but allowed their ambition to drive them to a point where they lost sight of moral and legal boundaries. Winning becomes the only thing that matters, and it has to happen at any cost. Major corporations such as Enron, Tyco, and WorldCom have experienced their downfall due to excessively ambitious leaders who were once admired, but somewhere lost sight of the limits of responsible behavior. Yet, these are not the only areas where the fascination of winning has led to damaged trust and reputation. The desire to become a star has penetrated so deeply in the psyche of some people, that they overstep the boundaries of honorable behavior, only to continue feeding their ambition. In a short article that focused on the downside of ambition, Robert Samuelson presents examples of Bill Belichick, Marion Jones, and William Lerach, all three acclaimed professionals, who went just too far with their ambition. Belichick, who was the coach of the New England Patriots, betrayed National Football League rules by videotaping his opponents' defensive signals, even though his team had won many times before without these dishonest practices.<sup>2</sup> Marion Jones, a successful Olympic runner, had to return five medals, won at the 2000 Australian Olympics, after it was discovered that she had used performance-enhancing drugs.<sup>3</sup> Trial lawyer William Lerach engaged in illegal practices by hiring plaintiffs who served as fronts in lawsuits filed against

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<sup>2</sup>Samuelson, R. J. (2007, October 22). The downside of ambition: breaking the rules to succeed. *Fort Worth Business Press*. p. 38.

<sup>3</sup>Ibid.

corporations.<sup>4</sup> These three people paid dearly for their professional ambition, and did not only lose the trust of those who looked up to them, but also had to pay large sums of money, and in two of the three cases, even spent time in jail.

Nonetheless, ambition remains a phenomenon that speaks to the imagination of many people, especially in a country such as the United States. The fascination with winning can be seen every night on television in a wide variety of shows, such as “America’s Next Top Model,” and “Dancing with the Stars.” What we should realize when considering the great success rate of such programs is the fact that the subject of the show is actually of secondary importance. The biggest thrill is the process of winning and losing: that eternal tension and the identification we build with some of those on the screen. A survey, held by the National Opinion Research Center at the University of Chicago, which focused on what mattered in making progress in life, yielded that the most important factor listed was “ambition” (43%), followed by “hard work” (38%) and “good education” (36%).<sup>5</sup> As mentioned earlier in this and the previous chapter, however, ambition is a powerful, yet dangerous vehicle that can lead to major victories, but also to tragedy. The greater one’s ambition becomes, the higher one’s self-absorption, and this happens at the expense of everything else in life.<sup>6</sup>

#### **Case Study 20.1: Abe Lincoln’s Staircase of Ambition**

*Note: Abraham Lincoln has earned a special place in this book by being the only person to whom a case study is attributed in both the “Soft Skill” and the “Hard Skill” sections. Each of the cases portrays the 16th US President in a different light, thus preventing too much information overlap.*

Abraham Lincoln is praised by many as one of the best presidents America ever had. He was born in Kentucky, but spent most of his childhood in Indiana. His path toward becoming the 16th president of the nation was not exactly a bed of roses. Growing up in the early 1800s meant that formal education was not considered a necessity, and young Abe had to educate himself. His formal schooling lasted less than a year, but Lincoln was determined to learn all he could. He devoured every book he could find. His father was an illiterate farmer and carpenter, and his mother, equally uneducated, died when he was only 9 years old. The circumstances were not promising, and there was no one who was eager to polish the hidden gem in young Abraham. He had to do it with his ambition, and he had plenty of that! As a child, Abe was known to read while his friends were playing (Waugh, 2009). Some people considered him lazy and trying to avoid the hard labor that was expected from a boy growing up in his time. As he entered his teens, he did the chores expected from him,

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<sup>4</sup>Ibid.

<sup>5</sup>Ibid.

<sup>6</sup>Ibid.

(continued)

which made him very well built and athletic, and rather skilful in handling an axe. “Lincoln made extraordinary efforts to attain knowledge while working on a farm, splitting rails for fences, and keeping store at New Salem, Illinois” (Abraham Lincoln, *n.d.*)

The impressively tall, skinny young man ultimately became a lawyer, and taught himself to become a superb communicator, well understood by aristocrats and paupers, highly educated and unlettered alike. His communication skills soon drew him to the political arena, and from 1834 to 1846 he served as a member of the Illinois House of Representatives. While some of Lincoln’s contemporaries looked down on him because of his humble background, Lincoln was not one to be defeated easily. His ambition and insights simply would not allow him to. Lincoln’s success in politics may be attributed to his deep understanding of human nature (Blumenthal, 2012). His law partner, William H. Herndon, described Lincoln’s performance in life as follows: “His ambition was a little engine that knew no rest.” (Blumenthal, p. 33). It was this very ambition that pushed Lincoln to return to politics in 1854 after a few years of retreating to his law office. He was disturbed by the developments of the day, and most of all by his conviction that slavery should be stopped from further spreading over the nation. By the time he returned, Abe was ready to wake up a nation, and he vigorously entered the debates. In 1858, Lincoln ran against Stephen A. Douglas for Senator. He lost the election, but in debating with Douglas he gained a national reputation that won him the Republican nomination for President in 1860 (Abraham Lincoln, *n.d.*).

Lincoln’s political ambition was not selfishly focused: it was driven by what he perceived as his calling to save the country in such a way that slavery would become an extinct phenomenon. In general, Lincoln’s ambitious nature served as a constant driving motive in his life. His sense of humor, not in the least self-humor, and his insatiable quest to learn, took him to legislative chambers, saloons, political gatherings, social parties, courtrooms, and any venue where he could possibly learn something. He loved the opportunity of having a good political conversation with fellow politicians.

The fact that Lincoln was able to use his ambition as a survival skill can be derived from the fact that he suffered many losses in life, yet never gave up. He dealt with the death of his mother when he was only nine, his first love Ann Rutledge when she was 22, and his son Eddie 1 month before becoming 4 years of age, in 1850. Even when he was president, he was not free from tragedy: the fight to keep the country together and abolish slavery was a difficult and excruciating one. He lost many friends in the civil war that erupted, and lost his 11-year-old son Willie to typhus in 1862. Lincoln was reelected in 1864, very much against his own expectations, but was assassinated 1 year later, on April 14 1865 (Good Friday) by John Wilkes Booth, a confederate spy from Maryland. The man who pushed for the abolition of slavery paid a dear yet historically worthy price for his ambitious insights.

(continued)

(continued)

### Case Questions

1. What would you consider Lincoln's outstanding traits and/or personal characteristics that made him so ambitious?
2. Discuss some advantages and disadvantages Lincoln experienced as a result of his ambition? If necessary, please engage in some additional reading about the man.
3. Was Lincoln's ambition a worthy one in retrospect? Please explain your answer.

### Discussion Questions

1. Ambition is fueled by personal traits, such as your level of thoroughness, how outgoing you are (extraversion), your emotional state (neuroticism), and your general mental ability. Please consider your own levels of thoroughness, extraversion, neuroticism, and general mental ability, and explain how you use these traits in setting ambitious goals?
2. How do you feel that your ambition has been encouraged or inhibited so far? Reviewing the gender influences on ambition in this chapter: do you feel that your gender contributed to this encouragement or inhibition? Please explain.
3. Read the section about negative and positive ambition, and then provide an example of each, either in your own life, from people you know, or from research? (About 150 words minimum per example)
4. This chapter discusses six personal problem areas in being ambitious: (1) lack of focus, (2) losing control, (3) strength becoming a weakness, (4) psychosomatic effects, (5) workaholism, and (6) loss of happiness. Please reflect on each of these problem areas, and select which of these six is a current or foreseeable problem area that may affect you. Explain your answer (about 300 words)?
5. Which of the four professional downsides of ambition do you consider most problematic? Have you ever been the victim of any of these four downsides? If so, please explain? If not, please select one or more of these four downsides and explain how you will avoid them from happening if ever you become a leader in a professional setting?

### Chapter Summary

This chapter aimed to set the stage for a deeper understanding in the ways ambition could be used for progress.

- Ambition is a strong desire to achieve advancement, honor, or power. It is fueled by personal traits, such as your level of thoroughness, how outgoing you are (extraversion), your emotional state (neuroticism), and your general mental ability.
- Ambition emerges on basis of your personal characteristics and your view of the world. An ambitious person is usually keen on attaining a high level of education, a prestigious job, and a lavish income.
- Ambition should not be confused with aspirations and goals. While aspirations and goals usually target the achievement of one particular accomplishment, such as graduating from college, or getting a desired job, ambition is more habitual in nature: it recurs over the course of our life with different foci.
- Positive ambition is described as being competent, yet reluctantly embarking on a power position, and doing so mainly with the aim to attain communal progress.
- Negative ambition comes across as self-serving, overly aggressive and eager to attain power.
- Ambitious people see opportunities where others see challenges, and they continuously try to expand their skills and connections in order to convert these opportunities into reality.
- Some mindsets of ambitious people are, (1) Improving old, established processes; (2) outperforming competitors; (3) Narrowing the focus, and (4) Finding suitable partners.
- Ambition can also be instilled in teams, such as organizations. When organizations build collective ambition, they outperform competitors, even in the grimmest of times.
- Ambition brings its share of advantages. Ambitious people are generally not miserable from or victimized by this trait, which indicates that they could control their ambition if they wanted to.
- Some critical flaws of ambition are, (1) lack of focus, (2) losing control, (3) strength becoming weakness, (4) psychosomatic effects, (5) workaholism, and (6) loss of happiness.
- Some professional setbacks of Ambition can be (1) intolerance, (2) micro-management and excessive control, (3) increased dissatisfaction, and (4) damaged trust and reputation.

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## Abstract

Globalization changes corporations in fast and fundamental ways. This chapter is about the challenges of global leaders who have to face increasingly the so-called *VUCA* environment: very volatile, uncertain, complex, and ambiguous business situations across national borders. There is an increasing demand to integrate local responsiveness and global consistency. For this people have to be connected across countries and leaders have to engage them to global collaboration in order to facilitate complex processes of knowledge sharing. Based on a broad variety of examples, this chapter illustrates that Cultural Intelligence (CQ) is a necessary ability to find appropriate solutions to global leadership problems. It is CQ that enables leaders to embrace global complexity and to respond to a multiplicity of management styles simultaneously. Only by reconciling conflicting demands, resolving dilemmas, and responding to opposing perspectives, can leaders succeed to turn global challenges into positive energy for the creation of opportunities.

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## The Global Context of Leadership

### The Complex Environment of Multinational Companies

*In 2004 the Finnish multinational Metsä-Botnia (now Metsä Fibre) received authorization from Uruguay's president for the construction of a paper mill at the Uruguay River along the border with Argentina. Botnia's investment decision followed careful examinations of possible environmental and social implications. Local media and communities were informed that there was little environmental impact and a positive contribution to the local economy. This project was crucial to Botnia's internationalization strategy and was supposed to become the biggest Finnish private sector foreign investment and the biggest industrial investment in the history of Uruguay.*

*However, in the end Botnia had to abandon their strategic plans. Activist groups in Uruguay and Argentina soon started to oppose the construction. Botnia strongly believed in their assessment and proceeded without seriously considering the needs and demands of these stakeholders. The conflicts escalated dividing even the Argentinean and Uruguayan governments with involvement of the International Court of Justice in The Hague. At a certain point, the conflicts were so much out of the control of the company that reconciliation seemed to be impossible for top-management.*

This is one example of a global leadership challenge. Many different stakeholders are involved with partly conflicting interests and approaches. It illustrates how globalization has far-reaching consequences for companies. The interdependence of nations and the interconnectedness of experiences, know-how, and competencies are a source of great opportunities with positive effects on efficiency and development of international projects. Yet, this goes hand in hand with great challenges, given the immense technological, methodological, social, and cultural differences between different parties, plus the diverse political interests.

The case also illustrates another typical condition of global companies which is the continuous and constant quarrel to balance global integration and local responsiveness. Being simultaneously centralized and decentralized, maintaining a dynamic balance between implementing global standard practices and respecting local needs at the same time has been identified as crucial to global success (Lane, Maznevski, DiStefano, & Dietz, 2009; Prahalad & Doz, 1986). This example shows that global business is a lot more complex and unpredictable than domestic completion. Global markets are what has been termed as a *VUCA* environment, volatile, uncertain, complex, and ambiguous.

Although so far the western model of management has been the dominating management style in the global economy scenario, there have been major shifts during the last years with a relative decline of Europe and the USA and the rise of China and other countries in the developing world. Multinational companies from China, India, and Brazil have become highly competitive global players and have acquired leading international brands, such as Lenovo or Land Rover and Jaguar. Sub-Saharan countries are gradually advancing towards the top ranks of emerging economies. Africa's growing economic ties with the BRIC economies, particularly China, are well known. Many emerging economies look east more than west for fast development. Together with these global shifts new management paradigms appear.

Tung (2012) explains that in China there is a more intense scrutiny of Western management practices, particularly their pitfalls, and as they apply to the institutional environment specific to a given country. She foresees a more bidirectional flow of knowledge from East to West and vice versa as distinguished from the more unilateral flow from West to East prevalent in the past.

We can refer to a lot of empirical evidence that there is no one best way of managing in a global environment (Gehrke and Claes, 2014). Globalization demands a diversity of management styles and practices characterized by eclecticism. In Brazil, for example, the “typical” Brazilian management style from the 1990s has gone through major changes. Therefore business leaders have to respond to a multiplicity of management styles simultaneously: to those rooted in the cultural past of the country as well as to those styles and forms of expression influenced by “modern” American, European, or Japanese models (Story & Glufke Reis, 2014).

## Global Complexity and Leadership

Globalization has changed the context of leadership significantly. Global leaders have to connect people across countries and engage them to global team collaboration in order to facilitate complex processes of knowledge sharing across the globe. When business leaders are crossing national boundaries, there is an increasing necessity to find culturally appropriate solutions to leadership problems. By definition global leaders are confronted with cultural differences. What constitutes appropriate leadership behavior can vary widely across cultures. From cross-cultural management studies we have a good knowledge of culture’s influence on leadership behavior and performance (House, Hanges, Javidan, Dorfman, & Gupta, 2004). The opening case illustrates how Botnia’s global leaders have to embrace the Finnish, Uruguayan, and Argentinean diversity to bridge cultural differences in leadership style. It is the global mindset that reconciles global versus local needs and the willingness to open and to learn from other cultural systems (Lane et al., 2009). The literature offers several frameworks of global mindset, but no clear consensus has emerged, in particular when it comes to empirical research (Osland, Bird, & Mendenhall, 2006). According to Rhinesmith (1995), a global mindset is a way of being rather than a set of skills. It is an orientation that makes one scan the world from a broad perspective by looking for the unexpected and actively seeking diversity challenges. As the president of executive search firm Heidrick & Struggles puts it: in a world that is constantly changing, you have to become comfortable being uncomfortable (Wolstencroft, 2015).

Among other competences, a global mindset requires a high level of self-reflection and self-awareness. An important aspect of awareness is the ability to pay attention in a particular way: on purpose, in the present moment and nonjudgmentally (Kabat-Zinn, 1994). However, we know that human beings will rather look for evidence that confirms their expectations, which postpones the realization that something unexpected is about to happen (Kahneman & Tversky, 1979; see also Kahneman, 2011). Global leaders have to set aside previous experiences, inner

schemas, and expectations when observing the environment around them. This will enable them to notice things that would have been left unnoticed otherwise.

Global leaders therefore not only need a more complex emotional and behavioral repertoire, but also a much higher cognitive complexity for finding contextually adequate responses to global challenges. In the following, we would like to propose the construct of Cultural Intelligence (CQ) as a tool to deepen our understanding of how an individual's cognitive, motivational, and behavioral propensities impact on his or her ability to develop a global mindset (Lovvorn & Chen, 2011). Based on the research of Earley and Ang (Earley & Ang, 2003; Van Dyne, Ang, & Nielsen, 2007), the construct of CQ gained increasing interest also among practitioners, because it helps to understand how individuals adapt to new contextual inputs based on exposure to unfamiliar environments.

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## Global Understanding Through Cultural Intelligence

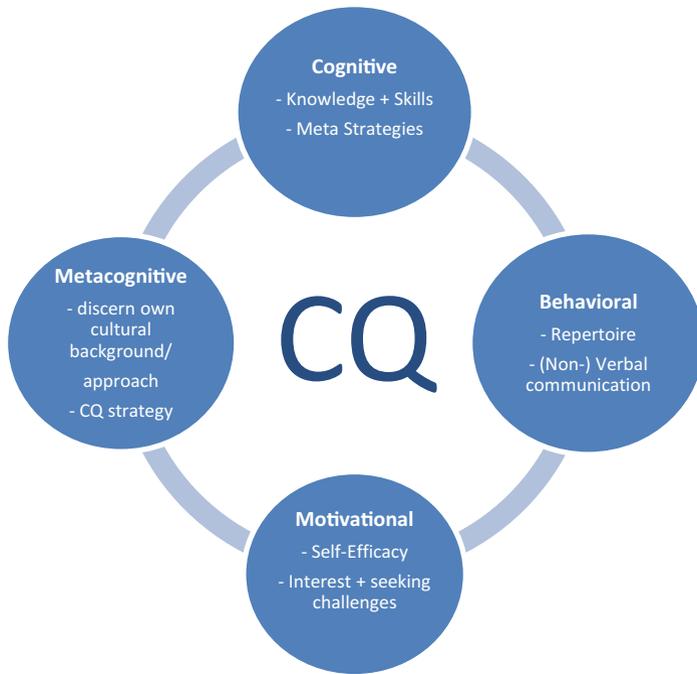
Being able to effectively develop and manage relationships is a major prerequisite to any kind of leadership. Key to global leadership is managing relationships in the face of conflicting expectations. CQ entails the capacity to decipher, interpret, and integrate both rational and emotional behavior, while understanding the deeper meaning and sense-making of global interactions (Ang et al., 2007). Leaders with high CQ are able to adapt to new global environments and to interact effectively with people of diverse cultures. According to the authors, CQ consists of four main dimensions (Fig. 21.1).

### Cognitive Cultural Intelligence

What does saying “yes” mean in the global arena? Leaders with high cognitive CQ are able to analyze and understand similarities and differences in communication styles across cultural contexts. In Asia, saying “yes” actually does not necessarily mean the same as in most Western countries. The meaning can be “I hear you”, “I am listening”, “maybe”, “this is not possible”, or even “no”. Effective global communicators have to know that in indirect, implicit Asian cultures, one avoids to say “no” as it creates confrontation and potential loss of face for one or both of the interlocutors.

Cognitive CQ first refers to context specific facts, such as knowledge of social, economic, and legal systems in various cultures (Ang et al., 2007). Secondly, it focuses on knowledge of other cultures' value and belief systems and psychological modes of thinking. The following examples will illustrate this.

*While clearing the ground for the construction of a new factory in Thailand, an international chemical company had to stop work for several days because a couple of accidents happened on the grounds, and the Thai workers refused to continue working. In the eyes of the Thai workers, accidents mean that the spirit who inhabits the grounds is dissatisfied. A ceremony with the monks had to be organised to pacify the spirit, and a “spirit house” had to be built for the spirit to dwell. After that, work could continue.*



**Fig. 21.1** The dimensions of cultural intelligence (CQ)

*Sushila is project leader at the Indian subsidiary of a German multinational. Her German colleagues at headquarters consider her a competent, fact-oriented, westernized Indian business woman, but are puzzled when they learn that she had an arranged marriage. Another female Indian senior manager works for a French multinational. Her French supervisor appreciates her as a tough, fierce and competent manager; however revises his judgment when he sees her at home serving dinner to her husband in an apparently submissive manner. He decides to not offer her the job promotion (Mahadevan, 2014).*

High cognitive CQ helps leaders to form more accurate expectations, so that they are less likely to misinterpret culturally different behavior. Knowing more about underlying Indian cultural assumptions would have helped the Western manager not to perceive the Indians' behavior as a contradiction. Uncovering India from an insider's view, he would have understood that tradition and modernity can very well coexist in India, and that women in the Indian context are comfortable performing multiple roles.

The examples show how taking a different cultural perspective becomes crucial for global leaders. Fang (2005) uses the ancient Chinese philosophical system of Yin Yang to capture complex, hybrid, and paradoxical cultural behaviors. Instead of trying to understand the Indians' behaviors through a polarized "either/or" approach (either modern or traditional), he suggests more dialectical thinking. In the Yin Yang perspective, all national cultures share the same set of values but they differ in

how each culture expresses these values at a given time. They all inherently possess paradoxical value orientations, embracing opposite traits. It is the context that makes certain values more salient than others. At home women managers behave the traditional Indian way, in the office they behave in a more westernized business-like way. According to Fang, cultures are not stable around a given set of preferred values, but dynamic. Therefore tensions around paradoxical values can be found in Western and Eastern cultures alike (Fang, 2005).

Limiting ourselves to merely comparing cultures on preconceived dimensions (such as Hofstede & Hofstede, 2005; House et al., 2004; Trompenaars & Hampden-Turner, 1997) would not be sufficient in a fast-changing global context. The global reach of MNCs fosters a certain degree of convergence in management styles and requires a more dynamic view of culture. In fact, we can observe increasingly hybrid forms of management styles, co-created in interactions, where both individuals adapt and change their styles and behavior in order to build a common ground of understanding.

## Behavioral Cultural Intelligence

Behavioral CQ is the ability to behave according to different cultural practices (Ang et al., 2007). It means one can use the appropriate verbal and nonverbal behavior in a specific cultural context. This can include the use of voice and tone, but also appropriate time management, physical distance, and dress codes. Leaders with a high behavioral CQ know how to adapt their language and behavior to the demand of the situation. In the following examples we see that leaders should observe first, in order to avoid pitfalls.

*The Korean press commented on the press photograph of the president of the USA talking to their Prime Minister on the phone with his feet on his desk. In their eyes it was a blatant lack of respect.*

*When the Swedish ambassador met the Prime Minister of Iran, he was photographed with his legs crossed, with the sole of his foot towards the Prime Minister. In the next picture, the president also crossed his legs, albeit with the sole of his foot away from the ambassador. It is not known if the ambassador got the hint.*

*In most cultures, feet have to disappear: people sit in positions where they don't point their feet or show the sole of their shoes at the interlocutor, as this can be perceived as insulting.*

Key for global managers is the ability to adjust behavior so that it is appropriate to the situation. We see this with many international Chinese who become “very direct Chinese.” Even though they grew up in an environment where indirect, non-confrontational communication styles were preferred, they explicitly change their communication style when working internationally. In China people are not expected to openly criticize their superiors, yet the international exposure to other communication styles provides them with a different perspective (Björge, 2014). Collaborating, for example, with Northern Europeans or Americans, these Chinese understand that it is necessary to change in order to make their ideas understood.

In this sense, language for global leaders is more than just a communication tool. Language is a key element in the construction of reality (Romani, Primecz, & Bell, 2014). Global companies are multilingual by definition and language is often the first obstacle to successful collaboration (Bjørge & Whittaker, 2014). In most cases this language will be English. English as a Lingua Franca (ELF) is the major means of communication between native and non-native speakers of English. However this does not come without implications both at the individual and organizational level. Analyzing the advantages and inconveniences of ELF, one finds that it can dramatically improve collaboration across units (Brannen, Piekkari, & Tietze, 2014). But the dual nature of English as a corporate language has to be understood. The use of English might hide communication distortion and foster negative feelings among non-proficient individuals (exclusion, frustration, anxiety, or status loss). At the same time, it can be a communication struggle also for speakers of English as a mother tongue, because they may feel excluded from the group of non-native speakers who feel that the fact that they all speak a foreign language creates a special bond between them.

*Most MNCs use English as a common corporate language to accelerate knowledge transfer. Yet, relatively few pay explicit attention to a language-sensitive attitude in their global leadership. The automotive company Daimler started to develop global guidelines to promote supporting activities to increase the level of English proficiency and to integrate language strategies with human resource management.*

Bjørge and Whittaker (2014) describe a series of best practices of good language management. To ensure that ELF really creates a common ground, they illustrate strategies for informal interaction, for written communication, and for oral meetings, negotiations, and presentations. It is through effective communicative processes that we build relationships with people. Again, in the global perspective we invite to take a dynamic view, because each individual affects and is affected by others. Therefore behavioral CQ is important, as we have to know when and why to adapt to the different communication styles. While interacting, people decide to accommodate the other or not, and accordingly create a common ground and shared meaning (Bjørge, 2014).

## **Motivational Cultural Intelligence**

Motivational CQ is the ability to generate energy for dealing with unfamiliar situations or stress associated with problematic interactions (Ang et al., 2007). Motivational CQ means that one is interested in other cultures and feels confident to learn how to deal with demanding environments. A leader with high motivational CQ is willing and able to adapt to challenging situations. This is an important ingredient for a global mindset and sustains the ability to “become comfortable being uncomfortable.” Carlos Ghosn, Chairman and CEO of Renault-Nissan Alliance, is one of those successful globally minded leaders.

*Brazilian-born, French national of Lebanese descent, Ghosn travels extensively to visit the major markets of Renault-Nissan, including Brazil, China, India and Russia. He splits his time mainly between Paris and Tokyo. When he speaks about the mind- and skill-set required for leading global corporations, one understands how much he is intrinsically motivated by culturally diverse situations and challenges. Asked about his extraordinary success in Japan, he explains that one needs to listen and learn, and show a genuine interest in the culture one is working with, just “listen, learn and love” (INSEAD, 2008; Osland et al., 2006; Stahl & Brannen, 2013).*

However, the predominant worldview of international leaders is still that of minimizing cultural differences (Bennett, 2004). That is, they recognize cultural diversity as “customs differ, of course,” but deep down they believe that “after all, they are pretty much like us” and that one’s own culture reflects a deeper element universal to all cultures. This assumption of similarity is then invoked to avoid recognizing one’s own cultural patterns, understanding others and eventually making the necessary adaptations. Unfamiliar situations are perceived, but interpreted within the familiar categories of one’s own worldview: “bow, shake, kiss—it’s all just showing respect” (Bennett, 2004). It is strong motivational CQ that expands the curiosity to further exploration and that makes people feel confident to be able to navigate culturally diverse interactions on a deeper level. If a leader wants to achieve results, he/she must be motivated to understand and be genuinely interested in the culture of the business partner, and willing to listen and learn.

## **Metacognitive Cultural Intelligence**

Metacognitive CQ focuses on how individuals organize and comprehend cultural knowledge and how they select responses (Ang et al., 2007). It concerns the approach, rather than the actual act of navigating intercultural situations. It is the ability to discern one’s own cultural background as it is expressed in one’s communication, and to understand what cultural norms cause the behavior of others. A leader with good metacognitive CQ constantly checks if his or her actions are appropriate for a specific cultural context, and helps to become aware of others’ cultural preferences in interaction.

*A manager in an East-Asian culture needs to give feedback to her employees. Being a Westerner, her natural and intuitive way of giving feedback would be “tell it like it is” in a very direct and to her “honest” way. But she knows doing this in the local context would be fatal because the employee would lose face. Even if this feels very uncomfortable to her, she needs to be able to adapt her feedback giving style to a more indirect and “polite” approach. And this she needs to do repeatedly, even if it is “conflicting with her values.”*

In cultures that avoid confrontation or giving bad news, the leader must be sensitive to the other codes surrounding the communication, the context of the communication. The hesitations, silences, nervous giggling, or embarrassment should be understood as signals that something is wrong. The global leader with metacognitive intelligence would then realize that her own expectations are not met, and that

she needs to reinterpret own and others' behavior. As Early and Mosakowski (2004) put it: cultural intelligence is an outsider's seemingly natural ability to interpret someone's unfamiliar and ambiguous gestures the way that person's compatriots would.

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## Addressing Global Leadership Challenges

When business leaders are crossing national borders, the complexity of managing increases significantly. Competitors, customers, stakeholders, and collaborators become increasingly different. Economies, alliances, joint-ventures, and value chains are characterized by interdependencies. Social media and a rapidly changing business environment contribute to this scenario of competition and hyper-connectedness. Additionally, cross-cultural differences add to the challenges of a global leader. We have illustrated how cultural intelligence affects leaders' ability to act more sustainably in an increasingly complex, global, and interconnected world.

## Embracing Global Complexity

Considering global challenges and related problems, the overarching theme is the management of complexity. Responding to the pressure for global integration and local responsiveness is difficult, mostly because it creates situations of fundamental tensions and dilemmas. It is up to successful global leadership to turn them into positive energy for the creation of opportunities.

One typical tension is related to economic rationality (efficiency) versus reproduction of resources (sustainability), or efficiency versus justice (Ehnert & Claes, 2014). Another typical tension is caused by cultural relativism. For example, is there a way in a globalized world to adhere to fundamental moral principles, while also being sensitive to cultural differences? Whether universal moral standards in global business do exist is hotly debated. Fact is that morality is relative to the norms of one's culture. So the fundamental question is: when is right, right?

*The Italian oil and gas industry contractor Saipem has a strong presence on the African continent. When constructing their Nigerian facilities some of their managers were involved in a bribery case. Headquarters agreed in 2010 to pay a penalty of US\$ 30 million to settle the Nigerian investigation. Recently Saipem has been accused again of having bribed Algerian ministers and bureaucrats to facilitate the conclusion of contracts worth billions of dollars.*

The fight against corruption is a major international preoccupation. Yet, bribing, in the form of "grease money" or "red tape," the use of "favors" as a way of facilitating business transactions, occur in various forms and to varying degrees in all societies. A main challenge is to find the precise definition of ethical behavior. It might be easy to assess the mere legality of a situation but it is extremely intricate to draw the line between ethical and unethical behavior (Donaldson, 1996; Ehnert & Claes, 2014).

Were Saipem managers at the moment of bribing just thinking of the benefits for their company? They might not even have been aware of the unsustainability of their behavior, since the Algerian partners apparently expected a “favor” as normal. We speak of *cultural relativism* when global managers over-adapt to local cultural values. Yet, their doing is having negative repercussion on the reputation of Saipem eventually. Moral clarity often blurs across different cultural settings. When global executives engage in unethical or illegal activities, it often reflects a naive form of cultural or political relativism: “It is the way to do business here.” For example, managers may accept bribery because they think it is acceptable in the host country or will not be discovered by inadequate control systems. Here leaders have to act as architects of corporate conscience. It is the role of responsible global leaders to establish a code for global ethical business conduct by acting as a sense-maker and sense-giver in their organizations (Ehnert & Claes, 2014).

*A top manager at ABB was asked what the company does when bribes would be involved in a foreign investment. The answer was: “In that case we don’t invest in that country”.*

This does not mean that universal ethical guidelines have to be used in a rigid way. At the other end of the spectrum of cultural relativism is *ethical imperialism*. The following case shows what is happening when cultural and situational appropriateness of (presumed) universal guidelines are neglected.

*The code of conduct of an American multinational was not well received by a majority of the employees in the French and German subsidiaries. In these countries, workforce representation is very strong, and workers will not agree with standards set by an employer without discussion. They also objected to the moralistic formulations and to such issues as control of private life (Barmeyer & Davoine, 2011).*

Uncritically applying global standards, rules, or policies to situations that require culturally sensitive handling is not sustainable. Another critical topic of ethical imperialism is, for example, nepotism. Is it ethically objectionable to hire family members? Or think of child labor: what is seen as exploitation of children by most might be considered acceptable or a survival need by people in less-developed countries.

According to Donaldson (1996) and other authors, the risk of cultural relativism is being morally blind. But ethical imperialism causes resentment and backlash among locals. In the global arena, both extremes are likely to lead instead to inappropriate, irresponsible leadership behavior. The challenge for global leadership is to decide when cultural differences are “just different” or when they are wrong.

*While Motorola has been very successful in China, Microsoft has been much less so. When Motorola entered the Chinese market in 1987, the president of the company went there personally to meet government officials and gave them mobile phones. Motorola invested in China and created joint ventures with Chinese companies. They showed respect for the Chinese social and business culture and tried to adapt its organizational culture accordingly. They showed good understanding of the political climate and promised that members of the Chinese Communist Party would have priority in the hiring process.*

*Bill Gates visited China only one year after entering the market in 1992, and was perceived as looking down on the Chinese. Microsoft did not at first start joint ventures with Chinese companies, and did not want to adapt their organizational culture. They accused Chinese companies of piracy and started legal actions although legal action is a very last resort in China.*

Reconciling ethical differences and the negative emotions that might be involved is crucial for developing trustful global work relationships. This reconciliation is something that can take time and in many cases needs a respectful step-by-step approach. CQ helps leaders to approach local stakeholders in an open and nonjudgmental way, understanding local needs and perspectives, and to respond effectively to legitimate demands and expectations.

## Addressing Tensions and Dilemma

When in 2013 the Rana Plaza garment factory collapsed, more than 1100 workers were killed, mostly seamstresses working despite blatant safety risks. Unfortunately only then did factory safety in Bangladesh receive the attention it deserves. Sadly this horrific event also accentuated the political co-responsibility of global MNCs operating in low-income countries. Should a company invest in a country where environmental and safety protections are not met?

*Lonmin is a British producer of platinum group metals operating mainly in the Bushveld Complex in South Africa. In 2012 Lonmin mineworkers were seeking higher wages and held a strike. When South African security forces confronted them, 34 mineworkers were killed and 78 wounded in what has come to be known as the Marikana massacre.*

What working and living conditions led up to it? Should Lonmin have understood how deeply desperate its employees were when they voiced the protest that triggered this horrific event? Could Lonmin have prevented it? Are human rights any of its business?

Extreme cases such as these lead to the realization that human rights have indeed become the business of business (Wielga, Salcito, & Wise, 2013). It shows that the role of global leaders should also be that of a statesman and global citizen. Global companies are increasingly forced to enlarge their political culture and to accept a debate whenever their actions can have major social consequences. This opens up a new type of dialogue, which includes new representatives of civil society, such as NGO's, universities, religions, and international institutions.

In fact there is a growing consensus among corporate leaders that pursuing economic goals only is not sufficient. One major point of discussion is the purpose of business organizations. Increasingly companies focus on the "triple bottom line" principles, also called the three Ps: people, planet, and profit. Unilever, for example, broadened their business purpose with a new understanding of economic prosperity, environmental protection and social responsibility when in 2010 the CEO Paul Polman announced a 10-year Sustainable Living Plan with clearly defined targets.

*When Polman took over Unilever in 2009, he made several audacious decisions. Among them was a major commitment to sustainability. He promised to cut Unilever's environmental footprint in half by 2020, and to double the size of its business at the same time. Though some analysts are disappointed by the company's growth rate, Polman gained the reputation as a global business leader with a conscience. He says that it's not just about making money, especially for the millennial generation.*

*According to Polman the best talents are those who want to make a difference in life, those who look for companies that have a strong purpose. He acknowledges that this is a big challenge in many companies. Trust is low in business. Trust in CEOs is even lower.*

*Asked about his personal leadership he emphasizes sense of community, to work for a greater good. He further believes that the moment one discovers in life that it is not about oneself, but that it is about investing in others, one is entering a steadier state to be a great leader (Cunningham, L. May 21, 2015).*

It remains to be seen how many other leaders are really going to “walk the talk” about global challenges. There are significant positive examples of MNCs that have changed. Notable moves include the 2011 signing of a “historic” agreement on labor rights in Indonesia by Adidas, Nike, and Puma. Nike “learned to view transparency as an asset, not a risk,” according to CEO Mark Parker. Many now consider Nike a leader in sustainability (Siegle, 2015).

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## Conclusion

We have seen that together with the all-pervasive trend of globalization comes a more recent, but yet as pervasive trend that is the quest for responsibility and sustainability (Maak & Pless, 2006). These two major trends in international business require culturally intelligent leaders: people capable of judging different actions according to the appropriate context. CQ inclines people to interpret and evaluate behavior from a variety of cultural frames of reference, so that there is never a single right or wrong. We have shown that global leaders know that the goodness or ethicality of an action is not given by absolute principles but is constructed by human beings who thereby have to take responsibility for the realities they are creating.

At the same time global leaders have to keep the big picture in mind, considering the needs of global stakeholders. This requires more from leaders than just understanding universal standards and local norms or customs. Leaders need to know how to reconcile conflicting demands, how to solve dilemmas, how to respond to opposing perspectives, and how to exploit paradoxes to stimulate changes and plurality. All these are vital constituents of global responsible leadership.

In the end, leadership is about constantly working on what one discovers about oneself in relationship to others. The need for authenticity and self-awareness is also a favorite theme of Paul Polman: “It’s clear that you need leadership skills that are focused on things like adaptability, resilience [and] systemic thinking. [But] first, you have to be a normal human being. If you don’t understand yourself, you’re no good at understanding what your strengths and weaknesses are” (Cunningham, 2015).

### Discussion Questions

1. Have a look at the items of Ang's CQ assessment (Ang et al., 2007) and reflect where you personally might have to develop your competencies. Compare your thoughts with your colleagues in class.
2. Make an internet research to find other assessment instruments that measure cross-cultural leadership competencies and present your results in class.
3. Go back to the introductory case of the Finnish multinational. How would you reconcile the company's dilemma? Discuss the role of international communication in consensus building.
4. What do you associate with good leadership? Make a list of characteristics and compare the results with your peers. Discuss how much these characteristics are globally universal or culturally specific.
5. Find material on the internet about Tim Cook, CEO of Apple, and about *Jong-Kyun Shin*, president & CEO of Samsung Electronics. Discuss the differences and communalities of their leadership styles.

### Chapter Summary

- A much higher cognitive, emotional, and behavioral complexity is needed in order to find adequate responses to global challenges.
- Globalization comes with a strong need for sustainable and responsible leadership.
- Reconciling conflicting demands, resolving dilemmas, and responding to opposing perspectives are vital constituents of global leadership.
- An essential prerequisite is a profound knowledge of oneself and the ability to recognize the impact of one's own behavior on others.

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## Abstract

The ubiquitousness of Information Technology requires that leaders of organizations in almost all industries have a good deal of knowledge of what Information Technology (IT) can do for their organizations. In every industry IT is making its presence felt in a big way. For organizational leaders the knowledge of how IT is impacting the industry and, in turn, their organizations would allow them to incorporate IT into their organizational DNA. Doing this the right way may, in fact, be the central requirement for the continued existence of organizations into the future. For the sake of focus, our discussion in this chapter will concentrate on business organizations. The arguments we present could, with minor modifications, apply to other types of organizations too. In this chapter, first, we discuss how IT can augment and help various kinds of businesses within their competitive landscape. Two, we will discuss how IT is increasingly getting inextricably woven into business processes and its implications on organizational dynamics. Third, we will discuss deployment of IT and the questions to consider while making the decision on internal expertise versus externally hired services. Fourth, we will discuss how to implement IT systems. Following implementation, in the fifth section, we will discuss how day-to-day operational issues should be taken care of in a manner that delivers expected results. Sixth, we will end the chapter with a discussion on how leaders should be thinking of IT in the current times.

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## Introduction

Information Technology has entered into almost all aspects of our lives. Many of us get up in the morning hearing the favorite morning music we set our smart phones to. There are now smart kitchens and smart bathrooms. Our cars are programmed. We buy a whole lot of things online, we book our travel needs online, we read books online and have much of our news obtained through the Internet. We drive cars that have as much as 30–40% electronics and IT industry value-adds. What all these add up to is that every industry has been “invaded” by IT. Correspondingly, leadership in every organization now has to be aware of the implications of IT on the industry or ecosystem in which it operates and the way in which they cascade down to the company itself. The quest of companies is to introduce innovations in a manner that enhances their competitive positioning vis-a-vis competitors. Because of the risks involved and the time it takes for dominant technologies to emerge, often a short wait and watch approach may be more prudent. IT being a crucial aspect of any business, leaders in all industries understand that IT can quite literally make or break companies.

Decades ago Porter (1979) presented a hugely influential analysis of competitive forces in an industry. The insight he provided is applicable even today. These forces are supplier power, buyer power, threat of substitutes, industry rivalry, and threat from new entrants. IT can impact all these forces. Let us think of some examples where the industry dynamics are being altered by the developments in the IT domain (Table 22.1).

What we can see is that the entire ecosystem of any company (that includes its competitive environment) can go through cataclysmic change when the IT wave hits it. It is better to be proactive and rise with the tide rather than have to swim against the tide.

**Table 22.1** Examples of IT instigated industry changes

Serial No.	Competitive force	Examples
1	Supplier power	IT has redefined the relationship between auto companies and its suppliers. The Japanese invention of Just-in-Time (JIT), or its new avatars, practiced by all major Auto companies, now require close IT connectedness between auto companies and their vendors
2	Buyer power	The bargaining power of traditional retailers have been seriously eroded by the buyers' access to Internet shopping
3	Threat of substitutes	Large hotel chains now are being challenged by smaller properties and homesteads which users can choose effortlessly from far-away locations. Rather than economies of scale what is important is to be wired into the influential travel portals with high ratings from recent customers
4	Industry rivalry	On account of the choice that customers can exercise in choosing vendors to suit specific consumer requirements, there is intense rivalry in service industries such as communications, transport, insurance, and most others service industries
5	Threat of new entrants	Firms in the publishing industry has been seriously challenged by the Internet firms that now have unprecedented access to readers, their reading habits and search habits on the net. This enables publishers to be not just sell books, but be helpful “neighborhood librarians”

## **Enhancing the Business Through IT**

At all points on the value chain there are possibilities of enhancing value or reduce costs through the use of Information Technology. Let us take the case of sourcing. From enhancing access to information, IT allows for closer coupling of vendor sales with the firm's material planning. The IT system can help calculate the ideal reorder size and quantity and have the system provide orders with least human intervention and minimal costs of stock-outs, etc. Of course, what we want to point here is not merely about the savings in cost, but the changes in the entire architecture of the business vis-a-vis the suppliers and buyers. From being a closed organization the firm will be forced to be more open with much interaction between the Materials department of the firm and the Sales and Marketing team from the vendor side. Closer coupling with the vendor will have implications on how the Design department operates. The Design department will have to share some of the "confidential" information with the vendor so that there is timely knowledge of the cost implications and credible promise of on-time delivery from the vendor. Of course some of the information has to be necessarily confidential. The very definition of what is confidential and what can and should be shared undergoes a change in the new business ecosystem.

## **Impact of IT on the Organizational Dynamics**

To illustrate the far-reaching impact of the changes described above, let us see what happens to the rest of the organization when the company's Material department is closely coupled with the Sales department of the vendor. As we can see there are organization-wide implications. Higher coupling with the vendor will have to be "endorsed" by other departments and all the functional departments will have to operate in tandem. For instance, the Finance department may have to release money on development of the product that is actually being incurred by the vendor. Going by the previous practices and what SOP dictates, the auditors may have objections. They have to understand what is happening! Such ripple effects may be enormous. Unless taken care of in a timely manner (with the right support of top leadership) the old SOPs may currently be dysfunctional. Temporary organizational devices such as financing vehicles may have to be resorted to. There may be higher costs associated with such arrangements.

## **Inter-Organizational Networks/Supply Chain Networks**

Long ago the economist Ronald Course established that the rationale for the existence of commercial organizations is lower internal transactional costs when compared to costs of market transactions. If we go by the same logic in the IT era, with lowering of transaction costs there will be a tendency to resort to market mechanism in place of intra-organizational transactions. Perhaps this

is what is exactly happening in the industry. Outsourcing is a classic case in point. IT allows for lessening of market transactional costs. Besides outsourcing, there have been other implications too. IT revolution has also resulted in one-on-one bargain driven competitive supplier–buyer relationships to be replaced by value-chain driven ecosystems competing among themselves (Mangal & Karmarkar, 2012).

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## IT Resources Deployment

IT resources deployment takes place in phases. From our experience we have found the following:

- (a) Deployment of hardware and Operating Systems (OS)
- (b) Deployment of application software
- (c) Development of the programs using the application software
- (d) Maintenance of the programs
- (e) Use of the program (for example, to enroll new users in the system, generate reports for decision making)
- (f) Storage and backup
- (g) Access and compliance with security issues
- (h) Review of new technology and compatibility tests

The above phases may not strictly be linear. For instance, hardware decisions (item “a” above) cannot be made independent of the software decisions (item “b” above). Development of IT systems or major modifications in IT systems is a complex issue and all the phases listed above have to be considered holistically.

In each of these deployment areas there are big changes taking place. For instance, there are different types of OS competing with each other. Earlier the choice of OS was restricted to a few well-known platform providers such as Microsoft. However, that has changed dramatically over the last few years. Today there are many Linux based systems and open softwares. There are also exclusive systems such as Apple’s iOS. In line with these choices the application software too are available from diverse vendors. The very business model of these companies keeps changing. From outright sale of software with yearly updates, etc. the trend was towards hiring system on a periodic basis (say, yearly). It may now be on a pay-per-use basis. In other words, billing by the vendor in many cases would be done on the basis of actual use. The ubiquitous use of cloud computing and the portability of information across different platforms have made availability of information and data as and when (and where) required. There are also advanced analytical tools that are used to do analytics on information residing in different locations/ different formats. This has translated to vendors providing not only traditional applications-ready systems but also data analysis (big data).

The use of such systems greatly enhances the competitiveness of the user firms. But this comes at a cost. It is very important that the user companies and their leadership understand the importance of these developments and the way their own competitiveness can be enhanced.

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## Own Versus Hire decisions

After having decided to implement an IT solution, one of the main hurdles to cross is the dilemma of whether to buy the resources outright or to hire the services. In most subsectors within the IT sector the trend is towards the latter. Take for instance storage of data. Storage involves several key issues such as security and multiple points of data storage; confidentiality and legal issues related to holding sensitive information on customers and vendors; operational issues such as backup and retrieval; encryption and varying access rights to different organizational members; and compatibility of systems issues. All these issues require the attention of highly specialized experts and often it is less expensive to simply outsource the entire work. A firm such as Amazon Web Services can do the job better than in-house efforts. But own versus outsource decisions can be difficult due to the high variable costs associated with outsourcing decisions. There are many other such areas that are emerging. Take the case of Zenpayroll, Zenefits, or Xero. The traditional payroll management firms have now metamorphosed into complete manpower management providers.

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## Implementation of IT Systems in the Company

Implementation of IT systems is the complicated activity. While introducing a system or scaling up an existing system there are major issues to be covered. To ensure that the IT system indeed helps the organization to achieve better results it is first important to study the existing business processes. This is suggested so that modifications can be made in the business processes in line with the IT systems that are implemented. Thinking of IT systems just for the firm is a dated view. Today everyone is talking of the IT ecosystem. The firm's IT would extend to that of the suppliers and the buyers. In such cases there are important access rights to be given selectively. The major steps in implementation are as follows:

- (a) Overall mapping of the existing organizational processes
- (b) Requirements Analysis
- (c) Choice of hardware and vendors
- (d) Choice of software and vendors
- (e) Overall planning of hardware and software (own-rent decision)
- (f) Cost of implementation
- (g) Time line for Implementation
- (h) Security analysis

Here too the steps are not linear. All these factors have to be holistically leveraged.

## Choosing the Right Vendor

It is useful to understand how the IT sector operates. This will help evaluate the IT vendors better and find out how they operate. Different vendors have different strengths. Evaluation and choice of vendors is indeed an important task. Some of

the vendors may be more experienced than others on one particular platform (such as, say, on Windows, iOS, or Open Systems). Some others may have experience in developing inter-system operability. Of course, the extent of external help that is required will depend upon the in-house expertise that companies possess. It is always good to complement the strength of the in-house team with external help. It is also important for each other to see the other as complementary and mutually synergistic. While the internal team will be able to bring together diverse departmental requirements and expectations into the system and help coordinate the inter-departmental activities, the external team should be able to bring in new ideas, new technologies, new knowledge and intelligence on what pioneers in the host's industry are doing vis-a-vis IT implementation and how the new system can help achieve greater process efficiencies, speed and accuracy.

Current times generally require inter-system operability. Most users within the client organizations today demand mobile applications. The vendors have to come up with solutions that meet these demands. Cloud applications and use of applications software on a pay-for-use basis are common. Portability across different platforms and flexibility of use under different situations (online as well as off-line conditions) is common place.

While security is extremely important, the general trend is towards employees working from multiple locations including from their homes. This requires not just assistance from technology, but an open attitude towards employee activities. In a company like Google much of the confidentiality is achieved not by technology but by creating a culture of confidentiality. However, where the vendor is privy to the host company's details, it is important to ensure that the vendor signs a contract to retain confidentiality and even insists on not working for key competitors for a certain length of time after the implementation.

These days even "standard" products are so highly industry-specific that it is important to check the experience of the vendor in the industry in which the client company is located. It will be a good idea to seek references from the company's previous clients. There is virtue in taking up the offer of the vendor to visit its previous clients so that the internal team is acquainted with the system that is being offered.

One important decision that will have to be made is the extent of standardization and customization. Higher customization would mean higher costs. Many companies now prefer standardized products and customization is done at the down-stream user level. This will allow for updates to be readily made use of. Excessive customization at a higher level would render readily receiving updates difficult, if not impossible. So it is better to use standard products and use the outputs from these systems as inputs for customization at a disaggregated level in the organization. Where the firms are "coupled with" their own suppliers and buyers it is always good to look for inter-system operability so that the firm is seamlessly connected to others on the value-chain.

## Important Pointers in Implementation

It is important to make sure that internally the leadership of the company has provided a favorable ecosystem in the firm. This applies to new implementations as well as major upgrades or platform changes. The internal readiness refers to three broad areas:

- (a) Technical readiness
- (b) Financial readiness
- (c) Organizational readiness

For the first two forms of readiness we can apply rational means to get readied for IT systems. People and emotions are involved in the third type of readiness, and adequate importance has to be given to “softer” issues.

Technical readiness would consist of both availability of hardware and software, and deployment of knowledgeable and trained manpower to work with the vendor team. Financial readiness, as the term suggests, means provisioning adequate funds at timely intervals. Organizational readiness consists of not only creating the right team but also getting a buy-in from the organizational members who will be affected by the change. Here, often a change-management approach with adequate communication on the benefits of change and training of personnel to operate the new system has to be put in place. The internal team has to take responsibility for implementation. It is important to designate for each location a champion who is given a team of “good” people who are not only technically skilled but also socially accepted.

It is important for the leadership to review the progress of system implementation. It is important to ask whether the set terms of the contract are being fulfilled and milestones met. During implementation one of the key aspects to be emphasized is the security of the system. Detailed plans of how access is provided and at what levels access limitations are exercised have to be carefully monitored.

The implementation phase is one where adequate learning by the host team is achieved. The internal customers can often be very demanding and it is up to the internal team to live up to the expectations of the internal clients. There has to be adequate training and user workshops conducted right from the beginning.

## Common Organizational Issues in IT Implementation

Research shows that some of the common issues that produce inadequate results are (a) lack of top management sponsorship, (b) inadequate buy-in from the employees and lack of training, (c) inadequate groundwork for change and poorly defined goals, and (d) scope creep.

Top management support and supervision is cited in many studies as one of the most important requirements for the success of IT implementation. This translates

to availability of finance, deployment of a capable team, identification of project teams for different locations and different departments, before the overlaying of IT systems insistence of internal processes to be in place, provisioning adequate time and resources from the members of the top management team/functional heads for the purpose, identification of champions for the cause and fixing of milestones for presentation of the work done and demonstration of implementation results at different phases of the project.

Another issue again cited in various studies is the buy-in from employees. IT implementation should be preceded by an understanding of not just the added benefits of having information but also benefits of time that can be reduced and the efforts saved on the part of all the organizational members.

There is much preparation at the organizational level that is required before implementation of systems. It is important to clearly define the goal of the entire exercise. There is need to convey to the organizational members the kind of information and decision support that will be made available with the new system. If all these are not clearly articulated there would be inadequate buy-in which will create problems later in implementation. Often, our experience shows that many of the formats for reporting and even the business processes are modified at the time of implementation on prompting by the IT vendors. If ad hoc changes, additions and deletions are made thus, the implications of such changes on all the departments of the organization may be lost sight of. The result could often be disastrous. Some of the departments may perceive such changes as arbitrary which may cause implementation roadblocks. There has to be adequate investment of time and effort on overall conceptualization, attention to detail and buy-in from all the departments and organizational units that will be affected. Needless to say the implementation teams should consist of influential members, both in terms of formal hierarchy and informal networks. Understanding the overall organizational dynamics is an important aspect of developing the implementation team.

Everyone should be constantly aware of the goals that are set for the IT system. This can become the point around which people would come together even if they represent different departments and different informal networks. When goals become important and turn out to be the capstone for all the implementation activities to cohere to, automatically there will be harmony. To ensure seamless working between diverse groups it is important to avoid scope creep. After all, the scope of the IT project is nothing but a detailing of the objectives. It is a way to draw the boundaries of what can be expected as outcomes. The limits set by the scope of the project need to be kept in mind constantly to avoid scope creep.

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## **On-Going IT Systems in the Company**

Having implemented an IT project the next task is to maintain the system and get the system to deliver what it is expected. At this stage it is important to make sure of the following:

- (a) Maintenance of the system efficiently and getting the expected results
- (b) Being aware of the developments in the IT domain that would further help the company and act on them
- (c) Being aware of what competitors and associates (suppliers and customers) are doing with respect to IT for their businesses and how these are shaping the competitive landscape

All these tasks are not easily accomplished. Traditionally the role of the IT department has been one of partnering the vendor for implementation, and subsequently, as maintainers of IT systems. The role of keeping track of information on new developments in IT, and how these are impacting the host firm, was largely left to chance encounters of the business heads with suppliers from the IT industry. But lately IT portfolios have been elevated to a higher level. Symptomatic of this is the emergence of Chief Information Officer (CIO) playing a key role in the organization. These days often the CIO is a member on the Company's Board of Directors.

The CIO has to also scan the IT developments in the entire industry, and not just the firm alone. The strong coupling that takes place between organizations along the supply chain also necessitates the referent company to be alive to what is happening to the entire value chain as well as the industry. The task of the CIO therefore goes beyond managing IT systems and initiating changes as technology changes. The task also involves scanning the environment and responding proactively to the competitive moves by the company's competitors and those who are in its ecosystem consisting of supplier and customer industries. Leadership in every firm has to be aware of these developments and have to proactively initiate changes whether through a COO or others in leadership positions.

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## **Responding to IT Challenges and Concluding Comments**

Here we will discuss the choices that leaders have in thinking about and dealing with technology. One way is to think of IT as merely a form of assistance to the primary business processes. The other way is to think of IT fundamentally altering the way we see things.

The first view is predicated on an atomistic view of the world. This kind of thinking is rooted in functional application of different tools to get what the organization has set out to do. According to this view, different functions of management (whether marketing, finance, or IT) have certain roles to play in helping the main business function of buying materials, processing them, and delivering them to customers. Of course, in the service industry the inputs may be intangible such as information, and processing will differ from conventional production processes and the output too may be intangible. The thinking is still one of input-process-output. The point of view is that, IT will only play a "subsidiary role" in helping the main business process. This is a very "rational" view according to which the assessment of what IT can do can be logically understood, predicted, and applied that will enhance the efficiency and time savings afforded by IT support.

This view is insufficient for current times. What the famous Harvard academic Zuboff (1988) showed decades back is applicable even today. Through six case studies she showed how IT can have opposite effects on any company. The technology could, at one extreme, increase centralization and keep its employees under surveillance and generate an atmosphere of distrust. At the other extreme it can be used to encourage responsible autonomy of the individual and a spirit of cooperation. Leadership today has to understand that IT is a double-edged weapon that can be used constructively and holistically at one end but also in dysfunctional ways.

The myth of the avowed objectivity of information is questioned by many social scientists. In a book provocatively called "The Social Life of Information," Brown and Duguid (2000) show how through processes like information brokering and selective use of information and its dissemination create "half-truths" which often are worse than "no truths" at all. In other words, information during its travel from person to person, or department to department, may get processed in a manner that would hide reality rather than reveal it. Leadership has to be aware of such phenomena and treat information circumspectly. Multiple viewpoints have to be appreciated and taken cognizance of and official information combined with the "grape-wine," etc. It is always good to have an experimental approach to what changes in IT systems can do. Pilot projects have a place where there is uncertainty and where the potential investments are huge.

Another area where leaders have to show awareness is big data. A couple of decades ago the IT systems provided decision support systems and expert systems. Those times have changed now. The world is too interconnected. The process of globalization and the huge amount of information available on the net today have made the traditional decision support systems dated and out of sync with reality. What we have today is "big data." It is about figuring out the connections between various events, places and institutions and making connections between each other and developing a sense of how things change. This area is still developing and this is not a place to discuss big data. Suffice it to say that there are no more closed systems. Everything seems connected to everything else and the best way to face new challenges is to figure out how events and people and organizations are connected to each other and figure out new categories (for instance, segment the market differently). The insights provided by big data would allow creativity and innovations to take hold that would provide companies with competitive edge.

There are other new technologies that leaders should be aware of such as cloud computing and also privacy issues. Through cloud computing companies can save on servers, related software and manpower costs. There are also advantages in leaving the decisions on storage and other issues to experts. There is always some risks, though, in such centralized systems that are fully under the control of the vendor. Here vendor selection becomes very important. Privacy is also important. Cloud storage has to be properly secured. Care has to be taken in the right selection of the vendor, training of the company's personnel, and creating secure regular backup with well-defined standard operating procedures.

### Discussion Questions

1. Consider three industries of your choice that are in the engineering, FMCG and services sectors. For each of these industries
  - (a) Discuss how IT is impacting the way business is done?
  - (b) How does IT impact globalization/localization of activities in a typical firm in each of the three industries you have chosen?
  - (c) Discuss how the customer is benefiting on account of the above.
  - (d) What are the changes that need to be brought about in the companies in the chosen industries to survive the “disruption” that is being created by IT? Discuss the firms in the three industries separately.
  - (e) Which are the pioneering companies in the three industries in IT adoption? How are the companies in the same industry similar or dissimilar in their approach to IT. Discuss each industry separately.

### Case Study

Shoppers' Friend is a super market chain that is popular in the Midwest and North Eastern states of United States. It has been effectively competing with supermarkets like Walmart by catering to a niche market.

Traditionally there are three main strategic groups in the retail format.

1. Hypermarkets: These are huge supermarkets that stock full line groceries and full merchandise with huge floor area with often as many as 100 checkout counters.
2. Discount stores: Here the prices are low but choices are limited. The focus is on mass merchandising.
3. Neighborhood Grocery Stores: These carry a mix of factory produced grocery items and local produce.

Shoppers' Friend had found a niche wherein it could not be defined as any of the above. While it provided a wide variety of merchandise, it also provided groceries produced locally. Overall the groceries had a local “farmer market” feel. It did local delivery in some areas with high population density for a small charge. The philosophy was that if Pizzas could be delivered home, it should also be possible to deliver groceries. To create large order sizes, it advised its clients on what and how to store groceries. To further consumer education, it created its own proprietary smart-phone app to help customers in buying, stocking, and reordering.

While Shoppers' Friend had been closely watching its competitors like Walmart and other merchandisers and grocery stores, there has been a steady

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threat to it from e-retailers. A recent survey in the local area found that as much as 30% of potential market share has been lost to e-retailers like Amazon and Ebay. There were also talks of home delivery of non-perishable groceries through orders made on the net.

The CEO of the company Mary Thomas clearly knew something had to be done. Though the company pioneered an App for advising the local residents that provided support to the local store, the company was far from being considered as an e-retailer. The next board meeting was an occasion to present a new road map to Shoppers' Friend that would make it not only compete with Hypermarkets and other local retailers, but also e-commerce upstarts whose growth rates are threatening everyone in the retail space.

Thomas decided to task the Chief Information Officer, Steve Smith, with an overall responsibility of mapping the threats and the response Shoppers' Friends could possibly come up with. Smith has 2 weeks to do the job. You are to advise Smith.

1. Come up with Shoppers' Friends' strengths and weaknesses in the IT sector.
2. In a related discussion with Thomas, Smith was told that she would like Shoppers' Friends to consider as an option to go in for a full-fledged e-commerce business. Assuming that the management was inclined toward such a suggestion, outline the new skills that the company has to develop in order to offer full-scale e-commerce services.
3. What are the threats and opportunities that the company would face in case it decides to go for a green-field e-commerce business?

### Chapter Summary

- At all points in the value chain there are possibilities of enhancing value or reduce costs through the use of Information Technology.
- IT has a high impact on organizational dynamics.
- IT allows for lessening of market transactional costs. In addition, the IT revolution has also resulted in one-on-one bargain driven competitive supplier-buyer relationships to be replaced by value-chain driven ecosystems competing among themselves.
- After having decided to implement an IT solution, one of the main hurdles to cross is the dilemma of whether to buy the resources outright or to hire the services.
- Implementation of IT systems is a complicated activity. While introducing a system or scaling up an existing system there are major issues to be covered.

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- It is useful to understand how the IT sector operates. This will help evaluate the IT vendors better and find out how they operate.
- An important decision that will have to be made is the extent of standardization and customization.
- It is important for the leadership to review the progress of system implementation. It is also important to ask whether the set terms of the contract are being fulfilled and milestones met.
- Leaders have several choices in thinking about and dealing with technology.

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Joseph C. Santora and Gil Bozer

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## Abstract

This chapter begins by establishing the need for effective leadership. Next, it sets the framework for understanding leadership. Despite its popularity and our daily encounter with it, many people lack a clear understanding of the word, while others view leadership and management as interchangeable words. To clarify the differences between the two words, we define leadership using Rost's (1993) definition. Then we present the differences between leadership and management. The concepts of leadership and vision are explored. We provide anecdotes of visionary leadership to bolster our discussion. We next present the concept of planning and its relationship to leadership particularly with respect to organizational performance. We list the steps in the planning process and offer SWOT and SMART activities. A brief overview of the main effects of planning on workplace leadership performance is presented, followed by a more detailed description of the relevance of planning as a measurable aspect for specific key leadership behavior in organizations, namely vision, problem solving, driving and implementing change, and succession planning.

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## Introduction

Effective leadership is necessary for creating sustainability in organizations. It allows executives to execute their vision and strategies in fast-paced turbulent environments. By doing so, effective leaders can outmaneuver their competitors, increase

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market share, and ensure the delivery of quality goods and services in highly competitive business markets. Leaders who have a vision and strategic plan accordingly create organizational relevance and sustainability. Simply maintaining the status quo is an untenable, unsustainable proposition for leaders and their organizations.

## Understanding Leadership

“A leader is a dealer in hope”

—Napoleon

The late James MacGregor Burns, political scientist, historian, and the winner of the Pulitzer Prize for his book *Roosevelt: The Soldier of Freedom* (1970), about Franklin D. Roosevelt, the 32nd President of the United States stated, “leadership is one of the most observed and least understood phenomena on earth” (1978, p. 2). Burns’s simple, yet powerfully elegant, quote is at the heart of the leadership conundrum.

At best our understanding about leadership is paradoxical. On the one hand, leadership is omnipresent. It envelops our personal and professional lives on multiple levels and contexts. Scan any newspaper and you will probably find an article about leadership in government or business. Recent headlines in the *International New York Times* (*INYT*) and the *Financial Times* (*FT*) provide us a sense of the scope: “Spain’s real crisis is a leadership void” (*INYT*, July 13–14, 2013, p. 4). One week later, referring to Japanese leadership, the headline read: “Why a strong leader in Japan is a plus not a minus” (*INYT*, July 18, 2013, p. 9). Recently, the *FT* ran the headline: “Show of leadership” (*FT*, January 17/18, 2015, p. 7) in which it discussed French President Francois Hollande’s leadership actions connected to the terrorists’ attacks in Paris. In April 2015, the *FT* also published a series of articles about leadership problems at Volkswagen (VW), the German automobile manufacturer. “Volkswagen leadership crises escalates” (*FT*, April 13 2015, p. 15), followed up in rapid succession with “Victory for Winterkorn in VW leadership feud” (*FT*, April 18/19 2015, p. 8), and “VW reports leap in earning after leadership crisis” (*FT*, April 30, 2015, p. 18). These articles clearly show the Journalists’ and the public’s continued fascination with leadership.

On the other hand, we are often unclear about the meaning of leadership (Spicker, 2012). It is elusive. It is like love. Understanding it is far less rewarding than experiencing it (Bennis, 1990). Leadership is also problematic, fragmented, and intricate. It spans a variety of disciplines: political science, business and management, psychology, art, literature, philosophy, and history. Google the word “leadership” and some half a billion hits appear, covering a broad range of areas and interests.

Books tell a story about leadership as well. If we consider the third and fourth editions of *Bass and Stogdill’s Handbook of Leadership* (Bass & Bass, 2008; Bass & Stogdill, 1990), we see that the third issue contained some 7500 references, an incredible number of references, and the fourth edition, some 16,000 references, more than doubling in less than 20 years. Amazon, the mega online book seller, lists

more than 140,000 leadership books ranging from scholarly (e.g., Bass & Bass, 2008) to popular press (e.g., Maxwell, 2014). A 2012 study estimates that just in the United States, companies spend some \$14 billion annually on leadership development (Hedges, 2015). Learning to become a leader is “big business” without any clear estimate of the return on investment (ROI) for leadership development training. In essence, understanding leadership and its effects on organization performance is not always conclusive.

## Beginnings

Heifetz and his colleagues (Heifetz, Grashow, & Linsky, 2009) at Harvard’s Kennedy School write that “The word leader (*a person*, our comment) comes from the Indo-European root word *leit*, the name for the person who carried the flag in front of the army going into battle and usually died in the first enemy attack. His sacrifice would alert the rest of the army to the location of the danger ahead” (p. 26). If we apply this definition to the word leader, it is easily understood why many people refuse to take the leadership mantle.

Leadership takes on a different meaning for different people. Rost (1993) identified more than 200 leadership definitions from 1920 to 1990. Early definitions (1920–1940) ranged from leadership as a process of control and command to the effects of personality on the group. Most definitions after this period referred to leadership as an influence process between a leader’s ability to mobilize people (followers) to achieve goals. Such multiple definitions reflect a lack of consensus about a definition of leadership (Hackman & Wageman, 2005). Given this lack of consensus, we offer Rost’s (1993) postindustrial paradigm leadership definition as the operating definition in this chapter: leadership is “an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes” (p. 124). Without followers there can be no leaders and both leaders and followers want change.

## Leadership and Management

Many contemporary management textbooks view leadership and management differently: some list the functions of management as planning, organizing, staffing, and controlling without leadership as a function, while others include leadership among the functions. Fiedler and Garcia (1987) view leadership and management as synonymous. Kotter (1990), on the other hand, views it as distinct, complementary processes consisting of unique characteristics and activities. Leadership includes setting direction by creating a vision for a product, activity, or organization, by aligning employees and systems, by communicating the vision and strategies through words and deeds so that employees understand the vision and accept direction, and finally by motivating and inspiring employees to achieve the vision. The outcome of leadership then is the creation of significant change to enable

organizations and their employees to adapt to changing environments. Management, on the other hand, creates consistent and orderly effective results, by planning and budgeting to achieve specific results, by organizing and staffing to implement their plans, and by controlling to monitor results and make necessary corrections. Thus, planning is the connection between leadership and management functions.

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## Vision: Clear, Concise, and Compelling

“Vision without execution is hallucination”

—Thomas Edison

Effective leaders develop a clear, concise, and compelling vision of the future. Vision is a source of internal motivation and commitment. It strengthens self-efficacy, helps leaders make difficult and decisive decisions to accomplish strategic objectives, and provides a long-term, sustainable shared purpose among organizational stakeholders. When creating a vision careful consideration must be given by leaders to paint a realistic, credible, and attractive picture for the future. When leaders fail to accomplish this, the process of change is considerably delayed and reduced to a series of activities or projects (Kotter, 2007).

### Key Elements of Vision

Dreaming is the ability to imagine and to create diverse alternatives without filtering them before analyzing them. Leaders must be dreamers. Walt Disney, the creator of the Disney empire, was a dreamer. “If you can dream it, you can do it” and “All our dream come true, if we have the courage to pursue them” have been linked to Disney. His dreams came true. The late Steve Jobs was not only a dreamer, but also someone who “would rather gamble on Apple’s vision rather than” make me too products.

In addition to creating a vision for their organization, leaders must create a mission statement for their organization explaining the purpose of the organization. An effective mission statement creates enthusiasm and commitment for organizational members. Nike, the American multinational seller of athletic footwear and athletic apparel, has a short, crisp mission statement: “bring inspiration and innovation to any athlete in the world.” On the other hand, SAP, the German multinational software mega-corporation, seeks to “make every customer a best-run business.”

Vision cannot exist in isolation. It requires commitment and follower engagement to gain broad support for success. An effective vision rests on three pillars: (1) develop an exciting vision to enable others to understand it clearly, adopt it, and share it, (2) make it desirable for followers to understand the long-term vision and its impact for them, and (3) create realism to imagine (think Beatle John Lennon’s song) the possibilities and commit to its cause (see Kouzes & Posner, 2012). In

essence, vision is a clear and challenging view of the direction and change required for a sustainable organizational future.

### **Visionary Leadership: An Anecdote**

The following anecdote is a good example of a leader and a vision. Several years ago, a founder and leader of an organization asked a consultant to look out the window of his office and tell him what he saw. Innocently, the consultant told the leaders he saw a section of the city that was blighted and uninhabitable. Almost enraged at the consultant's response, the leader remarked that the consultant had no vision since he did not "see" a new elementary school in that space. Some three years later, the founder had erected in that space an awarding winning school for disadvantaged elementary school students. His vision was turned into a successful reality.

### **Leadership, Change, and Status Quo**

"If you don't change, you die"

– Leonard Sweet

The process of change is constant. Think of two prehistoric species: the dinosaur and the ant. One became extinct, while the other survives today, because it changed and adapted to its environment. People and organizations are the same. Fear is the number one reason organization members resist change (there are others). Applying some better known theories to organizations seeking change many lessen that resistance.

More than 50 years ago, the social psychologist Kurt Lewin (1958) proposed a three-step model of change: (1) unfreezing, (2) implementing, and (3) refreezing the change. Over the years this simple model has been adapted and improved upon considerably by many change management researchers. Change today involves adaptive challenges. As a dynamic and endless process it is both strategic and evolutionary. Leaders as agents of change therefore must use flexible, adaptive, and transparent skills and capabilities. Kotter's (2007) eight-step action guide helps leaders transform their organizations.

### **Rudy Giuliani and 9/11: An Anecdote**

Rudy Giuliani was the former mayor of New York City (1994–2001). He demonstrated effective leadership as mayor of the city on September 11, 2001, in response to the 9/11 terrorist attack on the World Trade Center (NYC). He approached the 9/11 situation in this way: he used the metaphor of a baseball team on a losing streak. The first step the team must take is to win the game. The strategy for winning the game is not to pressure members of the team to hit a grand slam home run (often rare and exceedingly difficult), but rather to encourage team members to hit singles and get on base. In many cases it is easier for baseball players to hit a series of singles (one base hits) that drive the other team members around the bases to score a run. In essence, Giuliani (like Kotter) believes that small successes (singles) create momentum in baseball and in organizations. In baseball it changes the score of the game, in business it changes the way in which the organization operates, and in the case of 9/11 it addressed the way the city dealt with the crisis and regained its composure and

eventually recovered from the worst terrorists attack on US soil. Small successes help to ignite joy, engagement, and creativity in people (Amabile & Kramer, 2011).

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## Leadership and Planning

“Leadership should not be judged by its popularity but by its effectiveness”

– Goffee and Jones

Planning is the first and most important of the four management functions. Peter Drucker, perhaps the most influential management thinker of the twentieth century, is credited with posing three very interesting questions about planning: (1) Where are we now? (2) Where do we want to go? and (3) How will we get there? Answering these three simple questions provides a direction for leaders and employees to follow. Leaders forecast, identify goal and objectives, analyze the environment, and assess a course of action. We define planning as the process of setting goals to ensure organizational performance. A planning model includes a six (6) step strategic framework: (1) vision (long-term view of the organization-think leadership), (2) mission (purpose of our business or organization), (3) strategic objectives (3–5 years), (4) organization goals (18–24 months), (5) department goals (6–18 months), and (6) team (6–12 months)/individual (30–90 days) goals.

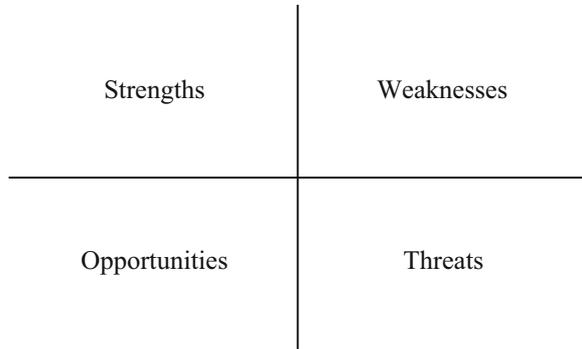
Leaders often conduct a SWOT analysis as part of the planning process. SWOT is an acronym and represents an organization’s S(trengths), W(eaknesses), O(pportunities), and T(hreats). A SWOT analysis assists leaders in identifying and evaluating internal and external environmental situation and it serves as a guide to help implement their vision. Questions for the organization may include, but are not limited to, what are the strengths of the organization (e.g., good leadership, committed employees)?, what are the weaknesses of the organization (e.g., poor cash flow, inadequate supply chain)?, what are the opportunities for the organization (e.g., merging with a competitor, new market)?, and what are the threats to the organization (e.g., possibility of being acquired, overregulation by government)? Figure 23.1 represents one possible way to present the SWOT analysis. The model gives a visual comparative view of the four SWOT components.

### ACTIVITY: Conduct a SWOT Analysis

#### Directions

Think about an organization you know or have read about in some of your courses. Conduct a SWOT analysis by listing three or four items for each of the SWOT components. Share your SWOT analysis with a classmate and discuss the reasons why you list the items in each of the four quadrants.

**Fig. 23.1** A SWOT analysis model



### SMART: Another Helpful Model

While the planning process appears to be reasonably simple, many leaders fail to set, communicate, accomplish, and evaluate goals. SMART, like SWOT, is a useful planning tool for setting goals. SMART (another acronym) represents goals that are: S(pecific), M(easurable), A(ttainable), R(elevant), and T(imely).

1. *Specific*: is vital for the communication of plans. Clarity is key to setting specific task objectives to guide and coordinate work activity and to ensure that all involved know what to do and how to do it (has details: numbers, timelines, dates, quantity).
2. *Measurable*: sets a performance benchmark to compare the degree to which the task performance was accomplished (set standards: what would be considered a satisfactory/excellent result?). Include tangibles, things that you can see, hear, and feel. If you can, include numerics such as the amount of money, ideal weight, and time.
3. *Attainable*: is the goal attainable. In other words, is the goal reasonable and realistic (within the availability of resources, knowledge, competencies, time, etc.)? Or is it too aggressive, even beyond a “stretch”?
4. *Relevant*: does the goal give meaning to the plan? How? Does it directly related to responsibilities within the employee’s control?
5. *Timely*: when will it be accomplished (has specified deadlines)?

An example of a SMART goal is: “To improve the quality of customer service by the end of the third quarter by reducing the average call response to 30 seconds.”

Our SMART goal example begins with the infinitive form of an action verb: “to improve” followed by what we want to improve. In this goal it is “the quality of customer service.” Next, the goal imposes a specific guidance for the action to be completed/achieved “by the end of the third quarter,” what needs to be done (expected outcome) “reducing the average call response to 30 seconds.”

## ACTIVITY: Apply a SMART Goals

### Directions

You have been asked to write two (2) SMART goals for your organization. Use the information supplied below. If you have no work experience, consider writing a SMART goal with your own information.

1. December 31, 2016
2. July 31, 2017
3. To increase
4. To decrease
5. Sales
6. Absenteeism
7. 5%
8. 10%

## Measuring Goal Attainment

A SWOT analysis provides us with a visual picture of the organization at a glance and SMART gives us precise guidance of the goal(s) we intend to accomplish. We also need to evaluate our plans and goals and to measure the degree to which these goals have been accomplished by members of the organization. We can apply the following four goal attainment measuring devices: (1) efficiency, (2) intended/unintended outcomes, (3) quality, and (4) progress to determine this.

1. *Efficiency*: refers to the degree to which we measure productivity (e.g., how many items produced) and cost (e.g., have we exceeded the budget, wasted materials). We can compare inputs to outputs (e.g., comparison of initial budgets estimates to the final costs).
2. *Intended/Unintended Outcomes*: To what degree have goods or services provided met the proposed targets/standards set? Has the established goal accomplished what it sets out to do? To what degree have intended outcomes had an impact? For example, are customers better/worse off as a result of this goal? Unintended outcomes refer to unexpected benefits derived from a goal: have customers benefited from the goal in another way (that was unplanned)?
3. *Quality*: Was the goal accurate? Are its results reliable? Has the goal complied with specifications?
4. *Progress*: To what degree was the implementation of the goal successful? What was the rate of completion? For example, a 10% completion rate may suggest an especially poor showing, while a rate of 80% may be satisfactory or even good enough.

## Leadership and Succession Planning for Organizational Sustainability

“By failing to prepare, you are preparing to fail”

— Benjamin Franklin

Leaders must think strategically about organizational issues. One such issue is creating a succession plan (who will replace the leader) to ensure organizational sustainability. Succession planning has been defined as “a deliberate and systematic effort by an organization to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future, and encourage individual advancement” (Rothwell, 2001, p. 29). Every organizational leader should plan for a successor. Leaders, either voluntarily or involuntarily, leave their organizations. For example, a leader may find another position that is more appealing than her current one and informs the board about her decision. A leader may leave unexpectedly without any prior notice (die in office, see *Executive Suite* below or think of McDonald’s Chairperson and CEO Jim Cantalupo’s death from a heart attack at 60 years of age in 2004). Without a succession plan organizations encounter chaos and disruption which create an unsettling internal and external reaction on the part of organizational stakeholders. Unfortunately, succession planning has not always been a top strategic concern for many leaders or their boards for a variety of reason (e.g., immortality issues, politics). A good example of the lack of succession planning problem can be seen in the film *Executive Suite*.

### Executive Succession and the Silver Screen

#### Executive Suite (Houseman & Wise, 1954)

The black and white film *Executive Suite* (1954) shows the adverse consequences that an organization can encounter without creating a succession plan. Though now more than 60 years old, this classic movie captures the overt and subtle challenges the Tredway Corporation encountered when Avery Bullard, its dynamic 56-year-old president, dies when hailing a taxi after a business meeting in New York. Bullard has not planned for a successor. With no provisions for a successor, despite the ample supply of several, presumably able, internal vice-presidents, who could replace him, we discover the motivation (e.g., lust for power) and lack of motivation (e.g., apathy) by executives in the company that led to organizational chaos and internal managerial and leadership disruptions. We also see the political machinations by internal actors to seize the opportunity for power and position (the CEO seat). The age old succession (e.g., Shakespeare’s *King Lear* and Daphne du Maurier’s novel *Rebecca*, 1938) problem is resolved only when one of the vice-presidents, who was initially reluctant to assume the reins of the position agrees, after some pressure is exerted on him by a faction of the senior management, to take the CEO position.

## Ways to Plan for a Successor

Leaders must develop a succession plan to avoid problems similar to those encountered in *Executive Suite*. A plan may include the identification of an insider(s)—individual(s) currently employed by the organization or an outsider(s)—candidate (s) not currently employed by the organization. It is often easier to identify a successor in a large organization as size (number of potential successors) offers leaders and the boards a greater list of choices from which to select a successor. Leaders and/or their board can identify an “heir apparent,” that is an insider who has been “screened” carefully and has the qualifications and competencies to lead the organization. Organizational leaders can also stage a “horse race,” that is, create a rivalry between or among the various top candidates considered as replacements for the departing CEO (e.g., Jack Welch at GE in the 1980s). Internal candidates are often organizational high flyers and have learned how to lead through their participation in leadership development programs, through mentoring and coaching programs, through job rotation within the organization, through progressive work experiences and increased levels of managerial responsibility within the organization, or through their relationships with senior managers who share their professional knowledge and experience with them.

On the other hand, depending on the needs of the organization, external candidates who have previous CEO or top managerial experiences may be identified and selected to replace a departing CEO. External replacements may infuse new ideas into the organization through the creation of new and innovative strategic initiatives, may possess “star” power, may revitalize the organization through acquisition on new businesses or introduce new systems and structure to align employees. The appointment of external candidates as successors often occurs when boards want major strategic change. For example, the appointment of RJR Nabisco CEO Lou Gerstner to lead IBM in 1993 is an example of an external appointee with years of leadership and managerial (e.g., American Express and McKinsey & Company) experience. IBM was in a crisis mode after it was losing market share and billions of dollars to the personal computer (PC) industry. Gerstner, an outsider, created major disruptions in the way the company conducted its business and was able to revive the company making it a competitive industry player.

The following case study is an example of an unplanned departure of an executive director (CEO) of a nonprofit organization.

### **West Side Community Agency: A Case Study for Succession Planning\***

Will Adams awoke from a deep sleep in a cold sweat. After 22 years as the executive director of the West Side Community Agency, a mid-sized nonprofit human services organization, he decided he had had enough. Early the next morning, he notified Fred Kennedy, chairperson of the board, and then packed his belongings and departed without taking the time to inform his staff. Staff learned about his hasty departure early the next day when the deputy director of the organization called an emergency staff meeting to inform them that Adams has resigned and the board did not have a succession plan. The deputy director would communicate any news on who would lead the organization as soon as he knew something.

Adams was the second executive director to lead the 25-year-old organization. He was a formidable force to contend with during his tenure at the organization both inside the organization and within the larger social and political communities, based on years of cultivating relationships and developing external networks.

Succession planning was not a subject for discussion. He simply avoided the subject. If the subject did arise in conversation, Adams would adroitly steer the conversation in another direction and the board did not press the matter, since Adams would remain with the organization for some time.

Adams' departure caught the board completely off guard. With no potential candidate in mind, the board applied an easy band-aid solution to a huge wound by replacing him with an internal interim executive who would play the role as organizational caretaker, and thereby reduce any organization disruption as well as demonstrate to external sources the organization was operating normally.

The interim executive played her role well. She adopted a "wait-and-see" attitude which resulted in missed financial and other key opportunities for the organization, although this attitude would allow the organization to tread water while the board conducted a national search for a permanent replacement. Six months later, the board chair announced that after carefully considering all applicants, the board had settled on the deputy director. Although not its first choice, the deputy director was the compromise candidate who possessed sufficient skills and could grow in the position. Again, the matter of an executive succession plan was never mentioned by either the deputy director or the board. It took the new successor approximately three years to make some major changes to the organization. Just when it seemed that the organization was making headway, she announced her decision to resign due to a family relocation. Again the board had left itself vulnerable and had to scurry around to get suitable replacement. The board chair would serve as the interim director until a permanent successor could be found. It took nearly nine months of an executive search for the board to find a suitable replacement, considering the range of applicants, their compensation requirements, and the willingness of some prime candidates to relocate to a major city. During the nine months of the interim executive director's leadership, the organization maintained the status quo with no growth initiatives being introduced and no sign of any strategic intention to establish protocols for future succession issues. The indications were that little to no planning got the organization through in the past, and the same approach would work again now. Had the organization learned anything from its past lack of succession planning? Obviously not.

### Case Questions

1. Have the leaders (board) of this organization learned anything from its encounters with the succession issue? Could they have planned better?
2. What would you have done differently if you were the chairperson of the board, a board member, the executive director of the organization?

*Source:* Santora, J.C. & Sarros, J.C. 2012. Do nonprofit organizations ever really learn from their mistakes—or are they doomed to repeat them. *Development & Learning in Organizations: An International Journal*, 26/3, 8–10.

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### Discussion Questions

1. Define the term leadership. Why is it such an elusive concept?
2. What is the difference between leadership and management?
3. Describe the linkage between leadership and planning. Why should leaders plan?
4. Why is executive succession a key planning strategic initiative?
5. Do you think it is better to select an executive successor internally or externally? Why/Why not?

### Chapter Summary

The aim of this chapter was to discuss leadership and planning in an organizational context. This chapter began with a brief overview of the leadership concept, its definition, distinctions and similarities with management. Next, the concept of vision was introduced as a key leadership driver linked to the constant need of leaders to examine the status quo, working and mobilizing their followers toward new direction to realize their mutual aspirations. Within this context, planning is a critical skill set necessary at all organizational levels. Leaders need to apply planning both as a strategic tool to decide where are we now and where do we want to go, and as measurable aspect of vision, goal setting, and problem solving. The chapter draws to a logical conclusion by presenting a leadership and planning issue: succession planning. We have provided two examples: one from the private sector (the film *Executive Suite*) and one from the nonprofit sector (West Side Community Agency) to help create a better understanding of the problems leaders face without such planning.

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