

GARY YUKL
RICHARD LEPSINGER

FLEXIBLE LEADERSHIP

Creating Value by

BALANCING

Multiple Challenges and Choices

About This Book

Why is this topic important?

As at no time in recent memory, the quality of our business leaders has been thrust into the public's collective awareness. As a nation, we have been obsessed with the myth of the senior executive and the power of these individuals to overcome any obstacle and achieve outstanding results no matter what situation they face. But given recent events, we are forced to ask whether our leaders have the capability to meet the challenges of today's competitive environment. The news is full of stories of senior executives who have failed to meet the expectations of Wall Street, stockholders, and employees. The dramatic missteps of some of our most venerable companies, such as AT&T, Lucent, Xerox, and Conesco, as well as the questionable behavior of leaders who ended up destroying more than they built, like those at Enron, Global Crossing, Adelphi, Worldcom, and Tyco, have caused us to take another look at common assumptions about what it takes to be an effective leader in today's competitive world.

What can you achieve with this book?

Our book differs from other leadership books in several important ways. We provide a more comprehensive model that incorporates what has been learned about effective leadership in more than half a century of research. Our model of flexible leadership builds on earlier leadership theories, and it incorporates ideas from related areas of study, such as organization theory, strategic management theory, traditional management theory, and theories of change management. Our model also includes insights provided by practitioner books and books about famous leaders, but these insights are incorporated into the theoretical framework. The model has a much broader range of leadership behaviors, including some often regarded as examples of managing rather than leading. We explain how management programs, systems, and structural features are relevant for effective leadership in organizations.

We explain the key processes that determine organization performance and what leaders at all levels can do to influence these processes and enhance

performance. The roadmap it provides will help leaders analyze their situations, identify the leadership challenges, and understand what can be done to achieve the desired results. Our model describes specific leadership behaviors that can be used to influence people and indirect forms of leadership, such as improvement programs, management systems, and changes in the formal structure of an organization.

How is the book organized?

In the first chapter we review some of the myths of leadership and introduce a model of flexible leadership. The book has a separate section for each of the three performance determinants. Section I (Chapters 2 through 4) deals with efficiency and process reliability. Section II (Chapters 5 through 7) deals with innovation and adaptation. Section III (Chapters 8 through 10) deals with human resources and relations.

The first chapter in each section explains the underlying processes, describes the conditions that make the performance determinant especially important, provides examples of companies that have been successful or unsuccessful in improving the performance determinant, and introduces ways leaders can directly and indirectly influence it. The second chapter in each section describes the direct leadership behaviors that are relevant for influencing the performance determinant and includes examples of what these behaviors look like, both when they are done well and when they are done poorly. The third chapter in each section describes indirect forms of leadership that are relevant, such as programs, management systems, and structural arrangements. The leader's role in implementing these processes and making them successful is also discussed.

The last section of the book has two chapters to integrate the different components of the model. Chapter 11 explains how the three challenges are interrelated, the tradeoffs among them, and how their absolute and relative importance can change. This chapter also describes other competing demands that make it important for the leader to be flexible. Chapter 12 provides guidelines on how to be flexible and adaptive in balancing the performance determinants and dealing with the other tradeoffs and competing demands. This final chapter also has examples of individuals who were successful in meeting these challenges.

Flexible Leadership

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Gary Yukl
Richard Lepsinger

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Contents

Acknowledgments	ix
Preface	xi
The Authors	xv
1. The Nature of Effective Leadership	1
Leadership: Fact and Myth	3
Model of Flexible Leadership	11
Origins of the Model	19
Overview of the Book	22
Conclusions	23
Section I: Efficiency and Process Reliability	25
2. The Challenge of Improving Efficiency and Process Reliability	27
Examples of High Efficiency and Process Reliability	30
Conditions Affecting Efficiency and Process Reliability	34
Ways to Improve Efficiency and Process Reliability	36
Conclusions	37
3. Leadership Behaviors to Enhance Efficiency and Process Reliability	39
Operational Planning	39
Clarifying Roles and Objectives	45
Monitoring Operations and Performance	51
Solving Operational Problems	58

Relationships Among the Behaviors	60
Conclusions	62
4. Programs and Management Systems for Improving Efficiency and Process Reliability	63
Quality and Process Improvement Programs	63
Cost Reduction Programs	67
Management Systems and Structural Forms	70
Recognition and Reward Programs	74
Conclusions	76
Section II: Innovation and Adaptation	79
5. The Challenge of Adapting to the External Environment	81
Conditions Affecting the Importance of Adaptation	82
Examples of Failure in Adaptation	84
Examples of Successful Adaptation	87
Reasons for Success and Failure	89
Ways to Enhance Adaptations	96
Conclusions	98
6. Leader Behaviors to Enhance Adaptation	99
Monitoring the Environment	99
Strategic Planning	102
Envisioning Change	106
Building Support for Change	109
Implementing Change	111
Encouraging Innovative Thinking	115
Facilitating Collective Learning	118
Relationships Among Change-Oriented Behaviors	120
Conclusions	121
7. Programs, Systems, and Strategies for Enhancing Adaptation	123
Intrepreneurship Programs	123
External Benchmarking	125
Programs for Understanding Customers	127

	Reward and Recognition Programs	129
	Collective Learning Practices	130
	Knowledge Management Systems	131
	Structural Forms to Facilitate Innovation	133
	Mergers, Acquisitions, and Strategic Alliances	135
	Conclusions	140
	Section III: Human Resources and Relations	141
8.	The Challenge of Managing Human Resources	143
	Conditions That Affect the Importance of Human Resources	144
	Implications of Strategy for Human Resources	146
	Examples of Good Human Relations	147
	Examples of Human Relations Problems	150
	Ways to Improve Human Resources and Relations	152
	Conclusions	153
9.	Leader Behaviors for Enhancing Human Resources	155
	Supporting	155
	Recognizing	158
	Developing	162
	Consulting	166
	Empowering	169
	Team Building	171
	Relationships Among the Behaviors	173
	Conclusions	174
10.	Programs and Management Systems for Enhancing Human Resources	175
	Human Resource Planning Systems	175
	Employee Development Programs	178
	Empowerment Programs	181
	Recognition, Award, and Benefit Programs	185
	Quality of Work Life Programs	187
	Orientation and Team-Building Programs	189
	Conclusions	190

	Section IV: Finding the Right Balance	191
11.	Multiple Challenges and Tradeoffs for Leaders	193
	Tradeoffs Among the Three Performance Determinants	193
	Changes in Performance Determinants	201
	Examples of Effective Balancing	203
	Other Tradeoffs for Leaders	207
	Conclusions	215
12.	The Path to Flexible Leadership	217
	Guidelines for Effective Leadership	217
	Competencies for Effective Leadership	228
	Conclusion: The Essence of Flexible Leadership	236
	Notes	239
	Index	263

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Preface

As at no time in recent memory, the quality of our business leaders has been thrust into the public's collective awareness. As a nation, we have been obsessed with the myth of the senior executive and the power of these individuals to overcome any obstacle and achieve outstanding results no matter what situation they face. But given recent events, we are forced to ask whether our leaders have the capability to meet the challenges of today's competitive environment. The news is full of stories of senior executives at some of our most venerable companies who have failed to meet the expectations of Wall Street, stockholders, and employees. Even worse are the stories of CEOs who ended up destroying more than they built, as did those at Enron, Global Crossing, Adelphi, Worldcom, and Tyco. These failures have caused us to take another look at common assumptions about what it takes to be an effective leader in today's competitive world.

The daily lives of millions of people are affected by the actions of business leaders and the quality of their leadership. If you picked up this book, you must have at least a passing interest in the topic of leadership. Yet with all the books currently available on this topic, you must be wondering if there is anything more to be said about it.

We believe there is much more to be said. Although much progress has been made in learning about effective leadership, most of the academic research and theory has a narrow focus on one or two aspects of leadership. The theories are usually about

motivating individual followers and are unable to explain how leaders can influence the financial performance of a business corporation. Another limitation of currently popular theories is the assumption that one type of leadership can be used for all situations. These theories do not provide the guidance needed by leaders confronted with new types of challenges and changing situations. Today's organizations operate in a turbulent, highly competitive environment and need flexible leaders who are able to adapt their own leadership behavior as well as the organization's structure, programs and management systems to different situations and conditions.

The leadership books written for practitioners usually have a more strategic focus, but few are based on solid research. The authors examine descriptions of events in successful companies to see what leadership practices are used, and in a few cases successful companies are compared to unsuccessful ones. These authors usually provide a list of guidelines based on subjective judgments about relevant aspects of leadership behavior, but they do not provide a coherent theory to explain how the guidelines are related to each other and to organizational processes that determine success or failure. Many of the guidelines in these books may be helpful, but they are presented without concern for aspects of the situation that determine when the guidelines are relevant. Also, the emphasis on newly discovered "leadership secrets" in many of the books usually means that little or no effort has been made to relate the guidelines to prior theory and research.

Books about a celebrity leader, such as a CEO, general, or politician, have even greater limitations. These books are based on the leader's recollections of earlier experiences and events, and it is difficult to determine their accuracy. Even when past events can be remembered clearly, they are likely to be filtered by the celebrity leader's desire to make a favorable impression. The description of events will be questionable unless verified by other people who have firsthand knowledge and can be trusted to

describe the events objectively. Finally, it is difficult to derive “best practices” or “lessons learned” from the experiences of a single leader, however famous or successful. Some of these books provide useful insights, but without a coherent theory it is difficult to determine how useful they will be for other leaders in different situations.

Our book differs from other leadership books in several important ways. We provide a more comprehensive model that incorporates what has been learned about effective leadership in more than a half-century of research. Our model of flexible leadership builds on earlier leadership theories, and it incorporates ideas from related areas of study, such as organization theory, strategic management theory, traditional management theory, and theories of change management. Our model also includes insights provided by practitioner books and books about famous leaders, but these insights are incorporated into the theoretical framework. The model has a much broader range of leadership behaviors, including some often regarded as examples of managing rather than leading. We explain how management programs, systems, and structural features are relevant for effective leadership in organizations. However, even though the model is more comprehensive than earlier ones, it does not deal with all aspects of managing a business. This book is about leadership, not management subjects such as finance, marketing, and accounting,

We will explain what it takes to be a flexible leader and how to enhance individual and organizational performance. The model presented in this book describes the key processes that determine organization performance and what leaders at all levels can do to influence these processes and thereby enhance performance. The roadmap it provides will help leaders identify and understand the leadership challenges they face, and what can be done to achieve desired results. The model describes specific leadership behaviors that can be used to influence people and indirect forms of leadership, such as improvement programs and changes in the formal structure of an organization.

A common tendency in leadership books written for managers is to oversimplify the process by making leadership seem to be nothing more than conscious rational choices from a list of guidelines and best practices. However, effective leadership also requires intuition, insight, experimentation, and learning from experience. Just as possessing a set of good tools will not make someone a skilled carpenter, understanding the potential uses and benefits of different leadership practices will facilitate but not ensure success as a leader. To become more effective it is necessary to apply the model and learn from experience what forms of direct and indirect leadership work best in various situations. Over time, applying the insights and behavioral tools we provide can help a reader to become a more effective leader.

This book is relevant for people at all levels of an organization, from the CEO to a team leader or department head. We emphasize effective leadership in business organizations, but the book can be useful for understanding leadership in other types of organizations as well. The book will be especially useful for human resource professionals and consultants who are responsible for the training and development of effective leaders in their organizations.

The Authors

Gary Yukl received a B.A. in business administration from Occidental College in 1962 and a Ph.D. in industrial-organizational psychology from the University of California at Berkeley in 1967. He is currently a professor of management at the State University of New York in Albany. He was department chair from 1985 to 1991. His current research and teaching interests include leadership, power and influence, and management development.

Dr. Yukl is a Fellow of the American Psychological Association, the Society of Industrial-Organizational Psychology, the American Psychological Society, and the Academy of Management. He was a consulting editor for the *Academy of Management Review* and has served on the editorial boards of various journals, including the *Journal of Applied Psychology*, *Journal of Organizational Behavior*, *Academy of Management Journal*, and *Leadership Quarterly*.

Dr. Yukl has written ten books, including *Leadership in Organizations* (5th ed.) (Prentice-Hall, 2002). This widely acclaimed leadership book has been used in many major universities in the United States and other countries. Dr. Yukl is also the author of many book chapters and invited reviews, including contributions to the *Handbook of Industrial-Organizational Psychology* and the *Annual Reviews of Psychology*. He has published articles in many professional journals, including the *Journal of Applied Psychology*, *Academy of Management Journal*, *Personnel Psychology*, *Journal of Management*, *Journal of Organizational Behavior*, *Organizational Behavior and Human Performance*, *Leadership Quarterly*, *Group and*

Organizational Management, Decision Sciences, Journal of Personality and Social Psychology, Journal of Social Psychology, and the European Journal of Work and Organization Psychology.

Dr. Yukl has received many honors for his research, including the best article award from the Organizational Behavior Division of the Academy of Management in 1983; the OB Division's best paper award for the Academy of Management meetings in 1978; the best paper award at the Eastern Academy of Management Meetings in 1991; the best article in *Group and Organization Management* for 1993; and the award for excellence in research from SUNY.

Dr. Yukl has been invited to lecture about leadership and management development at many companies and universities in the U.S. and other countries. He has consulted with a variety of business and public sector organizations, and he collaborates with Right Management Consultants to design and deliver management development programs on leadership skills for middle managers and executives in many Fortune 500 corporations. Dr. Yukl's consulting experience includes several projects to improve leadership or training and leadership development in the United States Army and Navy.

Richard Lepsinger is managing vice president of Right Management Consultants, a global organization that specializes in helping businesses implement their strategies successfully. He has been a consultant in the areas of management and organization development for over twenty years. He has served as a consultant for leaders and management teams at the Coca-Cola Company, Goldman Sachs, Siemens Medical Systems, Conoco, PeopleSoft, Northwestern Mutual Life, GreenPoint Bank, KPMG Peat Marwick, Lehman Brothers, the New York Stock Exchange, Prudential, UBS, Subaru of America, Bayer Pharmaceuticals, Pfizer Inc., and Pitney Bowes, among others.

Lepsinger has extensive experience in formulating and implementing strategic plans and in developing and using feedback-

based technology to help organizations and managers identify their strengths and weaknesses. He has addressed executive conferences and made presentations on the topics of strategic leadership, strategy formulation and implementation, 360-degree feedback and its uses, and developing and using competency models to enhance organizational effectiveness.

Lepsinger also co-authored *The Art and Science of 360° Feedback* and *The Art and Science of Competency Models* with Toni Lucia. He is the author of several book chapters, including “Performance Management and Decision Making” in *The Handbook of Multi-Source Feedback* and “The Art and Science of Competency Modeling” in *What Smart Trainers Know*, as well as numerous articles on getting the most out of 360-degree feedback and effectively integrating the process with human resource and performance management systems. He also developed two business simulations: Tower Insurance and Plasco, Inc., and is the co-author with Stephen Wall of the article “Surveying the Scene,” which discusses the challenges facing cross-functional teams and appeared in the British journal *Best Practice*.

Chapter 1

The Nature of Effective Leadership

Within any industry some companies consistently outperform other companies with similar opportunities and constraints. Even when industry conditions are poor, some businesses are able to remain profitable while others barely survive. Dell Computer and Southwest Airlines are two examples of companies that have been more successful than their competitors in the same industry in both good and bad times.

Many factors could explain why companies like Dell and Southwest are able to produce consistently superior performance. One factor is *competitive strategy*. Dell decided to sell directly to the consumer without the additional cost of an intermediary distribution network. Southwest focused on short-haul flights that were point-to-point rather than the hub-and-spoke model that is used by other major airlines. Another factor is *operating costs*. Dell developed an efficient production process that makes it possible to build computers to a customer's specifications and maintain very low inventory. Southwest uses only one type of aircraft, the Boeing 737, which is more economical to fly and enables them to maintain lower inventory and maintenance costs. Unlike their competitors, Southwest mechanics only have to learn and be certified on one aircraft and only have to stock parts for one type of plane.

However, even after taking into account competitive strategy and operating costs, companies like Dell and Southwest Airlines have significantly better performance than their competitors. Why these factors alone do not explain the superior performance of Dell

and Southwest can be seen by comparing each company with a similar but less successful company in the same industry.

Dell and Gateway Computers provide one such comparison. Founded within a year of each other, they both use the same business model—taking orders directly from customers, building PCs according to their specifications, loading the software, then shipping the machines directly to the purchaser. Both companies have been confronted with the commoditization of their product and a slowdown in demand. Yet Dell has consistently outperformed Gateway on all key measures of performance. Dell's return on assets (ROA), return on equity (ROE), and return on investment (ROI) as of July 2003 were 15.44 percent, 47.78 percent, and 35.9 percent, respectively, while the figures for Gateway were -15.44 percent, 31.58 percent, and -24.91 percent.¹ Dell had a 109.3 percent inventory turnover rate for the twelve months ending July 2003; Gateway's was 34.0 percent.²

Southwest Airlines and America West provide another comparison. Both airlines operate in the same market, having entered it at roughly the same time. Both airlines fly only Boeing 737s. Both airlines fly point to point, instead of on the more expensive hub-and-spoke routes used by other major airlines. In the beginning, America West looked as though it might outperform Southwest. The airplanes it used were newer, its ticketing and payment system was more convenient for passengers, and there were assigned seats (Southwest had open seating only). Yet year after year, Southwest's profits have been higher, its on-time record has been better, and it has had many fewer cancellations. Southwest has also been the industry leader in customer satisfaction.³

Why are Dell and Southwest more successful than competitors confronted with the same opportunities and constraints? Is it merely a matter of good luck? We believe the key factor in explaining the difference in company success is the *quality of leadership* and how effectively it responds to a set of industry and competitive conditions. Clearly some companies have leaders who demonstrate greater flexibility. They adapt to changing situations, maintain efficient and reliable operations, provide products and services that

customers want, and maintain high levels of employee morale and productivity. These leaders assess the situation, identify key determinants of performance, and find a way to balance the tradeoffs involved in meeting these challenges.

What leaders actually do to enhance the survival and prosperity of companies such as Dell and Southwest has long been a subject of interest to scholars and practitioners. In this chapter we will examine some popular myths about leadership and then introduce a model that can provide a better explanation of the ways leaders can influence organizational processes and performance.

Leadership: Fact and Myth

To say that leadership is important for the success of a company does not mean that a chief executive can single-handedly determine the fate of the company, as suggested by some journalists and leadership gurus. Consider these headlines from the business press:

- Pat Russo's Lucent Vision: The new CEO must turn Lucent around in the midst of a brutal storm. Can she deliver?⁴
- Work your magic, Herr Dirmann; ABB faces meltdown—so this CEO isn't wasting time⁵
- Meet Mr. Nissan—is Carlos Ghosn a savior?⁶
- Can Jamie Dimon restore Bank One's lost luster?⁷
- Ingram Micro's future lies in new CEO's hands.⁸
- The King of Storage—After fixing EMC's service problems, Michael Ruetters put the company on a stellar growth path and built it into an industry powerhouse.⁹
- Prada Goes Shopping: Patrizio Bertelli transformed Prada from a stuffy family company into a fashion powerhouse. And he's just warming up.¹⁰

By now we are so used to seeing corporate leaders described in such terms that we hardly even notice anything odd about it. But

when you stop to think about it, there is something a little askew about the assumption behind these headlines and countless others like them. Is it really Pat Russo alone who is going to turn Lucent around? Did Patrizio Bertelli really transform Prada all by himself? Does Ingram Micro's future really depend entirely on the new CEO? If you work in an organization yourself, you know that any transformation, any turnaround, depends on many people. The future of a large organization does not depend on a single leader, however powerful, clever, and visionary.

The Myth of the Heroic Leader

Organizations are complex social systems of patterned interactions among people. In their effort to understand the causes, dynamics, and outcomes of organizational processes, people interpret results in simple, human terms. Stereotypes, implicit theories, and simplified assumptions about causality aid people in making sense out of events that would otherwise be incomprehensible. One especially strong and prevalent explanation of organizational events is to attribute causality to the influence of individual leaders.

Depicting a senior executive as a heroic individual is a dramatic, romantic notion of leadership, similar to that of other stereotyped heroes in our culture, such as the lone cowboy who single-handedly vanquishes the bad guys or the secret agent who acts alone to save the world from nuclear destruction by terrorists. These images have particularly strong appeal to people in a culture of celebrity like our own. They also make excellent copy in the business press. There is something satisfying about the fairy-tale character of the knight on the white horse who will slay the dragon and thereby ensure triumphant victory for the organization. But like any fairy tale, this heroic conception of leadership does not quite align with reality. It greatly exaggerates the influence of a single leader on organization performance, and it has some negative consequences.¹¹

One negative consequence is overreliance on the heroic leader to make decisions and solve important problems. Because no single leader has the necessary knowledge and expertise to solve difficult problems for an organization, it is essential to involve other people with relevant knowledge and diverse perspectives. However, members are unlikely to become involved if they believe the leader has superhuman abilities to singlehandedly find the right path. Nor is high involvement likely to be encouraged by a leader with an exaggerated self-image who wants to appear to have all the answers. If there is strong reliance on the chief executive and the culture reinforces obedience to directives from the top, then the organization will be less likely to respond successfully to events in the environment. As a result, it is not uncommon for an organization with a string of earlier successes to suddenly experience a major disaster.¹²

It is by no means clear that today's employees really want to be led by a figure on a white horse, except perhaps in a dire emergency that requires a decisive leader who knows how to prevent a looming disaster. Many commentators have observed that people born after World War II are much less willing to follow orders or accept someone else's ideas on how they should be doing their jobs. As an article in *Business Week* puts it, "Saying 'just do it' no longer works because a new generation of workers has been groomed to think instead of react. The new CEOs, baby boomers themselves, understand that."¹³ A survey conducted by the Families and Work Institute, a New York-based research institution, would seem to support the idea that employees prefer more empowerment. The study showed that workers' perceptions of control over their jobs increased significantly between 1977 and 1997. During those twenty years, the percentage of workers who said they had the freedom to decide what they do on the job increased from 56 percent to 74 percent.¹⁴

One commentator goes so far as to declare that, nowadays, "Leadership is about following."¹⁵ That assertion may be a slight exaggeration, but it seems clear that the old, paternalistic concept

of leadership, with the leader as the strong father figure, needs to be replaced. In today's world, a model of leadership in which leaders guide the organization through enlisting cooperation and consulting with others, rather than making unilateral decisions, may be more appropriate. Lee Iacocca, who embodied the old ideal of the charismatic, paternalistic CEO, was widely viewed as a great leader until his much more accessible and consultative successor, Bob Eaton, got dramatically better results at Chrysler. While Iacocca was effective in leading the company through the immediate crisis, his style of leadership was not the best one for rebuilding the company and preventing a similar crisis in the future.

The Myth of the Born Leader

One of the dangers of viewing senior executives as heroic leaders is that it makes leadership sound like a mystical quality, something innate to certain special people, rather than anything people simply *do*. The business press frequently encourages this idea by telling us, for example, that the “e-factor” (short for executive factor) is a “neuropsychologically determined propensity to lead.”¹⁶

We are often told about the importance of that indefinable leadership quality called charisma, as though some people are literally born to lead others. The importance of having “the right stuff” is an idea that many corporate leaders also appear to accept. The Yale School of Management and the Gallup Organization recently surveyed 130 prominent chief executives and found that 26 percent of them felt that “great leaders are born and not made.”¹⁷

For decades now, leadership scholars have been trying to define exactly which traits are associated with effective leadership. Some of the attributes that have been cited as prerequisites to great leadership include unflagging energy, uncanny foresight, and great persuasive skill. But despite hundreds of studies over the past seventy years comparing more and less effective leaders, researchers have failed to identify any specific traits that guarantee leadership success.^{18,19} Moreover, studies of successful chief executives find that

most of them do not have the type of personality characteristics or superhuman image usually associated with charisma.^{20,21}

Although a charismatic figure at the top can help to enlist enthusiastic support for a necessary change, it may be counterproductive to think of leadership in those terms. How do you acquire charisma or become visionary? What does a visionary leader do to inspire others, and what makes the vision compelling? To understand the reasons for effective leadership, inherent traits and abilities are much less useful than observable behavior and concrete knowledge. A trait theory of leadership emphasizes inherent qualities that are difficult to change, such as needs, temperament, energy level, emotional stability, extroversion, and intelligence. In contrast, a behavior theory emphasizes specific types of behavior that, however difficult, can be learned by most people who desire to become better leaders. When the focus of research is on what leaders actually do, it is easier to understand the situational nature of leadership and the importance of flexible leadership. We are not saying that personality traits and inherent abilities are irrelevant for understanding why some people want to become leaders or which people are most likely to be successful as leaders, only that traits are less useful than concrete behaviors for understanding what leaders must do to be effective in a given situation.

The Myth of the Celebrity Leader

The cult of personality is so pervasive in depictions of organizations that, according to a recent survey, CEOs now represent 45 percent of a company's reputation.²² According to a study conducted in 2001 by consulting firm Burson-Marsteller, 90 percent of Wall Street analysts and institutional investors said they were more likely to buy or recommend a stock based on a good CEO reputation. That figure was up from 70 percent five years before.²³ How powerful is the impact of a celebrity CEO? Several examples over the years would indicate that investors put a great deal of faith in the CEO as savior. In 1996 shares of Sunbeam went up by half

in a single day when Al Dunlap was hired. In 1997, \$3.8 billion was added to the value of AT&T's stock when C. Michael Armstrong was brought on board. In 2002, shares of Tyco International increased 46 percent the day after a respected Motorola executive, Ed Breen, was hired to lead the troubled company.²⁴

However, in a company with a celebrity leader, a single highly publicized mistake or misdemeanor by a senior executive can have a catastrophic effect on a company's profits. The case of Martha Stewart, who built a lifestyle empire that includes magazines, cookbooks, television shows, designer sheets, and endorsements of other domestic products, is a perfect example. When it was learned in December 2001 that an insider-trading charge was being brought against her for selling her shares in another company, her own company's stock plunged by 54 percent and profits declined by 45 percent in the third quarter of the fiscal year.²⁵

Fortunately, there are not many high-profile cases of companies spiraling downhill after their famous CEOs are accused of wrongdoing. A more common problem is unrealistic expectations for the CEO. When a celebrity leader is appointed the CEO for a troubled company, expectations (and stock prices) are dramatically raised, only to be rapidly deflated if no miracles occur shortly afterward. Consider what happened when Gary Wendt was selected to be the new CEO of the insurance company Conseco after a successful tenure running GE Capital. When the appointment was announced, Wendt was hailed as a savior for Conseco, and its stock price rose by almost 50 percent. The stock rose even more dramatically when he started issuing upbeat reports to investors. However, just over two years later, Wendt stepped down, having failed to rescue Conseco from its doldrums. The stock sank by more than 99 percent from its high, and Conseco was left with the burden of paying Wendt millions of dollars per year for the rest of his life.²⁶

The idea that leadership is something provided only by those at the top is dangerous for another reason. In today's volatile business environment, the need to be responsive to rapidly changing conditions is too urgent to wait until all the information possessed

by people at different levels of the organization filters up to the senior executives and penetrates the cocoon in which many such figures live. In an increasingly dynamic, competitive environment, it is essential to understand what customers need, what competitors can do, and how potential customers view a company's products and services. Front-line personnel and lower-level managers will obtain much of this essential information long before it arrives in the senior executive's office. If people depend entirely on top management to identify emerging problems or threats or to recognize promising opportunities, it may not be possible to make a timely, successful response.

The Myth of Leaders and Managers

Many scholars and practitioners view leadership as a different and more important process than management. Some writers^{27,28} contend that the two processes are mutually exclusive and cannot occur in the same person, because the values and personality traits essential for leadership are incompatible with those essential for management. Managers value stability, order, and efficiency, whereas leaders value flexibility, innovation, and adaptation. Managers are concerned about how things get done, and they try to get people to perform better. Leaders are concerned with what things mean to people, and they try to get people to agree about the most important things to be done. The idea that leaders and managers are different kinds of people is taken to an extreme by writers who offer a very negative stereotype of managers that portrays them as controlling, micro-managing, "bean-counting" bureaucrats.

Other scholars^{29,30,31,32} view leading and managing as distinct processes or roles. Although this perspective does not preclude the possibility that leading and managing can be done by the same person, the two processes have some incompatible elements that are difficult to reconcile. As noted by Kotter,³³ strong leadership can disrupt order and efficiency, and strong management can discourage risk taking and innovation. The popularity of books about

leadership suggests that practitioners consider leading a more interesting and relevant process than managing. The omission of effective managerial behaviors from the currently popular leadership theories suggests that the theorists do not consider this process necessary for understanding effective leadership.

A broader perspective is needed to understand how leaders can influence organizational processes and outcomes. We agree with Kotter,³⁴ who proposed that both processes are necessary for the success of an organization. Strong management alone can create a bureaucracy without purpose, but strong leadership alone can create change that is impractical. To be effective, managers must also be leaders, and leaders must manage. Misconceptions about leading and managing have impeded progress in understanding how to integrate the two types of processes and balance the inherent tradeoffs.

The Myth of Easy Answers

An astounding number of books about leadership sold each year indicate the importance of this subject to people. Most of these books take a relatively narrow approach to the subject, and few of them are based on solid research. The best-selling books usually offer simple answers for complex problems, such as “one minute” actions or a list of “leadership secrets” that can be applied in any situation. Books written by celebrity leaders (and their ghostwriters) also sell well. Readers probably assume that, “If it worked for a famous leader, it will work for me also.” The popularity of leadership books seems to indicate a widespread belief that a few best practices or secret remedies can easily transform the reader into an effective leader. The appeal is not unlike many products and services that promise to make people attractive, healthy, and happy with minimal effort.

A similar situation can be found in fads surrounding the use of management programs over the past three decades. Examples of these programs include management by objectives, profit sharing plans, quality circles, self-managed teams, re-engineering,