

Leadership That Matters

THE CRITICAL FACTORS
FOR MAKING A DIFFERENCE
IN PEOPLE'S LIVES
AND ORGANIZATIONS' SUCCESS

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What Is Leadership?

Good leadership consists of doing less and being more.

Lao Tzu¹

To those who really understand leadership, Lao Tzu's assertion is no surprise. The classic *Tao Te Ching*, from which we took the above and other quotations in this book, was written by Lao Tzu more than two thousand years ago. The *Tao* is the source of many common sayings, such as "A journey of a thousand miles begins with a single step."

One reason the *Tao* was written was to help enlighten the warlords who then ruled various parts of China. One of Lao Tzu's main aims was to show these rulers how to be better leaders. The essence of his eighty-one lessons can be found in Chapter 17 of the *Tao*. Our version goes like this:

- ❖ Some leaders accomplish a great deal and are loved and praised by followers.
- ❖ Lesser leaders use threat and fear to get results.
- ❖ The worst leaders use force and lie; they are despised.
- ❖ But of the best leaders, when the work is done and the goal attained, the people say, "We did it ourselves!"

We think that this is a wonderful illustration of how leadership matters. Leadership based on the leader's engaging personality and style is not leadership that matters, in the long run. Cults fade and their leaders are forgotten, except to historians. And how often has a leader who was once loved and praised later turned to fear and threat of punishment to get results?

A person may achieve great things through his or her efforts, but not necessarily through effective *leadership*, leadership that matters. Nor does leadership matter just because the leader is powerful. Anyone who can use a gun can make people follow orders, but it's not leadership that matters, it's the gun.

This book is about *leadership that matters*, leadership that counts, that makes a difference in people's lives. In a time of increased uncertainty, perhaps even apparent chaos, it is tempting to listen to those who believe that leaders are little more than creations of their times, reflections of larger social forces over which they and we have no real control. Even some leadership scholars have argued that our attribution of positive outcomes to the efforts of leaders may be little more than a romantic illusion.² Such logic suggests that what we believe to be the effect of good leadership—or even the result of bad or evil leadership—may really be the outcome of social forces that we don't understand.

For example, hardly anyone would deny that Mohandas (Mahatma) Gandhi had some influence on India's struggle for independence from Great Britain. However, the above argument would emphasize the post-World War II economic issues that made it desirable for England to eliminate the costs of maintaining its far-flung colonial empire.

Looking to the darker side of leadership, some scholars argue that Adolph Hitler's rise to power in post-World War I Germany was not due primarily to his charismatic leadership and appeal to the masses. Rather, Hitler's rise was, in this view, mostly the result of desperate economic conditions. These included a worldwide depression on top of punitive economic conditions imposed on Germany after the war.

Our premise, that leadership matters, runs counter to the arguments illustrated above. We don't deny that social circumstances have important effects. However, we strongly disagree that the effects of leadership are mostly romantic illusion or an explanation for societal dynamics that we can't otherwise understand.

There is clear evidence today that leadership does matter. Leaders help reduce ambiguity and uncertainty in our lives. They do so by constructive acts that use complex social forces to achieve concrete, long-term aims and goals. But they do more: leaders *make meaning*. That is, they provide clear and positive *reasons* for their aims, actions, and accomplishments. One reason,

then, that leadership matters is because leaders add clarity and direction to life and make life more meaningful.

Even more important, leaders help us learn to make our own meaning in our lives. That is, leaders teach us that we can control our own lives and that we are capable of creating meaning ourselves, through our own actions. This may sound a bit vague; that's because it is complicated and difficult to explain, as well as to do. The central aim of this book is to show just how leaders do these things, how we can all learn to do them better, and in the process become more self-directed leaders ourselves.

Instead of beginning with a long and detailed explanation of leadership, we propose to start by asking you to examine your own experiences of leadership. Have you ever personally known or worked for or with someone you consider a truly exceptional leader? Think not of some famous person or politician but of a real individual you knew or know now, someone with whom you had significant interaction. This need not be someone you know or work with today; a leader from any time in your life will do, even if you knew this person twenty or more years ago.

Now go a step further. Think of a specific time and place, a real interaction that you had with this person you've identified as an exceptional leader. When you have that specific occasion clearly in mind, close your eyes and play it back in your mind's eye, as though you were watching the leader and you on video. Take just a minute, right now, to do this.

After you have visualized and reviewed this memory, take a piece of paper and write down some things that come to your mind as descriptive of the leader. Or use the box provided below. You might just list words or brief phrases, or you might write a line or two.

Describe the person you thought of as an exceptional leader:

We've conducted an exercise based on what we just asked you to do with a great many groups. Afterwards we ask participants to share some of what they've written down. Their responses always fall into three categories, which we describe below. Look back at your own responses and see where they fit.

The first category consists of terms like

- intelligent
- creative
- honest
- friendly
- confident
- persistent
- patient
- forceful

Some of your comments and descriptions may fit into this group. When we ask people why these items are grouped together, almost everyone says quickly, "They're all *traits*, personality characteristics."

The second category of terms usually includes

- listens well
- coaches
- acts consistently
- gives feedback
- shares feelings
- supports us
- gives others credit
- delegates

Again, it would be surprising if none of the descriptive terms you came up with fit in this category. What is the category? It's not hard to see that all of these terms describe actions or behaviors. Most involve other people, too, but the central common feature is that they are leadership *behaviors*.

Finally, look at the third category, which often includes terms like

- involves the team
- sees the "big picture"
- is politically astute
- looks for information
- has a vision
- grabs my attention
- is committed to aims
- understands our environment

This third group of descriptions is more difficult to label. Sometimes there are very few terms that fit in this group. That's because while the first two groups of terms are relatively simple to characterize, this one has more complicated content. Is "has a vision" a trait? Perhaps, but it is clearly more than a trait like "patience." Is "involves the team" a behavior? Yes, but it goes beyond a simple behavior; it has to do with "the team."

What links the terms in this last category? They all relate, in some way, to a broader context or situation in which leadership is expressed. We call this last category *situational context*.

You may think that we constructed this three-part categorization to try to sort out and identify a set of common traits, actions, and contexts. That's not at all the case. Our point is that these same three categories emerged in each of the hundreds of groups with which we've worked using this exercise. The first two categories are always obvious, while the third is harder to see at first but, once recognized, is just as clear.

Why should the three categories be so important? These three categories—leadership traits, leadership behaviors, and the situational context of leadership—represent the three primary approaches that have historically been used to understand leadership.

Personality, Behavior, and Situational Context

The personality of leaders has been a subject of commentary for thousands of years. For example, the classical work of the Roman writer Plutarch, who lived in the first century A.D. and wrote a history of the lives of great men, is still read today. Leadership as personality and biography is surely the earliest approach to understanding leadership.

The study of great leaders' personalities has continued to the present day. Who has not thought of Franklin Roosevelt or, more recently, John Kennedy, as leaders who stood out by virtue of their personality and character? Successful business leaders have also been the focus of special study. Books have been written, for example, about Bill Gates, founder of the incredibly successful and important Microsoft Corporation. Various biographers have speculated about the aspects of Gates' personality that enabled his entrepreneurial success as leader of that organization.

Recent studies of leadership have also focused on leaders' behaviors. Many have, for example, examined the actions of Gandhi, whose personal behavior led India to independence.³ The great humanitarian physician Albert Schweitzer said that with respect to leadership, "personal example is not the most important thing—it is the *only* thing."

Nor has history ignored the context of leadership, such as the strategy used by Ulysses S. Grant that led the Union to victory in the Civil War. Especially interesting is the contrast between Grant

as a great military leader and Grant as president. Many historians consider Grant to be one of the least effective of all U.S. presidents. In a military context Grant could not be defeated. As a political leader he was a disaster.

The three categories of personality, behavior, and context are also important because they replicate the results of almost a hundred years of formal leadership research. As we will see in Chapter Two, social scientists from the early part of the twentieth century to its recent end started with personality as the explanation for leadership. They moved on to look for explanatory behaviors when traits proved inconclusive. Finally, they searched the complexities of the situational context in an effort to understand leadership scientifically.

Leadership That Matters: A New Synthesis

No one of the three approaches to understanding leadership comes close to providing a comprehensive understanding of what leadership is and how it works. As Warren Bennis and Bert Nanus have pointedly said,

Multiple interpretations of leadership exist, each providing a sliver of insight but each remaining an incomplete and wholly inadequate explanation.⁴

To see how leadership works, how it really matters, you can't just look at traits, or at behavior alone, or simply at the situational context. A person's underlying character is surely relevant for leadership. Personality traits alone, however, are inadequate to explain or understand the nature of leadership. The behaviors required for effective leadership are not just simple skills; they are complex and often subtle. They are, moreover, determined both by the leader's character and by the situational context. To understand the nature of leadership we must examine all three of these areas together.

It's not easy to build a comprehensive leadership approach. Psychologists who focus on the individual tend to see most leadership behavior as related to one's personality. Social psychologists concentrate on interpersonal and group factors in leadership. Those who take a more organizational viewpoint center

their study on how the organizational context determines leaders' actions. In reality, all three viewpoints are important. One must attend to them all without leaving out one or another.

Unfortunately, most leadership theories and approaches focus on just one or, in some cases, two of the three elements. In contrast, our approach, *Leadership That Matters*, explicitly incorporates all three of the key aspects of leadership: personality, behavior, and the organizational context. The sort of integration and synthesis we offer is complicated. We identified key factors that, when taken together in context, provide a more complete and comprehensive understanding of leadership than can be had by studying any one of them in isolation.

In preparing our synthesis we drew on a large number of important contributions to an understanding of leadership, made by various scholars and practitioners over the past hundred years. We will build this new synthesis step by step, over the next several chapters.

To arrive at this synthesis we must first see where we have been. That means examining the key research findings of the past hundred years in each of the three areas. That is the subject of Chapter Two. In that chapter we review the accumulated research knowledge relevant to leadership traits, leadership behavior, and the situational context of leadership. We found that while each focus provides a "sliver of insight," none offers an explanation that goes far beyond its focal sliver.

Perhaps it was the failure of leadership research to adequately explain what makes leadership matter that led to a whole new way to look at leadership. We define this new perspective as *transformational* leadership, in our conclusion to Chapter Two.

In Chapter Three we examine in detail this new way of understanding leadership behavior. Leadership researchers and scholars such as Warren Bennis, Bernard Bass, and James Kouzes and Barry Posner were the first to explore this "new paradigm," looking for a new set of behaviors that might be the basis for leadership that matters.

The behaviors we describe in Chapter Three are quite different from those studied by "classical" leadership researchers of the 1950s, '60s, and '70s. These new considerations include such behaviors as caring, empowering, and sharing a vision. Like others,

we were convinced that the new transformational leadership approach added a different and important behavioral perspective to our understanding of how leadership matters. Even so, we concluded that a focus on leadership behavior alone—new or old—could not adequately and fully explain how leadership matters.

We realized that a complete and, hopefully, comprehensive leadership approach would have to include “slivers of truth” from each of the three areas of leadership research. This would include leadership traits and the situational context of leadership as well as leaders’ behavior.

Chapters Four, Five, Six, and Seven present the results of our study of the personal characteristics of leaders, in the framework of the transformational leadership approach. We searched for a new way to understand leadership, not in terms of fixed traits but through leaders’ *character*. We found some answers in the work of a number of eminent psychologists. Their contributions, and our interpretations of them, are detailed in Chapters Four through Seven. In these chapters we explore leaders’ confidence, their orientations to power, and their capacity to think through complex action plans over time.

The third research area described in Chapter Two centers on the situational context of leadership. Chapter Eight offers a new and far more sophisticated way to look at the *organizational context* of leadership. We draw on the work of organizational psychologists and sociologists whose aim was to understand the nature of organizational culture. What we found is that transformational leadership, leadership that matters, is essentially about creating the sort of cultures that enable organizations—and the people in them—to achieve exceptional performance results. This sort of leadership is about changing, that is, transforming organizations. Chapter Nine shows how such leaders transform the social context.

Such transformation is not simply a matter of changing organizational structures and processes. It is not enough to eliminate levels of management and “flatten” the hierarchy, or to design new ways to hire, reward, and promote people. In Chapter Ten we see how leaders transform and develop *people*. Leadership that matters does so because it changes individuals, including leaders, for the better.

In Chapter Eleven we review key research studies conducted to test our formulation of the new leadership approach. We report real-world studies that support our concept of leadership that matters with hard evidence of performance and results.

We present several issues and challenges regarding leadership in Chapter Twelve. These include the question of men's and women's leadership (are they different?), the nature of empowerment, the uncertainty and ambiguity we must live with, and the effects of globalization.

Finally, in our Conclusion we present a synthesis of all that we have discussed in the book. Rather than simply summarizing or repeating our conclusions, we link them to the work of other major leadership approaches. All are grounded in a new, transformational leadership concept. Our aim is to identify essential common elements and show how our approach, *Leadership That Matters*, addresses and incorporates them.

Summary

We began this chapter by inviting you to consider with us the nature of leadership. We then identified three basic elements of a definition: the leader's personality, his or her behavior, and the situational context of leadership. Finally, we sketched out how we will, in the chapters that follow, use these elements to create a new synthesis. We called this new approach *Leadership That Matters*.

Our aim in this book is not only to better understand leadership, but to consider how one can become better at practicing it. We will present a new way to understand and practice leadership that speaks to those who are, or aspire to be, in positions of leadership. That's why we have tried to incorporate personally relevant self-assessment materials in most of the chapters. In this way we hope to show how leadership can matter to you.

The first step of our journey is, in Chapter Two, an overview of the many thousands of steps taken before us, by leadership scholars and researchers of the past hundred years.