Welcome from the Dean & Editor

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WELCOME to the inaugural issue of the *Journal of Strategic Leadership* (JSL). This first issue includes the top papers submitted during the final year of the students' doctoral journey through the Doctor of Strategic Leadership program. I am thankful to the grading professors who serve as JSL editorial members: Sergio Matviuk, Jay Gary, Myra Dingman, and Corné Bekker. I would also like to thank the JSL reviewers: Gary Ewen, Gary Oster, Richard Gribling, Ray Perren, Marcus Bieschke, and Sharon O'Hara for this selection and the guidance they provided to the authors. I am also grateful to the production staff, Julia Mattera, Myra Dingman, and Billy Mims, and Ashleigh Slater on the editorial staff for all of their support in making this first issue of the *Journal of Strategic Leadership* a reality. We believe that students studying strategic leadership have something of value to offer the leadership academy and have produced the JSL as a logical outcome of this belief.

Leaders' Unmet Needs Can Precipitate Power Abuse in Relationships with Followers

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Wellington Feyer, IT project manager of Davis International, agreed to resign his position amidst a flurry of accusations ranging from endangering the safety of employees to various forms of harassment. The purpose of this exposition is to highlight how Wellington Feyer's behaviors manifest as indicators of his unmet needs. According to David McClelland, individuals' basic human needs are acquired over time, shaped by life experiences, and divided into three categories: achievement, affiliation, and power.[1] Leaders' needs define the abuse of power as a significant organizational concern.[2] While leaders generally resist accountability mechanisms, they are essential for maintaining employee confidence and leader credibility.[3] Leaders can utilize the Thematic Apperception Test to recognize their unmet needs and avoid the misuse of power.[4] *(Note: This is a fictional account used to illustrate leadership principles.)*

Wellington Feyer, IT project manager of Davis International, agreed to resign his position amidst a flurry of accusations ranging from endangering the health and safety of employees to various forms of harassment. The accusations stemmed from a lawsuit alleging that Feyer violated the human rights of 35 of the company's 50 employees. The employees allege that they were subjected to continuous harassment by Feyer. The harassment, according to court documents, consisted of unwanted night and weekend home visits, incessant phone calls and text messages, persistent bullying, threats, name calling, offensive and objectionable language, and degrading treatment over the 3-year period of Feyer's term with the organization. When asked for comment, Wellington Feyer's superior, CEO Jan Davis, stated that she had enthusiastically hired the MIT graduate 3 years ago because of his superior background in research in groundbreaking technology, but had became increasingly concerned about Feyer's 80-hour work weeks, intensifying agitation, and insatiable demand for recognition and commentary at every project juncture. The determination of Wellington Feyer's guilt or innocence is the function and responsibility of the court to which his case has been assigned. The purpose of this exposition, however, is to emphasize how the behaviors of which Mr. Feyer is accused often manifest as indicators of a leader's unmet needs. This essay illustrates how leaders' unmet needs can precipitate power abuse in relationships with followers. Finally, this essay offers suggestions as to how leaders can recognize their basic human needs in order to avoid the misuse of power.

Relationships, Power, and Abuse

Relationships are involvements, affiliations, or connections between people. The leader/follower relationship is defined by their interaction and mutual connectivity within an organization.[5] Power is defined as the exercise of authority which results in the governing of others' behaviors.[6] Power represents the currency in organizations that allows individuals and groups to satisfy needs and achieve objectives, as well as stems from the follower's belief in the legitimacy of the leader's right to influence and give orders and the follower's obligation to comply.[7] Abuse is the inappropriate use of power. Power is abusive to subordinates when its outcomes are injurious to their dignity and dysfunctional for performance or rewards.[8] The subordinates of Wellington

Feyer asserted that Feyer exploited their leader/follower relationship by abusing his legitimate right to exercise power over them.

McClelland's Theory of Needs

According to David McClelland, individuals' basic human needs are acquired over time, shaped by life experiences, and divided into three categories: achievement, affiliation, and power.[9] Achievement-oriented leaders seek challenges at work and are project driven.[10] They are high achievers who seek challenges and prefer to work with other achievement-driven individuals. Achievement-oriented leaders experience frustration with subordinates and peers who are less driven than they are.[11] Additionally, leaders with a high need for achievement crave feedback on their accomplishments.[12] In the absence of feedback, achievement-oriented leaders may experience disappointment.

Wellington Feyer is apparently a high achiever. A science and technology graduate of Massachusetts Institute of Technology, Feyer brought his competitive work ethic to Davis International hoping to help the fledgling organization establish itself as a formidable contender for the Bay Area technology market. Feyer took pride in his goal-oriented work ethic and did not limit his contribution to the organization to typical working hours or time spent at the office. He had hoped that his 80-hour work week and rapid turnaround time for projects would demonstrate his dedication to expeditiousness and excellence. Feyer was proud of his achievements. Over the last several months, however, he had grown increasingly irritated with the lack of commitment he perceived in his peers and subordinates and the obvious indifference from his boss. Feyer determined that his subordinates required more oversight and that his superior needed to pay closer attention to his efforts.

The Unmet Need for Achievement

Although justifiably dedicated to company performance, Feyer's behavior demonstrates that he was, in reality, seeking to satisfy his unmet needs; one of which was for achievement. Typical of leaders with a high need for achievement, Feyer took on challenging projects and worked diligently to accomplish his goals. However, in so doing, Feyer obliged his subordinates to work with him at his pace without regard for their individual work capacities. Feyer admitted requiring his subordinates to work extra hours, including weekends, and saw nothing wrong with phoning about projects, sending text messages, and visiting his subordinates' homes for impromptu meetings on their days off. Typical of individuals with a high need for achievement, Feyer became frustrated with the reality that he was working with people who were either less capable or less achievement motivated than he. Feyer had essentially sought to mold his subordinates into mirror images of himself so that his need to work with other high achievers would be met. While a certain degree of narcissistic behavior is characteristic of leaders generally, the danger lies in attempting to force subordinates to become the literal image of the leader.[13] Wellington Feyer abused his power in his relationships with his followers by exerting undo pressure upon them to perform beyond their capacities.

Affiliation

Affiliation-oriented individuals need to be liked.[14] They vigorously pursue harmonious relationships with others.[15] Objective decision making is usually difficult for affiliation-oriented leaders because they readily conform to group norms often compromising their own view

points.[16] In general, individuals with a high need for affiliation tend to avoid leadership positions. [17]

Wellington Feyer's behaviors do not demonstrate that his need for affiliation was unmet. In fact, Feyer appeared not to be concerned about being liked; especially when he made the decision to push his subordinates to demonstrate their commitment to him and the organization at considerable expense to their individual identities and wellbeing. Feyer's behavior was the antithesis of a person with a high need for affiliation. Feyer was achievement oriented and not needy in the area of cultivating harmonious relationships. While Feyer was not necessarily motivated by a high need for affiliation, his relational capacities with followers were severely lacking and inhibited. Characteristic of a person with a high need for affiliation, Feyer demonstrated difficulty in objective decision-making. Not because he conformed too readily to group norms, but because he was blinded by his quest to satisfy his unmet need for power.[18]

Power

The need for power distinguishes itself into two sub-categories: (a) the need for institutional power and (b) the need for personal power.[19] Leaders who have a high need for institutional power focus their energies on organizing the efforts of others for the accomplishment of organizational goals.[20] Leaders who have a high need for institutional power generally make more effective leaders than those with a high need for personal power because of their motivation to pursue a unified effort toward organizational success.[21] Although attracted to positions of power and influence, leaders with a high need for personal power seek primarily to control others' behaviors.[22] They often lack the required adaptability and emotional intelligence to succeed in such positions.[23]

The Unmet Need for Power

Wellington Feyer's behaviors demonstrate a high need for personal power. His constant hovering over his subordinates, blatant disregard for their individuality, and dictatorial style made him tyrannical and ineffective. Feyer's high need for personal power became apparent in his conduct with both subordinates and superiors. In forcing his subordinates to increase their work hours, Feyer sought to control how his subordinates spent the majority of their time. Feyer's incessant telephone calls, text messages, and home visits also contributed to his insatiable need to establish a commanding presence in his followers' lives. Feyer calculatingly ensured that his subordinates' time and energies were consumed with anxieties relating to fulfilling his requests.

 In addition to over-working them, Feyer further exploited his followers by regularly badgering and intimidating them through degrading treatment. The angst that Feyer cultivated in his subordinates resulted in a lowering their resistance. This paved the way for him to increase the levels of disrespect and humiliation until his followers were completely broken and depleted. In essence, Feyer sought to amass power by neutralizing his followers' dignity and self-worth through a steady progression of antagonism and fear.

Typical of an individual with a high need for personal power, Feyer also sought to fulfill his need through recognition.[24] As expressed by Feyer's superior, CEO Jan Davis, Feyer constantly demanded acknowledgement for his work. Individuals with a high need for personal power crave regular feedback and recognition for their accomplishments.[25] Overall, Feyer abused his power in his relationships with others through debasement and vexation.

Implications

While the needs for achievement, affiliation, and power are present in most people, there is usually a prevailing orientation that defines one's dominant need.[26] When an individual has unmet needs, the propensity toward satisfying those needs influences and inevitably shapes one's pursuits and decisions in relationships.[27]

Although the example of Wellington Feyer is fictional, aspects of his depiction are typical representations of how a leader's unmet needs can precipitate power abuse in relationships with followers. According to researcher, David Kipnis, power can have the following affects on leaders and followers:[28]

1. Power can influence leaders to increase their attempts to control the behavior of followers.

2. Power can influence leaders to devalue a follower's worth.

3. Power can influence leaders to take undeserved credit for a follower's performance.

4. Power can influence leaders to view followers as objects of manipulation.

5. Power can influence leaders to desire to distance themselves from followers.

As Wellington Feyer demonstrated, power abuse begins with volition.[29] The decision to abuse power lead Wellington Feyer to the execution of the aforementioned power strategies designed to afflict followers and gratify his need to be in charge. According to French and Raven, there are five main sources of power:[30]

1. Power based on the ability to grant rewards

2. Power, which is coercive and has the ability to punish

3. Power that is legitimate, which is based on position or authority

4. Referent power, which identifies with who or what the leader represents

5. Power, which is grounded in knowledge or expertise

In the case of Wellington Feyer, coercive power was used to influence and control the behaviors of others. Misappropriated reward power, legitimate power, and referent power were also elements in Feyer's tactics to lord his authority and position over his subordinates. Research demonstrates that leaders who abuse power are often motivated by its value in affecting action and obtaining rewards, its status as a beneficial resource, and its promise of sovereignty.[31]

Conclusion

Leaders' needs, motivations, and propensities and subordinates' dependencies have risen to define the abuse of power as a significant organizational concern.[32] Because of the presence and needfulness of power structures, systems of accountability, and transparency mechanisms, including of codes of conduct and ethical behavioral standards, should be standardized as a first level defensive against power abuse.[33] While leaders generally resist accountability mechanisms, they are essential for maintaining employee confidence and leader credibility.[34]

Secondly, and perhaps most importantly, leaders must learn to recognize their unmet needs and pursue ways of fulfilling those needs that avoid injurious behaviors toward others.[35] The Thematic Apperception Test, developed by David McClelland, is a viable and respected

instrument used by leaders to assess personality traits and inclinations.[36] Leaders who take the Thematic Apperception Test are likely to discover unconscious aspects of their personality that reveal hidden motives and needs for achievement, affiliation, and power.

It is quite possible that Wellington Feyer would deny his high need for personal power and defer instead to his strong work ethic and frustration with lazy subordinates. It is also possible that Feyer would mildly acknowledge his degrading treatment of others as his need to slow down and not be so easily provoked by others' ineptitude. Like Feyer, leaders generally may not always perceive themselves as they present themselves to others. Therefore, it is imperative for leaders' personal integrity, character, respect for the positions they hold, and the dignity of those they supervise to honestly examine themselves. By appraising one's needs through the Thematic Apperception Test, or other reliable instrument, a leader may be able to indentify unmet needs. Once a leader establishes his unmet needs the process can begin to examine the motives behind leadership career choices and the dominant personality traits that influence behavior.

Leaders with a high need for institutional power possess the self-knowledge, people skills, and general emotional intelligence to cultivate a culture of freedom, creativity, and transformation in organizations.[37] As such, they are generally more successful as leaders than those with a high need for personal power because leaders with a high need for personal power tend to lack flexibility and people skills.[38] Leaders with a high need for institutional power have been shown to be more effective than leaders with a high need for affiliation because leaders with a high need for affiliation tend to prioritize harmony in their relationships above objective decision-making.[39] Leaders with a high need for institutional power may also be more effective than those with a high need for achievement because leaders with a high need for achievement tend to avoid conflict and can be risk averse.[40]

Notwithstanding the possibilities that no dominant trait may yield all the necessary ingredients for exemplary leadership, and that savvy leaders learn to surround themselves with people who possess complementary strengths, leaders in every category have the responsibility to exercise power appropriately and with respect for the dignity of others. It is morally imperative that leaders begin to recognize their unmet needs and make every responsible effort to address them in ways that avoid the abuse of power in relationships with followers.

Endnotes

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One Nanosecond from Obscurity: Extinction or Creative Fulfillment of an Idea

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Every discovery is one nanosecond from either extinction or creative fulfillment. Understanding how to maximize the potential for success should be the desire of every strategic leader. Ideas find their substance in associations made from acquired bits of information that are tested for validity through a rumination process. Brain activity adjusts to detect and sort out errors, resolve conflict, and re-orient attention. Strategic leaders look for ways to manipulate environments that are the most fertile for the discovery process. Besides being committed to new ways of learning and barrier removal, successful creative leaders are counterintuitive thinkers, who look at the same things as others and see new things. Strategic leaders look for ways to insert themselves in the creative process to maximize the potential for success.

"Discovery consists in seeing what everyone else has seen and thinking what no one else has thought."[1] It is in these words that Hungarian biochemist and 1937 Nobel Laureate, Albert Szent-Gyorgi raises one of life's great mysteries. Have you ever wondered why some ideas come to fruition and others do not? If two people look at the same problem, how is it possible that one will frame the issue as everyone else has and the other will discover something that has never before been seen? Both of these individuals, just nanoseconds before the moment of discovery, had much in common, yet something within their brains resulted in two totally different ends. This paper focuses upon that moment in time in which "something" special happens (*kairos*) framed between the commonplace and the moment of creative fulfillment. Understanding an idea's singularity,[2] that unique event with profound implications that reflects change so rapid and so profound that it represents a rupture in the fabric of human history, is a tool that every global leader must have in order to keep pace in an ever-changing world. The status quo is often the preferred action, for it eschews change and the struggle for acceptance of a new way of doing or thinking. [3] Creative fulfillment, on the other hand, is the most important human resource of all. For without it, there would be no progress, and mankind would forever repeat the same patterns.[4]

By understanding the conditions around which an idea ends in creative fulfillment, leaders can manipulate environments such that they foster, rather than impede, discovery. To some, the fulfillment of creativity is a random act that has no tangible reason for existence; while others believe that creativity is a willful act that is controlled through a series of natural laws.[5] Understanding how to manipulate these natural laws to one's advantage will not guarantee success at every turn, however, it will provide one with the proper environment in which creativity can be nurtured.

In order to more fully comprehend the nature of creativity, we must first understand the infinite possibilities that await discovery; that ideas, like life, have certain inherent characteristics that define them. We must understand that discovery is a process; that physical changes occur in the mind, which result in either extinction or fulfillment of an idea. All of which lead to an understanding that environments can be manipulated to the benefit of success.

Nothing New Under the Sun

It has been said that in the middle of the 19th century, the administrator of the U.S. Patent Office, Oscar Burke believed that the Office should close. He said, "Everything that could have been invented has been patented."[6] Of course looking back, we all know the naïveté of Mr. Burke's thinking for, as it relates to discovery, no period of time has experienced more change and innovation then the period from the middle 1800s to the present; what technologies have wrought is nothing short of miraculous. Yet it is still difficult to comprehend, at least on a human level, that there are still new creations awaiting mankind's discovery. Edward Lorenz's 1961 discovery of chaotic systems in weather forecasting underscores how there are an infinite number of possibilities resulting from small variations of the initial condition of nonlinear dynamic systems which may produce large variations in the long term behavior of the system.[7] Coining the term, *Butterfly Effect*, Lorenz demonstrated that the mere flapping of a butterfly's wings in Brazil may lead to a tornado in Texas. A small variation in when, or at what frequency, the butterfly flaps, results in different ends. So too, it can be said of ideas: There are an infinite number of possibilities given the same initial conditions.

To the adherent of evolutionary theory, given enough time through natural selection, mutations in genetic components result in an infinite variety of species that are stronger than the previous generation. On the other hand, to those who believe that God created man in His image with infinite variety, can it not be said that mankind was given the same ability to create infinite possibilities? Taking both worldviews into consideration, can we, therefore, claim that there is an immutable law that everything is possible given enough time, energy, and money? If so, everything under the sun *is* open to creativity.

Conception of an Idea

Just as in the formation of human life, certain basic requirements are necessary in the formation of an idea. In human life formation, genetic material from both parents must be present. The genetic material of ideas consists of random coded bits of information that are diverse and may or may not be related to the matter at hand. In the right environment, one which has been chemically prepared to nurture growth, the combined genetic material begins to replicate into a totally new organism with a unique genetic makeup. As is discussed further in this paper, once the coded bits of information gather to form an idea, a totally new association is made. It forms, in a sense, a totally new and unique discovery that is related to the original bits of information, but distinctly new in itself.

Discovery is a Process

Discovery is a process that begins with the recognition of some pattern that either exists or does not where one is expected. The pattern may be found in the acquisition of data or in an observation found in some abstract concept.[8] The human mind is not only capable of recognizing patterns but it seeks them out and attempts to form them even when none exists.[9] It is important to stress at this juncture that the human mind is capable of identifying even quite abstract patterns that might not fully contain visual representations. [10]

After the mind recognizes a pattern, it attempts to query that pattern against known pieces of information, often in a random fashion. It is in this rumination period that elaboration takes place;[11] where the mind sorts out faulty connections and rapidly moves on until it finds connections that "make sense." It is at the point at which a positive connection is made between

two seemingly random pieces of information that the "*aha moment*" (or the moment of singularity) occurs. What complicates this process during this period of rumination is that often a new vocabulary or form of measurement must be developed in order to describe the pattern. [12]

Following the moment of singularity, the mind begins to test the connection through a process of continued elaboration, rearrangement, or analysis before it yields a testable prediction.[13] This is the moment of creative fulfillment; the point in which the idea or discovery is to be tested in the real world. Contrary to common conceptions, discovery does not happen *ex nihlo* (out of nothingness), rather it is the result of millions of queries made much in the same fashion as one would test a piece when solving a jigsaw puzzle or the early phone operators plugging wires together in order to make connections.

Physical Brain Processes

Significant changes in brain activity have been observed throughout the discovery process. During the pattern recognition and rumination phases, low-frequency *delta* and *gamma* brain wave activity drops.[14] Since delta waves are characteristic of memory processes, and gamma waves of coordinated mental activity, this reduction in output suggests that during these phases there is a purposeful escape from conventional thought patterns that allow for querying in a seemingly random pattern. If delta and gamma brain activity remains high, it appears that querying is almost impossible, for in their presence *internal retrieval processes* are interrupted.

At the end of the rumination phase and just prior to the moment of singularity, there is a spike in *theta* brain activity coming from the anterior cingulated,[15] which is located in the frontal lobe and is believed to be involved in error detection, conflict resolution, and the reorientation of attention.[16] This reinforces the idea that insight requires directing the brain away from dead ends that characterize mental impasses[17] and suggests the formation of new associations between previously unconnected concepts.

At the moment of singularity, increased brain activity has been discovered in the temporal lobe (most likely in the hippocampus) and is therefore involved in memory formation as well.[18] Research has also discovered that activity in the amygdale, also located in the temporal lobe, may be involved in discriminating between important and unimportant items to be stored in memory.[19] Damage in this portion of the brain severely limits the brain's ability to decide whether a discovery is worthy of being stored.

Manipulating Positive Environments

Experimental observations suggest that how a person is thinking before a creative act may determine whether a new concept will be formed or cease to exist. If true, is it therefore possible to manipulate environments in which creative fulfillment has a better than average chance of occurring, given that brain function is normal? Although research is ongoing, nothing currently suggests the creation of some "Pollyanna Creative Chamber" in which a leader can send his followers for an hour to solve the world's problems is possible. Yet there may be some simple techniques that might nurture the soil of positive possibilities.

With the discovery of the relaxation response in the 1960s (the relationship between relaxation and metabolic bodily changes),[20] the field of biofeedback research has increased greatly. Although biofeedback relaxation techniques are designed to primarily reduce anxiety and its associated physiological morbidities, evidence demonstrates that these biofeedback relaxation techniques are able to manipulate brain wave activity in the areas of the brain involved in

discovery.[21] Reducing both delta and gamma waves through use of these techniques will aid in reducing too focused thinking and allow for freer association activity. Similarly, increasing theta wave production could promote more moments of creative fulfillment.

Besides biofeedback techniques, leaders must identify ways in which they can integrate new thinking in their followers. Although important, the physical space may not be as critical to the concept of discovery as is the psycho-social environment. Lack of rigidity,[22] empowerment,[23] trust,[24] and tolerance of failure, [25] are just a few of the characteristics that can be found in creative organizations. However, to provide for a more open psycho-social environment that fosters discovery, leaders need to promote and demonstrate different thinking skills such as those that (a) are able to identify the mind's strengths and weaknesses, (b) understand how cognitive processes operate, or (c) identify how to obtain reliable information and how to test new ideas formed from that learning.[26]

Two ways to foster this type of thinking are to become an incessant inquisitor and one who thrives on removing mental barriers. Asking "Why?" about everything, forces others to substantiate or validate existing actions or methods of operation. Likewise, asking, "Is this the best way to . . . ?" keeps the leader and his or her surrounding environment primed for discovery. Refusing to tolerate any barriers that the mind or external forces place in the way of discovery removes any habitat of refuge or safety that would limit discovery. Followers who see constant demonstrations of this new way of thinking in their leaders and their local environments find that they, too, can take part in using their skills and abilities to create new ideas that can have a positive effect on the world around them.

Counterintuitive Thinking

Returning to Szent-Gyorgi,[27] one cannot find discovery in thinking the same way that everyone else has. If leaders want to assure that their organizations thrive in the arena of idea creation, they must eschew that which is commonplace and promote counterintuitive thinking. Take, for example, the hiring practices of most organizational leaders; they want experts who have vast experience or training in a particular job classification. Their pool of viable candidates usually contains MBAs with a minimum of 5 to 7 years of experience in a specific field: marketing, finance, or manufacturing. Although some of these candidates might come with expert qualifications, they may know too much about their field of expertise. As one climbs the educational level, he or she is taught that it is essential to become an expert. These people come with mental constructs that were created with a network of facts, assumptions, and models that are virtually impossible to overcome.[28] In fact, as one becomes more of an expert, these constructs solidify and lay down mental pathways that are more difficult to break; thus making it more difficult to entertain radical ideas or new alternatives. Herein lies the danger: Experts tend to become more rigid, thus limiting the number of associations possible in rumination phases of discovery. The counterintuitive way of thinking with respect to expertise is to hire people who know how to ask questions, who have a broad knowledge about a lot of things, and who are not afraid to let others know that they do not know everything. Finding candidates that fit these qualifications may be difficult, but finding them might make the difference between success and failure.

Intuition tells us that to succeed in business in the global marketplace one has no time for frivolity or an excursion into irrational thought. Nothing could be further from the truth. Looking at problems rationally might establish parameters surrounding a problem that has its best solution

found outside the established compound. Irrational thought may appear to some to lack academic rigor, but the true discoverer is not so much smart as he or she is clever.[29]

Another counterintuitive method is to hang with pessimists and nay-sayers. Most people do their best to avoid these people. After all, who wants to constantly be faced with a litany of reasons why something cannot be done. On the contrary, as long as the pessimist is not the final decision-maker in an organization, nay-sayers help to direct thinking. They might see barriers to the process that require new associations, or they may help to lay out the minefield pocked with future market objections during the implementation phase of discovery.

Some get the image of discoverers as loners; people sequestered in labs in deserted locations. Although somewhat true, few can deny that creativity breeds creativity. Intuition might lead to thinking that in order to become a sculptor one must hang out with other sculptors or the formation of a new chemical discovery by hanging with other chemists. The process of discovery is not necessarily fueled by like-minded or like-talented people, rather by the process of creativity itself. Discovery and creation breed more of the same.

While most organizational leaders spend their lives trying to avoid crisis and conflict, counterintuitive thinkers create crises where none exists. Creating crisis breaks the harmful constraints that bind organizations from moving forward.[30] This process is similar to when forest firefighters set small blazes to act as firebreaks to keep the situation under control. In organizations, crisis will come at some point, so it is much better to have some control rather than none in how that conflict affects outcomes.

Finally, most leaders have a fairly descent handle on their business operations in near future terms (3-5 year timeframe), however, counterintuitive thinkers spend their time focused on the immediate and far future (20-100 years). These *futurists* are constantly scanning trends to identify pitfalls and opportunities hiding just around the corner. If a leader is thinking in the here and now without concern for trends that might have a negative effect upon his or her industry in the future, they are missing the most fertile field for creativity: self-determination.

Conclusion

Creativity and discovery is a process that requires understanding and thoughtful analysis, for failing to fully comprehend its intricacies leaves one disadvantaged. Could it be that many ideas never find creative fulfillment because they have not received the proper nutrients in the right environment? All along the discovery process are points in which the competent strategic leader can insert him or herself to mold environmental conditions that favor success. Creative fulfillment can no longer be seen as something left to chance or to the whims of uncertainty.

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Knowledge Management for a Postmodern Workforce: Rethinking Leadership Styles in the Public Sector

DARYL GREEN

This paper explores the nexus of knowledge management and contemporary leadership theory within the public sector. The postmodern values embraced by the replacement cohorts (Millennials and Generation X) for the retiring Baby Boomers are in direct conflict with traditional leadership theories, thereby reducing the attractiveness of governmental employment. Today, the federal government, as a bureaucracy, is very rigid in its methodology. Yet, the postmodern workforce thrives better in a flexible, fluidic environment. Two leadership styles, bureaucratic and transformational, are evaluated to determine which is preferred in dealing with the public knowledge management system in the 21st century. The paper concludes with a discussion that highlights strategic implications for researchers and practitioners. The study is significant because a massive organizational shift will happen globally in the near future. This effort contributes to further exploration into the application of leadership competencies in the public sector.

As federal government insiders sound the alarm of impending danger, who will save the government from major disaster? With 60% of white collar employees (1.6 million) and 90% of executives (over 6,000) eligible for retirement, the federal government finds itself in a difficult situation.[1] Many agencies scatter as they consider the huge corporate knowledge that may be lost if these predictions occur. Consequently, these changes in workforce demographics will create leadership challenges in the future as baby boomer employees make their massive exodus from the workforce. The government's current urgency comes as no surprise because personnel specialists, academic scholars, and government gurus have presented this information to anyone who would listen. In January of 2001, the General Accounting Office (GAO) placed human capital issues on its high-risk priority list and considered it one of the government's greatest management challenges.[2] Given this incredible situation, today's federal executives need to develop relevant strategies to address the current and future knowledge drain on this country's public system. This article explores the preferred leadership style in effectively overseeing the knowledge management system during the transition of the postmodern workforce. This requires identifying the current values attributed to contemporary leadership and comparing them to the important leadership theories in the postmodern period.

Knowledge Management Infusion

In today's hypercompetitive environment, knowledge management becomes a vital component for modern organizations. Knowledge management (KM) relates to an organization's ability to systematically capture, organize, and store information. When dealing with KM issues, many people focus on intellectual capital or technology issues, rather than human element.[3] Consequently, many organizations develop their own KM perspective. For example, Lotus Development Corporation defines KM by the following five technology pillars: business intelligence, collaboration, knowledge transfer, knowledge discovery and mapping, and the location of needed expertise.[4] As organizations continue to become more complex, engage in global competition, and operate under uncertainty, disseminating information becomes a

valuable commodity.[5] KM has been a core ingredient for most government agencies; it is difficult to separate strategic planning from KM.[6] Georg Krogh, Kazuo Ichijo, and Ikujiro Nonaka maintain that knowledge creation must be supported by the organizations in a number of ways if knowledge creation is to happen. In fact, they note the following enablers are: (a) instill a knowledge vision, (b) manage conversations, (c) mobilize knowledge activists, (d) create the right context, and (e) globalize local knowledge.[7]

However, managing this KM system is not easy for the public sector. For example, the Department of Energy (DOE) developed a Core Technology Group (CTG) in order to better exchange technical personnel, knowledge, and expertise with its program.[8] The objective of this group was to design the ability to maintain and even strengthen technical capacity for ensuring that the Defense Program mission requirements are transferred effectively into the 21st century.[9] Although implementing the CTG required an enormous culture change, the implications were significant. The CTG review found organizations do not need more control and technology but rather, more open dialogue and knowledge sharing. Knowledge sharing without committed leadership and encouraging organizational culture will be marginally successful. Furthermore, Alex Birman and John Risko maintain that an organization can improve competitiveness and adaptability and increase its chance of success with an effective KM process.[10] However, Michael Tushman and Charles O'Reilly argue that an organization's culture can prevent it from undergoing positive change because organizational renewal demands require mastering both innovation and organizational change.[11] Unfortunately, each person in an organization is engulfed in corporate culture. For the public sector, the current corporate culture along with the massive retirement of Baby Boomers represents a serious concern as it relates *tacit knowledge*. Xiaoming Cong and Kaushik Pandya argue that tacit knowledge, which is often unwritten and less concrete, is more valuable because it provides context for people, places, and ideas.[12]

Knowledge workers are a critical commodity. Many leaders are more concerned with managing resources and work processes than dealing with people. In fact, people just become another product to manage in a hectic environment. Christina Maslach and Michael Leiter suggest that the current organizational paradigm represents the dehumanization of today's workers.[13] First, corporations are more focused on the bottom-line. Corporate values promote the importance of making profits; it sacrifices human capital. Unfortunately, people sacrifice their livelihood for the good of corporations. In doing so, they become a disposable commodity. Second, many managers operate under a Tayloristic philosophy where managers "know-it-all" and followers are only subordinates with little insight or experience. Managers are smarter; therefore, they lord over their workers. However, advanced communication technologies and vast access of information to workers make this approach outdated. Finally, knowledge workers become the unpredictable variable for most 21st century organizations. As a rule, an organization's knowledge and capability building depends primarily on its human and social capital.[14] Knowledge workers create and capture information for the management of knowledge. This situation occurs because today's workers are more informed than previous generations. However, knowledge workers are driven by different motivational factors than traditional workers. Therefore, today's managers cannot afford to guide workers in the same tradition; they must apply new approaches of leadership in order to inspire today's knowledge workers.

Cultural Value Clashes

The enormous demographic changes within the 21st-century American workforce are creating organizational growth pains. For the first time in American history, there are four generations co-

existing in the workplace.[15] With global competition, a tightening of corporate budgets, and threats of outsourcing core organizational functions, leaders cannot afford to manage in the traditional fashion. According to business director Greg Hammell, individuals communicate based on their generational background.[16] Each generation has distinct attributes such as behaviors, expectations, and habits. The Greatest Generation (1922-1945) progressed through the hard times of American history. This group has a keen respect for authority, tradition, and high moral standards. Characterized by its activism, the Baby Boomer Generation (1946-1964) contains a sense of involvement and optimism; they work within an organizational structure to get things done. Next, Generation X (1965-1980), known for its cynicism and skepticism, move through organizations as modern day mavericks; they are mobile, adaptable, and career savvy. Growing up in the Information Age, the Millennial Generation (1981-2000) has a value-based lifestyle; they are diverse, gender neutral, technology savvy, and confident in their abilities. Given these distinct generational perceptions, today's leaders will be faced with organizational challenges, such as recruitment, teambuilding, and motivation.

Currently, there is considerable buzz among practitioners and academics regarding the role of leadership theory and organizational culture in organizational performance. Kerry Harding explains that a new generation of workers will produce significant human resource problems for traditional organizations.[17] He describes this new generation as the Emergent Workforce, which crosses age groups, gender, race, and geography.[18] These workers are driven by a new set of values and job expectations. Whereas traditional organizations use corporate culture to influence employees' values, Majken Schultz argues that postmodernism challenges the very assumptions of the merits of such corporate culture.[19] For example, emergent employees are viewed as job hoppers. In one study, emergent employees (88%) said that loyalty was not related to employment length while traditional employees (94%) viewed loyalty as the willingness to stay with an employer for the long term.[20] In fact, workers, who are influenced by postmodernism, are known for (a) questioning everything, (b) viewing truth as relative, (c) valuing relationships over institutions, (d) valuing the ability of storytelling, and (e) demonstrating emotion and experience.[21] These postmodern premises attack the heart of traditional organizations, thus providing an avenue for organizational conflict between leaders and followers.

Likewise, the federal government has its own culture issues. These divergent generational groups currently reside in the public workplace. One key element that contributes to a lack of value alignment is the difference in these generational attitudes. There is considerable evidence that generational differences influence a multitude of worker attitudes and behaviors with profound implications for recruitment and retention.[22] Given that 70% of federal employees are over 40 with a mean age of 47, there are likely to be sharp differences in leadership styles between incumbent employees and younger, recently hired employees.[23] The current federal government senior manager cohort consists largely of Baby Boomers,[24] setting the stage for conflict with the postmodern orientation of Generation X and Millennial workers that are replacing retiring employees.[25] Some individuals will argue that the value differences between Baby Boomers and Millennials are small. It is true that they share many values such as being goal-oriented and confident. However, there are some critical value traits that are divergent. For example, Baby Boomers' leadership style is characterized by an autocratic mentality while Millennials are by a democratic approach.[26] These divergent generational traits of leadership will inspire some followers while inhibiting others. Reacting to changing cultural influences and global threats abroad, the federal government finds itself in a major transformation process.[27] These situations are made more complicated due to the massive exodus of its leaders. Yet, Jennifer Salopek

maintains that the diverse abilities of this multigenerational workforce can be harnessed to maintain organizational productivity.[28] By mixing modern and postmodern values in organizations, incongruent values are generated.[29] Therefore, federal traditionalists and the postmodern workforce continue to exist with conflicting values.

Optimum Leadership in the Postmodern Era

Twenty-first century organizations within the public sector will require a different leadership style than the status quo. In the postmodern age, organizations are often complex, emotional, and chaotic. Michael Hitt and Duane Ireland emphasize that these dynamic variables are forcing a new paradigm for leaders.[30] This new type of leader must be involved with building an organization's infrastructure and capabilities with a stress on the intangibles, such as social capital. However, today's leaders are too consumed with promoting their own interest instead of stimulating creative organizations. Managers become virtual outcasts to their followers. Krogh, Ichijo, and Nonaka maintain that organizations of the future must show their commitment to becoming caring organizations.[31] Clearly, there must be a correlation between caring and successful organizations. Gareth Morgan claims that forward-thinking organizations utilize innovation to infuse new thinking and move beyond traditional organizational boxes.[32] In fact, today's organizations are fueled by knowledge workers. Clearly, leaders should create an environment that supports knowledge sharing. Krogh, Ichijo, and Nonaka argue that most managers do not match their words of being a concern manager with thier actions.[33] When employees see no action, they lose trust and confidence in their managers. In dealing with a postmodern workforce, this occurrence could be fatal in the leader-follower relationship. Therefore, the postmodern workforce will require more collaboration, emotional intelligence, and worker participation to enhance employee motivation and commitment. Understanding leadership theory in postmodernism will be vital in this transition of knowledge.

Given this premise, this article explores two leadership styles to determine the preferred style in guiding the knowledge management system into the 21st century. Henry Schmidt suggests that leadership definitions presented in the research literature reflect the viewpoint of an industrial society.[34] Vana Prewitt adds that the current leader-centric theories are based on modernist assumptions and are out of date for leading postmodern organizations.[35] Furthermore, Thierry Pauchant argues that leadership theories should be primarily focused on leaders and their impact on their followers.[36] Peter Northouse further claims that leadership styles impact subordinates' perception of their job characteristics.[37] Applying varying leadership theories to knowledge management systems could produce a cultural quagmire for organizations given the clash between employee, managerial, and organizational values. Therefore, the right leadership style is crucial. Traditionally, most public leaders have operated in a bureaucratic leadership style. A bureaucratic environment includes (a) authority and responsibility clearly identified and legitimatized; (b) hierarchy of authority producing a chain of command; (c) leaders selected by technical competency, training, or education; (d) leaders appointed, not elected; (e) administrative officials work for fixed salaries and have no ownership of process or organization; and (f) administrators subject to strict rules for control.[38] Bureaucratic leaders influence employees primarily on their legality of authority and the right to issue commands.[39] Clearly, these assumptions maintained by bureaucratic leaders will create a value crisis for members in a postmodern workforce.

According to Prewitt, current leadership models in large bureaucratic organizations are invalid because in the postmodern age organizations are often complex, networked, emotional, and

chaotic.[40] In fact, the process of bureaucracy is often viewed as a cold and heartless process to postmodern employees. In terms of the source of power, bureaucratic organizations rely on position, as well as both coercive and reward power strategies, all extrinsic approaches that possess less relevance to the intrinsic motivational orientation of the postmodern workforce. The postmodern workforce tends to function in an environment where information is fluid. However, Krogh, Ichijo, and Nonaka note that most managers attempt to control information rather than support knowledge creation.[41] Unfortunately, the employee's worth is seen through the lens of an impersonal process. Some of the problems with a bureaucracy include the impersonal rules, rigid authority channels, and the standardization of organizational processes. Therefore, organizational leaders need to analyze the ramifications of bringing these postmodern employees into a non-flexible bureaucracy.

Given the innovative nature of the Emergent Workforce, they will be better able to build knowledge creation with a transformational leadership style. In contrast to bureaucratic leadership, transformational leadership speaks to the higher needs of employees. A transformational leader will request employees to transcend their own self-interests for the good of the organization and focus on long-term benefits rather than short-term gain.[42] In fact, this ideology speaks to the concept of a caring organization by attempting to support knowledge creation in a postmodern workforce. Krogh, Ichijo, and Nonaka suggest that leaders can play a pivotal role in the success of how information is disseminated within an organization. They further maintain that knowledge creation can be enabled in the following ways: (a) sharing tacit knowledge, (b) creating concepts, (c) justifying concepts, (d) building a prototype, and (e) cross leveling knowledge. Transformational leaders attempt to raise the consciousness of their followers while facilitating the achievement of lower order employee needs.[43] In fact, they are social architects of their organizations and advocate organizational values and norms to employees. For an organization comprised of a multigenerational workforce, motivating employees at every level is important. Therefore, transformational leaders, who possess a clear and compelling vision can impose their views of individual knowledge creation.

Some government officials and practitioners may not understand the significance of these differing leadership styles. However, Pauchant argues that current bureaucratic approach is primarily focused on leaders and their impact on their followers rather than leadership development.[44] Bureaucratic leadership implies that people in authority know best. However, Paul Kelms suggests that postmodernism does not support absolute truths. Obviously, this characteristic makes a postmodern workforce suspicious of traditional institutions.[45] Some scholars, such as Bass and Avolio, argue that transformational leadership is elitist and antidemocratic.[46] In fact, transformational leadership has its drawbacks when applying postmodern concepts. This problem can be highlighted with a simple example. Kenny Smith, a federal executive, creates an exciting workplace environment for his employees. The workforce loves his charismatic ways. He is a company man, promoting all of the corporate values. However, his senior management team operates in an unethical manner. While Kenny encourages his employees to achieve a high ethical behavior, he does not apply the same standards to his senior management. By supporting his organization's corporate culture, Kenny loses the trust and respect of his postmodern workforce.

As organizations, such as the federal government, move into an era of infinite data gathering, knowledge sharing becomes a vital commodity. Human capital and social capital are the two most important resources that a strategic leader manages.[47] Therefore, the objective is to foster

an environment where leaders and knowledge workers can effectively communicate. Furthermore, Schmidt suggests that the postmodern leader should have the following characteristics: (a) adaptable, (b) spiritual-focus, (c) tolerance for ambiguity in life, (d) entrepreneurial in his or her approach, (e) service-oriented, (f) accountable for action, (g) life-long learners, (h) upgrading performance, and (i) participatory.[48] Although many of these attributes overlap with traditional leadership theories, organizational leaders should be cautious with implementing them in a postmodern framework as discussed in this paper. In fact, many organizations struggle to apply leadership theories to their organizations in a practical manner. However, contemporary leaders must have the capacity to influence postmodern workers' values if they are to be successful in an ever changing environment.

The Path Forward

With the level of uncertainty in the public sector such as global terrorism, federal executives must improve their KM systems. Faced with the challenges of replacing millions of Baby Boomers, today's leaders understand that the job will not be easy. Clearly, KM encompasses facilitating relationships and stimulating creativity among followers.[49] However, Xiaoming Cong and Kaushik suggest that implementing and sustaining a KM system must be carefully done in order to be successful.[50] This paper demonstrates that any successful transition of the replacement workforce will include effective leadership and followership in the public venue. Although some leaders may view postmodern workers as more cynical and pessimistic about life, Kenneth Nichols argues that postmodernism has many positives. Nichols notes that postmodernism encourages organizational theory and public administration. Therefore, organizational leaders must focus on the most effective method for knowledge creation in the public sector.

Furthermore, C.K. Prahalad and Venta Ramaswamy argue that today's managers cannot focus solely on costs, process, and operations; managers must also strive for new sources of innovation and creativity if they want to be successful.[51] Given the issues identified with overseeing the knowledge management system in a postmodern period, this paper identifies several recommendations. First, organizations should hire, develop, and retain the right type of leader for their organizations. As a matter of fact, the right kind of leadership can stimulate knowledge sharing that must take place at all levels of an organization. Michael Hackman and Craig Johnson suggest that leaders exert a great degree of influence in an organization.[52] Second, managers must model values that promote a caring attitude to followers in the organization. In fact, James Kouzes and Barry Posner explain that leaders must lead by example so that employees can see they are committed.[53] Clearly, ignoring the human capital component of the socio-technical system is fatal when managing knowledge workers. Consequently, organizational leaders, who ignore or dismiss the impact of these cultural changes, may find themselves managing their KM processes in a chaotic environment.

This analysis compares two leadership styles and argues that each leadership approach has some flaws when applied to this postmodern generation. However, the article shows that transformational leadership may be used to motivate a multigenerational workforce even with its limitations. Further empirical research needs to be conducted on the influence of postmodernism on leaders, the workforce, human capital development, and organizational performance. It is hoped that the insight gained through this research may better assist practitioners in better managing their KM strategies in the public sector and to also stimulate additional research regarding generational leadership differences.

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The High Cost of Apathy: Why Leadership Coaching is Needed in Health Care

STEVEN M. HAYS

Investment in management and leadership infrastructure, or more notably a lack of investment, has had a significant and adverse impact on the health care industry over the last 20 years. As a result, health care is at a crossroads. During this time, a human resource crisis has been building in health care that continues to intensify year by year and is negatively affecting not only the accessibility of health care but the quality of health care as well. For the health care industry to move beyond this crisis, executives must invest in developing an effective management and leadership team. This begs the question: What can health care executives do to build a strong infrastructure? One solution that must be considered is the utilization of leadership coaching in health care.

> *"Don't judge each day by the harvest you reap, but by the seeds you plant."*
>
> - Robert Louis Stevenson (1850-1894)

Investment in management and leadership infrastructure, or more notably a lack of investment, has had a significant and adverse impact on the health care industry over the last 20 years. As a result, health care is at a crossroads. During this time, a human resource crisis has been building in health care that continues to intensify year by year and is negatively affecting not only the accessibility of health care but the quality of health care as well. A shortage of workers–from radiology technologists to nurses to pharmacists, physicians, and administrators–has escalated since 1990 and is expected to continue into the near future.[1] Employee turnover rates in the health care industry are leading to mounting costs and placing a sizable strain on the existing staff of hospitals, physician practices, and other health care entities. The effects have been twofold in nature: (a) turnover rates in the health care industry aggravate the problem of a declining labor pool, and (b) the cost of replacing an employee in the health care industry continues to rise. To deal effectively with the crossroads that the health care industry finds itself at, health care leaders must seek to introduce creative recruitment strategies, increase retention rates, and contain turnover. This is easier said than done. Solutions, according to Numerof and Abrams, require that leaders understand the factors that underlie the current trends in health care.[2] This requires an investment in leadership development of managers and leaders who are responsible for the day-to-day operations of health care organizations. However, there continues to be a significant lack of management and leadership infrastructure in place that can systematically engage the industry on these issues through goal-directed, efficient, and effective problem solving. For the health care industry to move beyond this crisis, executives must invest in developing an effective management and leadership team. This begs the question: What can health care executives do to build a strong infrastructure? One solution that must be considered is the utilization of leadership coaching in health care.

The Role of Leadership Coaching in Organizations

Leadership coaching, which can be used to fulfill several different roles within an organization, is a structured process and partnership between a coach and a client that encourages individuals to become intentional, lifelong learners and make changes in their behaviors and development that leads to positive outcomes in both their professional and personal lives. Coaches are trained to listen, observe, and customize their approaches to each individual. During the coaching process, the coach encourages self-discovery and holds the client responsible and accountable for making forward progress towards their goals.

One of the foremost roles that leaders in health care organizations should take is that of developing and retaining talent in organizations. One such option that leaders can consider is utilizing leadership coaching as a training and development tool. Caroline Horner noted that coaching in organizations today is less about fixing underachieving employees and more about recognizing those individuals who are competent to increase their personal effectiveness and reach their full potential.[3] Accordingly, executives who look to leadership coaching for the development and retention of employees in their organizations must take the approach that coaching: (a) assumes untapped potential in everyone and insists that it be discovered and developed, (b) focuses on identifying and strengthening assets in individuals, and (c) looks at people and the organization as possibilities for constant reinvention.[4] It begins with believing in people. As Stoltzfus pointed out in his book on leadership coaching, like Jesus' belief in us, the unconditional belief of a coach in a person's untapped potential unleashes the power of God for change in an individual's life.[5] And as Paul wrote to the church at Corinth, "From now on, therefore, we regard no one according to the flesh. . . . Therefore, if anyone is in Christ, he is a new creation. The old has passed away; behold, the new has come."[6]

Another role that leadership coaching must take in organizations is instilling a culture of continuous learning. Leaders of organizations that have proven to be the most successful in retaining their employees are those that view themselves as leading learning organizations–entities that have become the setting for individuals and teams who are able to adapt to continually changing environments by acting decisively while in uncharted territory, uncover opportunities where others see only chaos, and perform at their best when the stakes are highest. However, to meet these challenges and to sustain high performance in today's competitive environment, an organization must create a culture that promotes and supports learning at all levels and in any direction.[7] To support this learning in all directions, business executives are turning to leadership coaching as the leadership and management development tool of choice to create a culture within their organizations that develops and grows employees.

Nancy Mercurio, president of Leadership Training Systems, stated that organizations are choosing coaching because it allows both the individual (who sets his or her goals) and the coach to easily track results as they monitor performance together. Further, and perhaps even more importantly, organizational leadership can observe results of the coaching process in the form of improvements in individual behavior, performance, and effectiveness.[8] These observed outcomes are supported by Cohen who stated that working with a coach provides significant tangible and intangible results for organizations. These results include:

- Support for succession planning, creating successful new leaders, and support for newly promoted individuals;
- Increased satisfaction and motivation of employees and increased productivity;

- Better understanding of organizational issues (via aggregate feedback);
- Increased retention of high performing employees; and
- Increased organizational effectiveness via more effective leaders.[9]

For health care organizations, utilizing leadership coaching for the purpose of retaining high performing employees and increasing organizational effectiveness via more effective leaders is a major key to overcoming the human resources crisis that is affecting the industry. This is supported by Starcevich who has stated that development, growth, and retention of employees and increased effectiveness of leaders is the single most important reason that organizations should undertake coaching initiatives.[10] Unfortunately, this has not been a priority among senior executives in health care organizations. Starcevich goes on to state that, in a survey of 133 executives and individuals involved in coaching, 79% of respondents felt coaching was given no higher than a medium priority in their organizations and, of that percentage, 20% rated it a low priority.[11] However, if health care executives were aware of the return on investment (ROI) that leadership coaching can bring to their organizations, they may think differently.

Leadership Coaching and Organizational ROI

Why measure return on investment obtained from leadership coaching? There are at least three legitimate reasons why return on investment should be measured. First, when organizations choose not to measure coaching, it undermines the value and impact that coaching has on the organization and calls into question what value the organization wants to gain from it. In addition, research published in June 2007 showed that few companies measure the return on investment of coaching despite spending a considerable proportion of their learning and development budgets on it every year.[12] Lastly, measuring return on investment is imperative because a leader's singular job is to get results.[13] But how does one go about measuring a return on investment from leadership coaching?

Bird pointed out six steps that should be used to measure an organization's return on investment from leadership coaching programs:

1. Leaders must define and put a cost on business strategies and identify the critical issues facing their organization.
2. There should be an alignment of coaching to address the business goals that leaders value the most. Only then should leaders and coaches agree on desired results, objectives, and specific measures of success.
3. Build evaluation methodologies into the coaching process at the outset and integrate this with existing business and human resource processes to help keep things clear and simple.
4. Create shared ownership of the evaluation by engaging evaluators from many levels and functions within the organization.
5. Leadership must manage perceptions and expectations, provide best practice examples, and communicate quick business wins.
6. Leadership must remember to hold on to the strategic value and intent throughout.[14]

When leaders believe in the monetary and intangible value coaching adds to an organization and expect to achieve transformational change, it will happen.

Still, many companies choose not to measure the ROI from leadership coaching. However, those who do continue to be astonished by the results that indicate clearly the worth of executive

coaching. Alastair Robertson, manager of Accenture's worldwide leadership development division in Boston, has stated that employers are shocked at how high their ROI numbers are for coaching. One large employer in the hospitality industry provided leadership coaching to its top 200 executives with the savings to the company being approximately $45 million.[15] Still another study showed that executive coaching at Nortel Telecommunications produced a 529% return on investment and significant intangible benefits to the business. When the financial benefit from employee retention was included, the overall ROI rose to 788%.[16] Clearly, business executives are discovering the benefits of working with a professional coach to improve the leadership skills of their employees. The result has been a transformation in the way coaching is applied and perceived.[17]

Applying Leadership Coaching in Health Care

To say that the work life of a health care professional is stressful tends to be a grand understatement. Very few industries demand from their employees what health care demands from those who make up their ranks. Consequently, many health care organizations have experienced or are experiencing problems such as: high turnover which is costing millions of dollars and affecting staff morale; clinical staff members who are well trained and talented yet are very frustrated, angry, and depressed; a lack of respect among co-workers that is affecting patient care; and employees who are implored to do more with less and stretch insufficient resources among numerous groups. Imagine, however, a health care industry in which all of the above statements were reversed: turnover would be low, people would feel fulfilled with their work, co-workers would function as a cohesive unit, and patients would receive quality care. It is possible for health care organizations to function in this type of environment. However, to reach this state, the needs of leaders in health care organizations must be met first. Why? Ultimately, it is the leader who will drive the organization forward. Coaching leaders so that they are in touch with who they are, know what they desire for their organizations, and have a willingness to do whatever it takes, both morally and ethically, to get to where they want to go, will be the leaders who succeed.

Richard Huseman has stated that in working with health care executives he has found that people in the industry are very bright and caring individuals yet health care is one of the worst run businesses in the world.[18] As a result, there is a need to transform health care organizations. However, the transformation of hospitals and physician practices into performance-driven, business-oriented entities is a daunting task due to a lack of management and leadership infrastructure. The current group of health care leaders is running a race that will only frustrate, exhaust, and ultimately lead them to leave the industry. Why? The lack of management and leadership infrastructure, according to Huseman, has led to an exhausted and frustrated group of individuals who cannot execute the transformations necessary to create an effective health care system. Only people who are trained and prepared to manage and lead can make the changes happen that are needed in health care.[19] But how does one develop as a health care leader? Gerberg listed investment in coaching as one of the keys to the long-term success of health care organizations.[20]

One key element of leadership coaching for health care leaders is the development of emotional intelligence. Tuso stressed the importance of health care leaders developing a sense of awareness where one recognizes their skills and limitations, self-management where one learns to control emotions, social awareness where one learns to develop a sense of empathy towards others, and

relationship management where one develops the ability to move people in a positive direction.[21] Further, Henochowicz and Hetherington pointed out that leaders also have the unenviable task of coordinating activities of headstrong, ego driven medical professionals who have an innate distrust of non-medical personnel.[22] This requires the development of conflict management skills that Brooks maintained can be learned through leadership coaching.[23]

Concluding Thoughts

For too long there has been indifference on the part of senior health care leadership when it comes to leadership and management infrastructure development and the costs have been extremely high. Accordingly, health care executives must exhibit core competencies to accomplish change goals. They need to be trained in the disciplines of coaching to more effectively manage others, including employees, trainees, and even patients. Health care leaders, in order to build a sustainable management and leadership infrastructure, must focus on the human dimension of interpersonal and organizational structures. Coaching is an essential tool in making that transition a reality. There is a growing realization that it is the immediate leaders at every level of a health care organization who determine results. According to the Baptist Health Care Leadership Institute, the most frequently cited reason employees are unhappy and quit in health care is their immediate leader.[24] On a more positive note, the most frequently cited reason that employees are energized, work hard, and love their jobs is their immediate leader. More and more, health care organizations are moving to a focus on leadership coaching to plants seeds of change as the means to drive success in the future and overcome the apathy of the past.

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Strategic Thinking in Fast Growing Organizations

MERLIN SWITZER

Executives in fast growing organizations are challenged to keep up with growth as they guide their respective organizations into the future. This article focuses on case studies of four executives in fast growing organizations who use strategic thinking and, to a lesser extent, strategic planning to manage their respective organization. Even though these organizations are in different disciplines representing non-profit, public, and private sectors, they use multiple methods to conduct strategic thinking and communicate the vision to internal and external stakeholders. This article provides leaders with insights into strategic thinking by defining the concept and providing background to understand its growing relevance. Based on the experience of the four executives, leaders will gain practical ideas on how strategic thinking can be successfully employed to gain foresight on where the organization needs to be in the future and how to communicate the vision to help move the organization in the appropriate direction. Imagine your congregation experiencing a 50% increase, growing from 1,200 to 1,800 in just 6 months, or that your city grew from 11,000 to 40,000 residents in 7 years. What challenges would that kind of growth bring? How do you lead a fast growing organization into the future? These are real examples from organizations that are challenged to deal with growth today, but whose leaders understand they must keep an eye on the future.

Perhaps you have experienced that same tension of dealing with the urgency of today, yet knowing that you must keep an eye on the horizon in this fast-changing, global economy. What opportunities or threats lie on the horizon? Strategic thinking and, to a lesser extent, strategic planning, are tools the leaders in the case studies in this paper employ to balance the tension of the moment with that of the future. There is much to be learned from them that you can use to employ and benefit from strategic thinking in your organization, be it a church, public sector organization, or private business. This article identifies key strategies for improving a leader's strategic thinking efforts.

The next section defines strategic thinking. Case studies of four organizations follow the definition. Insights from these case studies will help you think strategically and communicate the vision.

Strategic Thinking–Defined

Strategic thinking, according to the National Defense University, is a different way of approaching how we think. In the book, *Becoming a Strategic Leader*, Richard Hughes and Katherine Beatty define strategic thinking as "the collection, interpretation, generation, and evaluation of information and ideas that shape an organization's sustainable competitive advantage." "It is a top-down, big picture view of the entire organization. It's based on a deep understanding of your business . . . [being] concerned with doing the right things, rather than doing things right," says Bill Birnbaum in *Strategic Thinking: A Four Piece Puzzle*.

Moreover, according to T. Irene Sanders, author of *Strategic Thinking and the New Science*, strategic thinking involves the synthesis of information to identify issues, connections, and

patterns. This synthesis involves one's intuition, judgment, creativity, and the "soft underbelly of the organization more than quantifiable measures."[1]

In short, strategic thinking involves looking at emerging trends, identifying whether or not they represent opportunities or threats to the organization, and developing an organizational response to take advantage of the potential opportunity or mitigate the threat. The ability to do this faster and more effectively than others gives the organization a competitive advantage.

Why is strategic thinking important? Change is constant. What is less obvious is that change is often non-linear. Hughes and Beatty note that while linear change involves "cause-and-effect or sequential relationships," non-linear change is often characterized by "surprise and uncertainty." They cite the 9/11 terrorist attacks as an example of non-linear change that had a profound impact on every aspect of American life. In her book, T. Irene Sanders uses a metaphor known as the *Butterfly Effect.* The essence of the Butterfly Effect is that a change in a small system can have an effect on a larger system. The internet is an example of a small system that has had a profound impact on business and communication globally.

Fundamentally, strategic thinking is a learning process that should be on-going, rather than episodic. Like defensive driving, one is constantly alert for obstacles in the road ahead. This alert status involves scanning the news, literature, trade journals, social networks, and other sources of information for emerging trends. These emerging trends generally appear in one of five areas: sociological, technological, environmental, economic, or political.

Strategic planning, on the other hand, can be defined as a plan to close the gap between where an organization is and where it needs to be in the future. According to the State of California's Strategic Planning Guidelines, "The purpose of planning is to improve the chances of reaching desirable possible outcomes. The benefits of planning enable an organization to attain its goals by:

- Preparing for contingencies.
- Developing a framework for orderly growth and progress.
- Having a strategy for the allocation of resources."[2]

Within the strategic planning process is a tacit assumption that the environment will stay at least relatively stable so that strategies can be developed and implemented, say the authors of *Strategy Safari—A Guided Tour Through the Wilds of Strategic Management*. Some suggest that in strategic planning the focus is developing the "document," but little beyond that. Others suggest that with the rate of change, strategic thinking should result in planning that directly results in organizational change without taking the time to develop a full-blown strategic plan.

With this background in mind, consider how strategic thinking and planning is used in the following four case studies. The first case study is the Rock of Roseville Church followed by the City of Lincoln, William Jessup University, and Spare Time Clubs.

Rock of Roseville

The Rock of Roseville is a non-denominational, conservative evangelical church in Roseville, California. Pastor John Houghton is an Executive Pastor under Pastor Francis Anfuso, who planted the church in 1998. This church was the first in the nation to have interactive technology allowing people in the service to respond to questions with the push of a button. The interactive

system tallies and shows the results in real time on screens. Additionally, in the fall of 2007, the church launched an online ministry (www.rockspots.tv) with streamed video offering three minute vignettes touching on topics of human interest. The concept, says Pastor Anfuso, came in part from reading the cutting-edge *Wired* Magazine.

In September 2007, the congregation averaged 1,100 to 1,200 people on weekend services when they moved into a new facility. Within 6 months, 600 new people began attending, which caused the staff to add two additional services.

According to Pastor Houghton, a former church consultant, "We search for a sense of direction in prayer and then talk with others to get confirmation. We have more of what I would say is a visionary or entrepreneurial culture, but perhaps not as disciplined as you might find in a [for profit] business." Strategic thinking has played a significant role in helping us adjust to the church's rapid growth and capitalize on emerging technology trends, such as with Rockspots. While the pastors endeavor to strategically think 5 years out, most of the focus is more immediate such as 2 to 3 years.

The pastors regularly network with other pastors across the U.S. discussing trends and learning what works best in other churches. Annually, the church invites a seasoned pastor from outside of the Rock of Roseville to review how the church operates. Pastor Houghton commented, "The person we bring in is a good strategic thinker. He sees things from a different vantage point, which helps us get a broader perspective. We are learning to strengthen our broad, longer term intentionality in a fragmented culture that is experiencing major cultural shifts."

City of Lincoln

The City of Lincoln lies 33 miles northeast of the California State Capital in Sacramento. Between 2001 and 2008, the city increased in population from 11,000 to 40,000, while the city's staff grew from 65 to 200. In 2006, Lincoln was recognized with the "All-American Cities Award" by the National Civic League. In order to get the award, the city had to demonstrate how it involved the community in making community decisions, as well as providing three examples of challenges the city faced and how they dealt with them. According to City Manager Gerald Johnson, "We developed a 10 year strategic plan, but realistically focused primarily on the next two to three years." The city hired a consulting firm to help develop a strategic plan and provide strategic thinking input. Additionally, the city is just finishing the development of a General Plan that will guide the city's growth over the next 50 years. Though the process has taken 6 years, a significant level of community input was involved. Incorporated into the process was expert opinion on economic development and trends based on county and regional projections.

Mr. Johnson added, "I assign aspects of the strategic plan to department heads and then evaluate them on their progress over the course of a year. I keep a list of related objectives in front of me during bi-monthly staff meetings. Additionally, as we prepare staff reports for the city council, we identify actions that are connected to our strategic plan."

Mr. Johnson and other staff attend conferences and training sessions hosted by the International Association of City Managers, as well as a Local Government Commission that holds monthly events. "I often take other staff to the dinners where speakers address a variety of issues and trends," he said, "Topics such as new urbanism and urban form impacted our thinking as we worked on our general plan."

William Jessup University

William Jessup University is the only private 4-year university in the Sacramento region and the only accredited Christian college between Fresno and Redding. The university was founded in 1939 as the San Jose Bible College by William Jessup. The mission of the university is to train "Christians for leadership and service in church and society, through Christian higher education, spiritual formation, and directed experiences." Over the years, the college grew until it reached maximum capacity of 300 students.

Bryce Jessup, President and son of the university's founder, realized that if the university did not move to a larger campus they would likely have to close. Mr. Jessup commented, "In developing a vision for the future, I knew I needed to get the input of people smarter than me. I called about a dozen men I knew . . . men who were leaders in their respective fields and highly successful. I call them my Dream Team. When we first met, I shared my vision with them. They kind of yawned and responded that my vision was . . . well, wimpy. They shared their vision and it was beyond my wildest dreams. It was too much for me. However, over the years, with their encouragement, the vision has expanded significantly."

Since the university moved to Rocklin, California, in 2004 the student population has doubled. Mr. Jessup expects the student population to double again within 4 years. Overwhelmed with the situation, the university momentarily lost focus of marketing for future students. Mr. Jessup tasked his four executive leaders with addressing the enrollment dilemma. This group developed 18-25 initiatives and scheduled bi-monthly meetings to track the progress of their initiatives. At this point, enrollment applications are up 35% over the prior year. Part of the strategy for communicating the university's vision involves students serving in local churches. Eighty percent of the students serve at their respective churches. Additionally, Mr. Jessup frequently speaks at churches and shares the university's vision.

Mr. Jessup's advice to other leaders is to develop a team approach to address organizational issues, as well as guiding the organization into the future. In his words, "An important lesson from the Dream Team has been, 'Believe in yourself and what God is doing in you.'"

Spare Time Clubs

Started in 1972, Spare Time Clubs offer eight full-service state-of-the-art multi-recreational fitness clubs and an indoor tennis facility with 60,000 members and a new club projected to open in 2009 that will add another 15-20,000 members. While the goal of the company is to open a new club every 2-3 years, several clubs have been sold as the company has matured. The membership has grown more than 25% in the past 5 years. The clubs are primarily in the Sacramento region, but the company has begun expanding beyond the region.

Bill Campbell, Chairman of Spare Time Clubs, helped start the company. "We are always learning . . . thinking about how we can get better," says Mr. Campbell. The company subscribes to a variety of sports and business publications inside and outside the fitness market. The staff attends conferences to learn new ideas and trends. The learning is extended by requiring staff to write a report on what they learn and present their findings to others.

Mr. Campbell has a network of well informed, successful friends who he consults about trends. He has found this invaluable in guiding the company. Thinking leads to planning. The company maintains a perpetual 5-year strategic plan and as each year ends, the plan is reassessed and a new fifth year is added. Each club develops an annual business plan that articulates how the

company's goal will be accomplished. The business development manager at each club is required to "shop" other fitness clubs looking for new ideas. Management bonuses are tied, in part, to implementing what they learn.

When asked how the company is dealing with the rising number of youth (projected to reach a peak of 30.8 million in 2010) and aging Baby Boomers, Mr. Campbell responded, "Three years ago I started a task force to think about how to respond to the aging baby boomers and come up with recommendations . . . we have expanded to include activities like painting and touring wineries and art studios, which was outside the box of our traditional thinking."

Think Strategically

A variety of approaches to strategic thinking and planning are found in these four case studies. Upon reflection, consider the following list of approaches these leaders used with regard to trends:

1. Read a variety of literature, inside and outside of their specific discipline.
2. Developed "social networks."
3. Attended conferences and/or professional associations.
4. Identified potential threats/opportunities and/or visioning about the future.
5. Used outside consultants, paid and unpaid.
6. Sought information from employees and other stakeholders.

In every case, these leaders used more than one avenue to enhance their strategic thinking. In most cases, these leaders put more emphasis on strategic thinking than strategic planning, because their environment was changing so fast. Pastor Houghton at the Rock of Roseville commented, "With the pace of change being exponential, as opposed to linear, we have had to remain very fluid so that we can adjust more quickly."

Though strategic thinking takes effort, it doesn't have to be daunting. Bill Birnbaum, in his book, *Strategic Thinking: A Four Piece Puzzle,* recommends identifying the two or three key success factors for your organization; things you must be especially good at. Doing so brings clarity to the strategic thinking process. Birnbaum suggests developing a list of internal strengths and weaknesses for each of the key success factors.

Ansel Adams, the famous Yosemite photographer, is quoted as saying, "There is nothing worse than a sharp picture of a fuzzy concept."[3] Taking time to clarify what is important sets the stage for effective strategic thinking. In working with leadership teams, one frequently hears complaints that "we don't know where the agency head wants to go." It is clear they are fuzzy about direction.

Strategic thinking helps leaders gain clarity about where they are and insight about where they need to be in the future so they can move in that direction faster and with less effort.

One important tool in the strategic thinking process is the art of asking questions. According to *Enlightened Leadership*, effective questions include:

1. Get people to think.

2. Remove blocks and open people up to unexplored possibilities while inviting discovery, creativity, and innovation.

3. Guide us toward where we want to go while respecting where we have been.

4. The process of asking questions provides an excellent opportunity to involve employees, customers (i.e., community leaders and members), and other stakeholders. Questions such as:

   a. What trends they see impacting the organization in the next several years?

   b. What are other organizations with similar success factors doing?

   c. What potential external threats may impact them?

The process may also involve asking the same group to share their preferred vision for the future. The beauty of asking questions of employees and other key stakeholders is that "**people support what they help to create!**" As leaders engage others in the process, they are building commitment for eventual change.

Senior leadership is largely responsible for setting the tone. If you, as a senior leader, are open to strategic thinking and allow others to participate you can get rich input.

If, however, you are closed to strategic thinking, it is less likely to happen at levels lower in the organization. Instead, comments like this one, taken from a recent Team Building Assessment, will shut down future strategic thinking:

> I would like my opinion or words to make a difference. Every single . . . change I try to suggest . . . has been shot down . . . I have submitted written ideas and each time they are not even considered. I think actually trying ideas or making an effort to listen and give things a try would benefit the morale and attitude of everyone.

Do you have an open mind, a curiosity to question, and a willingness to synthesize a broad variety of information? If so, you are ready to do strategic thinking. This openness, coupled with experience, sharpens one's intuition. And, intuition plays a valuable role in strategic thinking.

One piece of advice: beware of the tyranny of the urgent. The urgent is often the enemy of thinking and planning. Bill Campbell commented, "As Chairman, I now focus almost exclusively on the future. I let other people largely run the day-to-day operations."

Leaders are encouraged to plan strategic thinking time. Frequently, this occurs in team building workshops or planning retreats, but why not during regular staff meetings? Ask catalytic questions to stimulate thinking and debate. Take turns being the cynic who challenges assumptions and probes traditional thinking.

The Rock of Roseville Church, for example, is developing an electronic bulletin board to allow any of the pastoral staff to start a "thread" to promote creative discussion. The goal is to be able to quickly bounce ideas, questions, or other information back and forth.

Once thinking has resulted in a new organizational vision, direction, or strategy, it is important to develop a communication plan. The next section discusses methods for getting the word out.

Vision Casting

Vision can be defined as an ideal and unique image of the future. Vision casting is communicating the vision to others, especially employees. The leaders in the four case studies used the following techniques for communicating their organization's vision:

1. Personally talked with employees and constituents, individually and/or in groups.

2. Incorporated it into the orientation for new employees or, as in the case of the Rock of Roseville, made it a part of the church membership process.

3. Updated the website and other organizational literature.

4. Spoke about the vision whenever the opportunity arose.

5. Connected the vision with the budgetary process.

6. Connected elements of the vision to the evaluation or promotional process.

7. Interjected the new vision into a formal strategic planning process.

8. Created a culture around the new vision and/or a culture that is prepared to respond faster.

9. Connected decisions to elements of the vision and/or strategic plan, so other stakeholders could see how decisions related with the organizations strategic direction.

10. Involved staff in regularly assessing the environment and competitors to sustain a competitive advantage.

11. Tied managerial bonuses to the organization's vision.

12. Required sub-units to develop business plans that reflected the vision.

These leaders understood that realization of the organization's vision required more than just talk. They imbedded the vision in socio-technical sub-systems within their respective organizations. Specific examples include: connecting vision to the budgetary process, employee orientation, promotion, performance evaluation, bonuses, and membership.

Conclusion

Strategic thinking is not an option in this fast changing, global economy for organizations that want to maintain a competitive advantage. Change will continue. Mr. Campbell's closing comment supports this belief, "If you aren't using strategic thinking and strategic planning, you won't last long." In the words of Pastor Houghton, "One thing that's predictable is that there will be more change that will challenge us at deeper levels."

These public, private, and non-profit leaders have successfully used strategic thinking to guide their fast growing organizations. They used a variety of methods to employ strategic thinking and cast the vision through their respective organizations.

You can do this too! If you are a senior leader, set the tone by employing these techniques and enabling others to help with the strategic thinking process. If you aren't a senior leader, look for ways to incorporate strategic thinking within your sphere of influence.

Strategic thinking is a practice whose time has come. As rapid-fire change continues, leaders will increasingly rely on strategic thinking to sense the right direction. Why not learn from the success of these four leaders and start thinking more strategically today?

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Creativity and Innovation: The Leadership Dynamics

EMMANUEL AGBOR

This paper explores the important role of leadership in the innovation process of organizations. It argues that while culture, strategy, technology, and other management tools are important in generating effectiveness in the 21st century, creativity and innovation are what drive organizational success in many sectors. However, for creativity to take place, leaders must actively implement strategies that encourage it. Therefore, leadership is the catalyst and source of organizational creativity and innovation. In essence, for organizations to be able to achieve constant innovation, leaders must establish an environment conducive to renewal and build organizational culture that encourages creativity and innovation. Organizational creativity also depends on how leaders encourage and manage diversity in the organization, as well as develop an effective leadership structure that sustains the innovation process.

The models many organizations have used in the past no longer seem adequate for effectiveness and success in the 21st-century organizational environment. The situation in their sector has changed from when the environment and processes were stable or slow.[1] In many sectors today, work processes are changing at a much faster pace as organizations face the challenges of rapidly changing technology, globalization, uncertainty, unpredictability, and turbulence.[2] In the past, because of monopoly to technology, market, or brand, they could expect to be successful for a long time despite inability or refusal to innovate. However, due to the volatile environment in these sectors, many such organizations are failing and need creativity and constant innovation to remain competitive and successful. This means that they must recognize and harness the creativity and leadership that exist in the organization to manage its innovation processes. Strategic design, technology, culture, and organizational strategy may not be able to sustain them very long unless organizations also establish a structure that continuously develops creative leaders to run and sustain the process. This strategy will help the organizations establish environments that are conducive to renewal, build organizational culture that encourages innovations, and establish organizational diversity that in turn helps these organizations remain competitive.

The Importance of Leaders in the Innovation Process

Scholars have shown how organizational structure, strategy, technology, culture, and other management tools help bring effectiveness and competitive advantage to organizations.[3] They also show that in the 21st-century organizational environment, creativity and innovation are the primary sources of competitive advantage. However, these authors say little about the role of leadership in the innovative process. Creative and effective organizations do not emerge by accident. They require leaders to drive and control deliberate changes in structure, culture, and process in order to transform them into creative, effective, and productive ones. Even though many organizations look for competitive advantage in their structure, strategy, technology, and culture, leadership is the most important source of competitive advantage. Organizational leaders usually decide what happens in the organization and give the direction, vision, and momentum that bring success. Therefore, leaders are the catalyst that create and manage the environment,

organizational culture, and strategies that encourage and sustain innovation, effectiveness, and success in the organization.

When the organization establishes its strategy and work processes, the leaders direct the implementation that brings it to accomplishment. Technology, right culture, and strategy are necessary and contribute to the success of the organization. However, for any of these vital aspects to bring any real benefit, the leadership must support, sustain, encourage, and inspire followers to make it work. Therefore, for the innovation process to begin in any organization, that organization must first put the right leaders and leadership structure in place. Moreover, the leaders must themselves be interested in innovation; otherwise, they can stifle creativity and innovation in the organization. The top leaders in the organization usually have the power and authority to develop strategies that lead to innovation, which means if they are unable to perceive opportunity for renewal, do not wish to exploit them, or are unable to respond to them, these leaders can impede innovation. Conversely, if the leaders' objectives are dynamic, ambitious, and innovative, and if they demonstrate proactive attitudes as well as a capacity to respond to change, this can help bring innovation, renewal, and success to the organization.

Some management theorists argue that effective strategy, culture, efficient work processes, and other management tools—not leadership—determine organizational success.[4] For example, they point to the Japanese auto industry and technology to show how their strong corporate culture helped in their success. Moreover, empirical research demonstrates the importance of culture in organizational performance.[5] However, Schein has also shown that leaders are the ones who develop the culture of the organizations.[6] For example, when IBM had to change its culture in order to renew the organization, it brought in a new CEO, Lou Gerstner. Similarly, it took Jack Welch, a new CEO, to change the culture of General Electric to help it become highly innovative and successful. Cameron and Quinn assert that culture change will not occur without the involvement, commitment, and active support of leaders who repeatedly work to convince the members of the organization of the benefits and need for an organizational culture change.[7]

Organizations with weak leadership tend to be less effective and are prone to constant restructuring and downsizing in order to solve their problems. On the other hand, organizations with creative and effective leaders work to avert the need for major restructuring and downsizing. These leaders run the organization effectively and therefore prevent it from reaching the stage of having to undertake major restructuring.[8]

The consulting firm CSC surveyed 497 firms in the U.S. and 1,245 firms in Europe that undertook reengineering. Eighty-five percent reported little or no gain from their efforts.[9] However, companies like Motorola, Compaq, and General Electric implemented successful reengineering initiatives because they had creative and effective leaders to manage the process.[10] Other companies have used Total Quality Management (TQM) initiatives or downsizing to achieve efficiency. Many of these companies have likewise failed. Rath and Strong, a consulting firm, surveyed Fortune 500 companies who had implemented TQM initiatives and found that only 20% achieved their objectives. Likewise, a survey from the American Management Association found that less than 45% of downsized companies in the last decade reported any increase in profits.[11] These statistics seem to show that many companies who have undertaken reengineering initiatives have failed because of the lack of creative and effective leadership to manage the process. This shows that management tools alone cannot ensure organizational

creativity that leads to innovation, effectiveness, and success. Organizations need creative and effective leadership to help the management tools work.

Even though organizations cannot usually reach their goals without effective leadership, many are lacking the kind of leadership that encourages creativity and produces success. According to Senge and Deming, many of the problems and failures that face organizations come from lack of creative leadership.[12] Consequently, leadership is the fundamental and foundational competitive advantage for success because without the right creative and effective leadership in organizations, the strategy, technology, and innovations will not help it succeed. Organizations need creative and effective leadership to manage the implementation of the strategy and encourage innovation in the organization.

According to a study by Andersen Consulting, the stock price of companies perceived to have creative leadership grew 900% over a 10-year period, compared with just 74% growth in companies perceived to lack creative leadership. Therefore, the key to creative renewal in organizations is their capacity to create a structure that develops new creative leaders to manage the organization.[13]

The Type of Leadership that Encourages Innovation

The leadership structure of organizations help produce results that can encourage creativity and innovation. However, not every kind of leadership model is effective in creating this opportunity. Investments in certain kinds of leadership styles and models can produce results that generate creativity. Successful organizations have discovered that shared and collaborative leadership, rather than heroic and authoritarian management, is what unlocks the potential of organizations.[14] Organizations that operate from the authoritarian, hierarchical, command and control model, where the top leaders control the work, information, decisions, and allocation of resources, produce employees that are less empowered, less creative, and less productive.[15] This kind of model focuses on leadership as an extension of the top leader's actions and will. This heroic model of leadership was popular in the 19th century but continues even today in many organizations.[16] Organizations express the modern version of this leadership approach in followers' perceptions of leaders as those with all of the great ideas and who achieve great successes in the organization single-handedly. In such organizations, the leaders occupy central places and the followers believe these leaders are ultimately responsible for every outcome, as well as ensuring that the organizational processes work smoothly.

This heroic approach to leadership has little chance of bringing innovation and renewal because leaders do not single-handedly lead organizations to greatness. Rather, leadership involves many individuals with various tools and skills who together transform the organization.[17] The alternative form of leadership is that it is not the ability of one person to take charge, but the ability to inspire, empower, and exert broad influence in the organization. Contemporary leaders know that no individual has all the ideas, the skills, and time to carry out the complex tasks of contemporary leadership. They know that organizations will not survive if their leadership is limited to the top leaders because leadership opportunities exist at every level of the organization. Therefore, for an organization to become innovative and successful, it must benefit from the creativity of all its members. Organizations can achieve this by harnessing all its leadership abilities. Everyone in the organization in some way needs to be involved in its leadership.[18]

According to Raelin, 21st-century organizations are knowledge-based and require that everyone share the experience of serving as a leader; this means sharing power, responsibility, values and aspirations, and working together to bring success to the organization.[19] When this happens, the organization gets rid of a suffocating dependence of the followers on the top leader, which releases them to contribute their natural abilities to the organization. Tichy maintains that many creative and successful organizations today depend on multiple sources of effective leadership at all levels rather than maintaining a command-and-control leadership structure that often stifles creativity.[20] Therefore, the best way to build an innovative, vibrant, and effective organization is to diffuse leadership and empower everyone through training and coaching so that they become creative and effective leaders themselves.[21]

How Leaders Encourage Creativity and Innovation

For creativity and the spirit of innovation to develop in any organization, it must recognize the role of the leaders in encouraging creativity. Leaders can successfully encourage organizational creativity and innovation by designing the organization to foster an environment that is conducive for creativity to flourish. Leaders can do this by building friendly and inclusive working conditions for the members of the organization. When the social structure of the organization helps workers feel secure and accepted, it brings out their creativity.[22] Consequently, organizational leaders must respect, value, and harness the richness of ideas, backgrounds, and perspectives of every employee and allow them to use their unique personal assets and experiences to work for the organization.[23]

Moreover, the top leadership of the organization must value creativity themselves and be enthusiastic about encouraging new developments. This provides the needed challenge and opportunities for people in the organization to be creative.[24] The vision and strategic goals of leadership determine if the organization actively nurtures creativity. Hence, an exciting vision helps produce a work environment where everyone can participate fully and achieve professional and personal growth in the pursuit of a common vision. Here the leader motivates the rest of the people in the organization to bring out their creativity through creating a shared vision of the type of organization they should build. The leader inspires others with a purpose and a greater sense of mission. This type of work environment is conducive to creativity, while this kind of leadership causes changes in followers that eventually convert them into effective and creative leaders.

Furthermore, leaders can be more effective in encouraging creativity by treating organizations as living systems filled with the innovative dynamics and potential that exists in all of the people. It is this creative potential that the leaders engage to tackle and solve organizational issues. In essence, leaders must stop treating the people in the organization as machines, but rather as living beings who work in organizations that are living systems. This worldview helps leaders create organizations filled with followers who are capable of adapting, alert to changes in their environment, and able to innovate purposefully.[25] However, the only way leaders can harness this innovative spirit is when they invite everyone to participate in solutions and in the creation of the organizational processes. This means that the leaders must engage the whole system in order to harness the intelligence and creativity that exists throughout the organization.

Additionally, leaders can help their organizations achieve creativity by stimulating it. They do this by challenging and freeing employees to produce fresh solutions to problems. Leaders ask questions that cause their followers to think freely. The stimulating leader creates challenges that

make work in the organization imaginative. This type of leadership loosens others up and focuses their intelligence and creativity on addressing organizational issues and goals in new ways. Frank Sonnenberg and Beverly Goldberg believe that the most difficult roadblock of creativity to overcome is organizational culture that militates against creativity and innovation.[26] This kind of culture fosters the belief that the way the organization functioned in the past is the way it must always function. The motivations for such behavior are usually fear of failure, organizational politics, and uneasiness with anything new or different. Creative leaders are able to embrace change and to encourage followers to question why the organization does things in a certain way, and then seek out alternative ways of doing things. These leaders treat mistakes as part of the learning process and do not punish followers who try new ideas and fail. Therefore, they help create organizational cultures where people can take risks and even make mistakes.

Diversity lies at the heart of an organization's ability to innovate. Therefore, leaders must actively encourage creativity and innovation through creating a more conducive environment for diversity to thrive.[27] The purpose of managing diversity by leaders is to harness the differences of the followers for a more efficient functioning of the organization. This means that leaders must design the social structures of the organization in such a way that all of the workers have a sense of belonging. They make all members of the organization feel a sense of worth, security, and acceptance that allows them to give much more of their talents and creativity to the organization.[28] This means that the organizational leader understands, values, and makes the most of the individual differences found in every person.[29] Many organizations have barriers that prevent people from contributing all their skills, ideas, and energies to the organization's success.[30] However, organizations will gain the full commitment and contribution of its entire workforce when it recognizes and removes barriers to diversity. Where there is true diversity in an organization, it becomes easier for innovative solutions to take place. According to Edwards, the presence of dissimilar mindsets in the workforce enhances creativity, flexibility, problem solving, and innovation.[31] When people with diverse backgrounds and talents join an organization, they tend to inject new ideas and challenge the organizational mindsets. However, diversity does not happen overnight. Rather, the leaders of organizations first need to be convinced of the benefits of diversity and in turn convince other members of the organization of its benefit. When this occurs, they will put in place polices and strategies that bring about diversity in the organization.

In essence, organizational leadership is the most important aspect of the organizational creativity and innovation dynamics. No organization can transform or renew itself unless the leaders put the process in motion and sustain it. Therefore, organizations need creative leaders to manage the innovation process. Hence, the creativity of an organization depends on how the leader designs the organization and creates the environment that allows creativity to develop. It can also depend on how they encourage and manage diversity in the organization. Finally, it depends on how the leader inspires everyone to bring out his or her best creative self and use that to help lead and transform the organization.

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The Cosmopolitan Servant Leader

ALLEN H. QUIST

This paper introduces a need for a cosmopolitan servant leader to successfully engage and deal with today's changing cross-cultural emerging world. Among others, the works of Winston and Patterson, Spears, and Marquardt and Berger, provide a platform to synthesize the characteristics of a servant leader and a cosmopolitan leader. From the synthesis, the research provides four core competencies for the cosmopolitan servant leader relative to the follower: valuing, preparing, focusing, and activating followers. The cosmopolitan leader is like a gardener who has the big picture of the completed garden and knows each and every plant. Anything the gardener does not know becomes a point of intentional and applicable discovery and understanding. The cosmopolitan servant leader is fully a leader who does leadership activities, fully a servant who is concerned for the welfare of the follower, and fully a cosmopolitan who comfortably lives out values and responsibilities in a cross-cultural and complex world.

Imagine yourself on a cross-cultural and global business team made up of you an American, a Dutch, and an Australian, all from individualistic cultures. Imagine yourself, raised in a small American community surrounded by a large interdependent family of grandparents, aunts, uncles, and cousins. Your family discussed everything. They even discussed where you should go to college and what you were to study. They lived what they believed—that each person is responsible to and for everyone else and that it is unwise to step into uncertainty without hours of contemplation and group discussion.

Your leader assigned your team the task to create a strategy to start a new project in Chennai, India, with a due date in only one week. The only way to achieve the task is to break the assignment into individual pieces with each team member taking one of the sub-assignments. Your part of the task is to determine the specific location of the work. You have only 4 days to fly to India, examine several locations, select the best one, contract with the owner to lease the property, and report to the team.

You have been on similar teams in the past, but it was always the team that made the final decision. The thought of going solo on this assignment terrifies you. You could be wrong and embarrass the team. You need more time to prepare choices and to consider each carefully. You need to be able to take your findings back to the team for their review and decision. The risk of being wrong overwhelms you. You feel trapped. You could quit the team and protect yourself, but that would let the team down. How could your leader put you in this predicament?

You wish one of the leaders had taken the time to know you as a follower, to learn a little about you and how you think and feel. They would have understood you are different from the accepted dominant American cultural norm—that of being an independent leader, able to decide issues alone even amid major areas of uncertainty. What you needed was a team leader who understood that you are like you, a unique person with unique dreams, hopes, and fears.

Our story shows the need to develop relationally effective global and cross-cultural cosmopolitan leaders; leaders committed to understanding each follower as a unique life, rather than basing their judgment on broad research of cultural norms. Based on the research of Winston and

Patterson, the writings of Spears, and the work of Marquardt and Berger, this paper introduces the *cosmopolitan servant leader*, one who knows and understands dominant cultural norms and yet moves past those norms to focus on and serve the cross-cultural follower, honoring his or her uniqueness. Cross-cultural leadership must move beyond a start-and-stop learning experience based on cultural averages. We need leaders—continuously learning cosmopolitan servant leaders—committed to learning about each follower as a unique life. We need leaders who are like gardeners with the big picture of the completed garden, yet who know every plant in the garden and anything they do not know becomes a point of intentional discovery.

Who is the Follower Today?

A follower today is a unique human being with intrinsic value because of his or her humanness, not a statistic. In business, people often refer to employees as "input factors" or "human resources." In contrast, Harris, Moran, and Moran argue that individuals are an organization's most essential asset. If a leader values employees as individual human beings, the employees should provide the future competitiveness the organization needs. [1]

Winston and Patterson define a follower, in part, as someone with "diverse gifts, abilities, and skills;" who has "beliefs," "values," and "opinions;" and who needs "personal development . . . as well as emotional and physical healing." [2] Followers have personal responses to "risk, failure, and success" and have a sense of "self worth." [3] Drawing from the Beatitudes (Matt. 5), Winston and Patterson imply a follower is one whose well-being is protected by their leader, [4] implying the leader must value the follower.

Over the last several decades, employees have become an increasingly researched statistic. Many organizations becoming global or cross-cultural look to researcher Geert Hofstede's norms for guidance. [5] Hofstede spent years discovering, quantifying, and publishing cultural norms divided into five cultural dimensions by country [6] as a means to understand the characteristics of culturally diverse employees. The *power distance index* provides a picture of how the average person in a subject country reacts to unequal power in their environment. The *individualism index* measures to what degree an average person acts individualistically or independently in contrast to a collectivistic or group orientation. The *masculinity index*, rather than measuring male versus female, measures the level an average person in a culture is assertive and materialistic contrasted to caring for others. The *uncertainty avoidance index* quantifies the average citizen's tolerance with uncertainty or ambiguity. The *long-term orientation index* compares the time orientation of an average person in a society; it contrasts a long-term versus a short-term mindset. In every case, Hofstede's cultural norms describe a hypothetical average person within a national culture. [7]

Leaders skew their view of a follower when they rely on a hypothetical average person. For example, according to Hofstede, [8] the average person living in the United States has a power distance index below the world norms and therefore has a slightly stronger sense of equality between societal levels. He or she is highly individualistic and self-reliant with a low need for strong relational bonds (individualism index) and is higher than the world norm for assertiveness and materialism (masculinity index). The average person in the U.S. is lower than the world norm in their need for certainty, which is indicative of a person who wants few rules and does not need to control the future (uncertainty avoidance index). Finally, he or she thinks in the short-term (long-term orientation index). While these norms are helpful to compare the United States with another culture, the difficulties come in applying those norms. With few exceptions,

every individual living in the United States has characteristics that vary from Hofstede's hypothetical average person.

Hofstede's norms do not apply in most leadership situations. The norms work well when making macro-organizational plans or discussing differences between cultures; however, the value of the norms dwindles when a leader deals with a follower's individual life. Any conclusions a leader makes about one specific person based on norms will generally be inaccurate, and therefore not produce the intended outcome. A leader cannot escape the hard work of learning about each person under his or her direct supervision. A leader cannot forget that each follower is a unique individual—a product of their experiences, education, natural abilities, and personality.[9]

According to Klein and Harrison, it is not in an organization's best interest to base its relationships with employees on "coarse identity classifications" because doing so "over-lumps" people. People are complex and vary from one another.[10] Appelbaum, Shapiro, and Elbaz argue that because people are unique they interpret from their unique perspective whatever their leader says or does; implying that for maximum communication, a leader must get to know each individual follower one at a time.[11]

In the opening example, the team leader incorrectly assumed that the imagined follower was identical with Hofstede's cultural norm for citizens of the United States. The impact of that assumption was a painful and frightening experience because the individual did not fit the assumption, especially in the dimensions of individualism and tolerance with uncertainty. The leader failed to honor the uniqueness of the follower and to build a strategy to structure the assigned task around that individuality and perhaps the diversities of other members of the team.

This paper argues that leaders need to perceive each follower as a unique individual and redefines the meaning of *diversity*. Diversity is more than a mix of people with different ethnic backgrounds, gender, sexual preferences, physical abilities, socio-economic situations, or ages. These more often used diversity characteristics are generally easily recognized from a short time with a person. Diversity based on Hofstede's dimensions is also easy to decide once we know the person's nationality.[12] While there is some value in these groupings for leadership planning or other high-level thinking, leaders often overuse the groupings, especially as discussion moves to the individual level.[13] Besides the variance from Hofstede's cultural dimensional norms, people vary in individual personalities and preferences. Some people are quiet, some talkative. Some are primarily auditory learners; others are visual or kinesthetic learners. Some people focus on tasks, while others focus on relationships. Some people judge based on facts, while others perceive based on feelings. Trying to lead people using any group averages results in a misleading picture of an individual; people are just too complex.

The tendency to stereotype people into categories based on averages is like evaluating a particular horse. A comprehensive study of horses reveals the average horse is for riding. The Clydesdale horse, however, is for pulling heavy loads. Using only the average norm for horses could result in a Clydesdale running in a horse race. To avoid the same mistake with people, we need to "resist the urge to generalize."[14]

The Cosmopolitan Servant Leader

This paper introduces the cosmopolitan servant leader as a person with the characteristics necessary to lead in a global organization. It presents a researched and synthesized definition of a

leader and then discusses what it means to be a servant leader and a cosmopolitan leader. It concludes by synthesizing these characteristics into a cosmopolitan servant leader.

What is a Leader?

Winston and Patterson define a *leader* as:

> one or more people who selects, equips, trains, and influences one or more follower(s) who have diverse gifts, abilities, and skills and focuses the follower(s) to the organization's mission and objectives causing the follower(s) to willingly and enthusiastically expend spiritual, emotional, and physical energy in a concerted coordinated effort to achieve the organizational mission and objectives.

Winston and Patterson produced their definition of a leader based on a study of 160 sources containing leadership definitions. Thus, their study provides a synthesis of various views and the most meaningful definition for this paper.[15] From their definition, this paper infers the leader is not someone who views the follower as merely a statistic or cultural norm; the leader engages the follower as one who has unique and diverse characteristics.

When selecting followers, a leader needs to look beyond the obvious or known group norms. Selecting followers requires the leader to know and understand the applicant and his or her uniquely diverse characteristics. Selecting qualified followers means resisting the temptation to rely on stereotypes.

Fully knowing the individual allows the leader to improve his or her capacity to equip and train the follower. The leader will notice the competency gaps and plan a better developmental regime to prepare the follower for complementing the organization. The properly equipped follower contributes his or her unique and diverse characteristics to strengthen the overall organization.

A well-informed follower selection coupled with appropriate development simplifies the leader's task of influencing the follower.[16] Through "interaction and feedback"[17] and conveying a vision for the future,[18] the necessary leader-follower trust relationship will grow, instilling in the follower a willingness to share in organizational risks.[19]

What is a Servant Leader?

The word *servant* adds a distinctive and important factor for describing a cosmopolitan servant leader. Drawing from Greenleaf, Spears defines a servant leader as "one who is a servant first."[20] He argues that a person who has the gifted tendency to be a servant leader, first has a core motivation to serve, then chooses to accept leadership.[21] Continuing to draw from Greenleaf, Spears lists ten characteristics of servant-leaders: (a) they listen with all of their minds, (b) they empathize with people in difficulty, and (c) they make the people around them feel stronger. Servant leaders (d) are aware of their surroundings, (e) they use persuasion, (f) they have big dreams, and (g) they are intuitive; they see the outcomes of the present action. They also (h) consider themselves in a stewardship role, (i) they value people, hoping to see them grow, and (j) they serve the community around them.[22]

The Bible provides a picture of Jesus as a servant leader in John 13 when He washed the feet of His disciples.[23] Jesus knew His time to leave the earth was rapidly approaching. He knew the Father had put everything under His power, that He had come from God, and that He was soon going home to God. Jesus was fully aware that He was (and is) Lord of all. As He washed their feet, Jesus knew He was in the position as Leader washing their feet.[24] Knowing His supreme

place in the universe as King of kings and without giving up His place as Lord of lords, Jesus stepped into the role as the lowest of servants, the Servant of servants, the foot washer. Then Jesus told them to do as He did.[25]

According to the text, Jesus remained leader while serving the disciples by washing their feet. When Jesus displayed servant-leader behavior, He did not set aside His role as leader. As a leader, He served by performing the lowest responsibility in the 1st-century society. When Jesus modeled servant leadership, He did not put boundaries on the actions or behaviors specific to servant leadership. Jesus left the "service" of the servant leader open to unlimited possibilities for serving others in any era and any place in the world, whether a 1st-century disciple or 21st century leader.

What is a Cosmopolitan Leader?

The cosmopolitan leader feels at home as a global citizen and at ease with individuals around the world, even those holding widely divergent values and beliefs from the leader.[26] The cosmopolitan leader easily engages and interacts with diverse people, being insightfully aware of others, and creative in all relationships.[27] These leaders leverage diversity as they uphold a learning approach in all relational encounters, especially during times of change. Cosmopolitan leaders deal flexibly with situations and people, adapting to meet the need. Cosmopolitan leaders can keep a balance of owning and understanding their own culture while accepting the diversity of other cultures, because they keep their orientation centered on the unique individuality of people. Cosmopolitan leaders are "person centered."[28] Gudykunst and Kim suggest a summary of a cosmopolitan perspective: "respect for all cultures; understanding of what individuals in other cultures think, feel, and believe; and appreciation for differences among cultures."[29]

Marquardt and Berger provide a list of eight forces changing the workplace for leaders and a list of the competencies necessary for a cosmopolitan or global leader to deal successfully with those forces.[30] The first "transforming force" is *globalization*. To be successful, the cosmopolitan leader needs to be able to see the whole work environment from the micro-workplace perspective while also viewing it from a macro-global perspective.[31] The second force, *the change to the knowledge era*, requires the leader to experience and model continuous learning while teaching diverse employees from his or her knowledge base, coaching from experience, and mentoring from awareness of employees' needs.[32]

Because of the third force, *a continual changing nature of the workplace*, a cosmopolitan leader serves those he or she supervises by engaging the worker from a holistic view. The leader provides a secure team environment which helps the follower grow into greater participation in leadership. The leader realizes that he or she stewards the worker's life for someone or something else, such as the organization. In other words, the leader is not the worker's owner; the cosmopolitan leader is a servant and a steward.[33] Because of the fourth force, *rapid changes in organizational structure*, cosmopolitan leaders need competency in systems thinking and doing many projects at one time. The cosmopolitan leader needs to go beyond looking at symptoms to discover real causes. This leader must grasp complexity as it develops over time, seeing a process rather than just a picture.[34]

As a result of the fifth force, *environmental needs and growing awareness of our responsibilities*, cosmopolitan leaders engage the workplace at a higher level, addressing issues of life and work meaning, core values, and personal and organizational responsibilities. They work to increase a sense of ethics in their own lives as well as in the workers' and the organizations'.[35] The sixth

force, *the current trend in technology*, requires leaders with the ability to leverage technology. They need to know the positive and damaging influences and power inherent in our new technology. Simultaneously, cosmopolitan leaders understand the confines of technology—what it will not do.[36]

Given the seventh force, *the rapid change in what the market wants*, cosmopolitan leaders think in the future, look for new products and services, and display a strong comfort with uncertainty. Cosmopolitan leaders must be creative and opportunistic, leveraging the greater intelligence of a diversified team. They regularly ask the question of a 5-year-old child, "Why can't we do that?"[37] Finally, the eighth force, *because of the increasing speed of change*, the leader envisions the future, motivating and inspiring followers with that vision. The cosmopolitan leader thinks above the day-to-day planning and reacting. He or she pulls people together to both evaluate today and set direction for the emerging (and yet to emerge) tomorrow.[38]

Marquardt and Berger argue that organizations will find the true cosmopolitan leader out of those people "whose primary motivation is a desire to help others . . . [it] must be a leader's number one priority."[39] This number one competency is a servant's heart. This and other leadership characteristics are shared by the leaders described by Winston and Patterson and Spears.

What is a Cosmopolitan Servant Leader?

A definition and description of a cosmopolitan servant leader emerges out of a synthesis of the results of the previous discussion under the headings "Winston and Patterson—leader," "Spears/Greenleaf—servant," and "Marquardt and Berger—cosmopolitan" (see Table 1). The synthesis of the various characteristics or competencies from the research surface four core competencies. The cosmopolitan servant leader (a) values followers, (b) prepares followers, (c) focuses followers, and (d) activates followers. These core competencies center on the follower and embody the life of the cosmopolitan servant leader.

The Cosmopolitan Servant Leader Values Followers

The cosmopolitan leader described by Marquardt and Berger displays valuing people by living responsibly and showing a lifestyle of caring for people. Spears and Greenleaf show the servant leader valuing followers through his or her self-perception as a steward and in service to the community. Winston and Patterson's definition of a leader implies that a leader values followers. When leaders value followers, leaders see them as individuals with unique and diverse characteristics.

Winston and Patterson, Spears, and Marquardt and Berger all stress the need for leaders with a heart to serve. Winston and Patterson's leader displays a concern for the individual follower. Spears' servant leader has a core motive to serve, pouring out his or her life for the benefit of others. Marquardt and Berger argue that organizations will find the true cosmopolitan leader out of those people "whose primary motivation is a desire to help others."[40] In the title, the cosmopolitan servant leader, *servant* provides the most important characteristic and the key for success as a cosmopolitan servant leader.

Table 1: Comparison and Synthesis of Core Competencies of the Cosmopolitan Servant Leader

	Winston & Patterson Leader	Spears/Greenleaf Servant	Marquardt & Berger Cosmopolitan
Values followers	Inferred concern for followers	Self perception as steward Value people Serves community	Lives and teaches values and responsibility Has primary motivation to help people
Prepares followers	Selects followers Equips and trains	Listens with total mind	Engages people holistically Uses coaching and training
Focuses followers	Focuses on objectives	Conscious of surrounding Have big dreams Is intuitive Sees ultimate outcomes	Complex systems thinker Sees micro and macro simultaneously Creative forward thinker Has vision and can communicate vision
Activates followers	Influences followers Motivates followers	Strengthen people Use persuasion Empathize with people	A continuous learner and developer Leverages resources

The Cosmopolitan Servant Leader Prepares Followers

The cosmopolitan leader prepares followers for the present challenges and the emerging future. To heighten the follower's competency preparation, the cosmopolitan leader develops the follower holistically by modeling, coaching, training, and providing experiences. A servant leader prepares the follower by listening intently, hearing both verbal and non-verbal messages. Winston and Patterson's leader first selects, then trains and equips followers. Thus, preparing followers is a necessary characteristic of the cosmopolitan servant leader.

The Cosmopolitan Servant Leader Focuses Followers

The cosmopolitan leader pulls together the complexity of the workplace for the follower, focusing the follower on the leader's and the organization's vision. This leader sees both the micro- and macro-perspectives, creatively looks forward, and communicates a vision to the follower. Through intuition, the servant leader focuses the follower by having and

communicating big dreams, the ultimate outcome, and an awareness of the surrounding environment. Winston and Patterson's leader aims the follower on the objectives. The ability of the cosmopolitan servant leader to focus the follower on the vision and the future is one of the defining characteristics of this leader.

The Cosmopolitan Servant Leader Activates Followers

The cosmopolitan leader moves followers to action by maintaining a continuous learning and follower development environment to leverage resources. The servant leader activates followers by strengthening, persuading, and empathizing with people. Winston and Patterson's definition argues that the leader demonstrates a responsibility to activate his or her organization's followers through leadership influence and motivation. Therefore, the fourth defining characteristic of the cosmopolitan servant leader is that he or she leads followers into every day action.

The cosmopolitan servant leader is fully a leader, doing recognized leadership activities, such as selecting, equipping, focusing, influencing, and motivating followers. The cosmopolitan servant leader is fully a servant, involved in real servant activities, such as putting people first, listening intently, providing dreams for the follower, and uplifting followers. The cosmopolitan servant leader is finally and fully a cosmopolitan, a global person, living out values and responsibilities while dealing with cross-cultural people holistically. This leader lives in the present and future with all its complexity. This leader is continuously growing and developing personally and spreading that learning influence to followers. The cosmopolitan servant leader is the leader for our emerging world.

Cosmopolitan servant leaders are like gardeners who envision the completed garden, know every plant in the garden according to each plant's need, and intentionally discover, learn, and understand every influence on the garden. Cosmopolitan servant leaders see their organizations in the world as their gardens. They know each follower under their supervision according to the follower's individual needs. They intentionally discover, learn, and understand any influence on their organization or followers. Cosmopolitan servant leaders provide the needed leadership for the emerging and yet-to-emerge world.

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The Execution Void: Filling the Role of the Chief Strategy Officer

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In the dynamic business environment of today, organizations have to cope with a large number of challenges, including changes to the business landscape such as complex organizational structures, rapid globalization, new regulations, and the struggle to stay ahead of competitors. Many chief executive officers have less time to devote to executing strategy to address these challenges. As a result, they are appointing strategy officers, which is becoming popular among many large multi-national Fortune 500 companies. Strategy officers are responsible for three critical jobs that are considered to be the most important aspects of successful strategy execution: (a) they must portray a company's strategy to every business unit within the organization so that all employees, partners, contractors, customers, and investors understand the organization's strategic plan and how it plugs into the organization's overall goals; (b) they must drive immediate results in support of the long-term strategy, whereas the chief executive officer is normally responsible for driving long-term results and providing vision; and (c) they must drive decision making that creates immediate change within the organization. This paper identifies the need for filling this key position as well as the primary role of the strategy officer.

Organizations plan for the future for many reasons. Often, they do so in a reaction to the uncertainties of the present that are perceived to be escalating such as globalization, rapidly changing technology, limited resources, prevailing values including diversity, or local community instability. Unpredictable change is rapidly transforming the way organizations plan for the future. It's becoming more and more difficult for senior executives to survive in such an environment. The turnover rate of executives of large organizations is extremely high, resulting in unmanaged priorities which ultimately lead to incomplete objectives. Chief executive officers (CEO) fail due to a number of reasons such as financial malpractice and mental or physical incapacity, but mostly due to lack of leadership skills. CEOs blow it

> more than any other way, by failure to put the right people in the right jobs—and the related failure to fix people problems in time. Specifically, failed CEOs are often unable to deal with a few key subordinates whose sustained poor performance deeply harms the company.[1]

The increasing pace of change has put increasing pressure on the CEOs, increasing their reliance on their senior executive team to fill the execution void.

The CEO Can't Do It Alone

Not all executives can successfully operate at the strategic level as evidenced by the failures over the last decade. Harry Stonecipher, the chief executive who vowed to repair the tarnished reputation of Boeing, fell victim to his own scandal when he was fired in 2005 for conducting an affair with one of the company's female executives.[2] Stanley O'Neal was ousted as the CEO of Merrill Lynch & Co. after failing to identify mortgage risks that led to the biggest writedowns in the company's history.[3] Or consider when the coffee giant Starbucks, with its stock price down

almost 50% from the previous year, brought back founder and former CEO Howard Schultz who publicly complained that Starbucks was "losing its way" and forgetting about its consumers as it expanded.[4] However, just because the previous CEO failed, does not mean that every member of their executive team also failed.

It is lonely at the top and the pressure can be intense. Contrary to what many people might believe, even those at the top of the organization find that they need outside sources of insight. The people you surround yourself with are the best prevention of and, when necessary, recovery from mistakes. The question executives should ask themselves is, "Who do I have around me to help me accomplish the task at hand?" Or, better yet, "What skills do we have and how do we get it done?" Don't think you have to do it by yourself. Your executive team is always more powerful than you are in terms of creativity and helping with complex issues.[5] But how do you find those people? How do you get the star players on your team? Which position do you start with? The answer usually lies in looking first to the key positions in the team you just inherited from the old regime and ensuring you have the right talent in the right places.

Key positions require attention because they represent the strategic leverage points that affect organizational success. Left vacant—or if the work is left undone, for whatever reason—the organization will not be able to meet stakeholder expectations, confront competition successfully, or follow through with long-term strategies.

> A *key position* exerts critical influence on organizational activities—operationally, strategically, or both. Key positions have traditionally been viewed as those at the pinnacle of the organization's chain of command. The most obvious reason is that important decision making has been done at the top of most organizations and imposed downward.[6]

The Rise of the Chief Strategy Officer

There are a number of key players on the executive team that we must consider. There's a chief operating officer or chief operations officer (COO) who is one of the highest ranking members of an organization. This person is responsible for managing the day-to-day activities of the corporation. The failed CEOs identified earlier, as with many others, do not fail due to an inability to manage daily activities but rather long-term strategic issues. Then there is the chief financial officer (CFO) who is primarily responsible for managing the financial risks of the organization. This officer is also responsible for financial planning and record-keeping. As with the day-to-day operation, most problems were more than a matter of financial reporting. For example, the Starbucks 50% drop was attributed to the excessive domestic expansion, poor sales growth, and increased competition.[7]

Then there is the role of the chief strategy officer.

> A typical Chief Strategy officer is not a pure strategist that creates long term planning that is isolated from the organization's current initiatives. These executives are often considered 'doers' since they have the experience to help advise as well as execute.[8]

Today many chief executive officers have less time to devote to executing strategy, which encompasses those aspects of planning beyond the day-to-day responsibilities of the COO or the financial planning responsibilities of the CFO.

> Chief Strategy Officers are usually responsible for identifying major changes in the environment, customer base or competition, and defining adjustments required. They are often also responsible for corporate development activities: acquisitions, divestitures and joint ventures. In some cases, the CSO also plays a role communicating the vision internally or externally.[9]

Whether you are a CEO now or on your way to becoming one, you want to be a good one. As evidenced here, you can't do it alone. Today, many chief executive officers have less time to devote to executing strategy, as a result, CEOs are appointing chief strategy officers within their organizations to focus on strategy. The chief strategy officer position is becoming popular amongst many of the Fortune 500 companies such as Hewlett-Packard, Cisco Systems, Motorola, Sprint Nextel, and Ingram Micro.[10] Each of these companies has assigned chief strategy officers to their top management teams. A review of their job descriptions revealed a number of recurring functions: overall business strategy, fostering strategic alliances, guiding internal and external communications, strategic growth initiatives, process improvement initiative, and public relations. From these functions we can discern four primary roles for the chief strategy officer to shaping organizational strategy through: strategic foresight, strategic innovation, strategic communications, and knowledge sharing.

The Primary Roles of the Strategy Officer

Strategic leadership is no longer just top-down information channels, or simple task managers who operate within a single leadership style. These leaders must embody the core competence of the successful organization while avoiding the individual and organizational barriers that prevent them from tapping into the full leadership potential of those around them. It's the job of the chief strategy officer to understand what challenges lie on the horizon, make plans for implementing the proper actions, and articulating the strategy to stakeholders. This involves shaping organizational strategy though strategic foresight, strategic innovation, strategic communications, and knowledge sharing.

<u>Shaping Organizational Strategy Through Strategic Foresight</u>

The ability to look up and out provides scope for dealing with more substantive issues. Organizational strategy is what drives the organization to want to change. It is how the organization directs its own future, anticipating threats and exploiting opportunity. The strategy of an organization is the roadmap towards attainment of its long-term goals and objectives. It consists of planning, organizing, execution, and controlling activities.

> Senior managers are better equipped to carry out the planning process than anyone else; not only do they have the broadest perspective on the organization's resources and goals, and the environment in which it operates, they also have access to all different types of data.[11]

Organizations need to be fast and flexible to compete successfully in this era of changes. One method of maintaining a competitive advantage is through strategic foresight. Strategic foresight encompasses a set of methods, processes, actors, and organizational forms that enable organizations to identify, assess, and act upon opportunities and threats, that have been identified in the periphery. Companies using strategic foresight aim at enhancing their innovation reactivity, managing disruptions, and enhancing strategic decision making.

Strategic foresight, as its name suggests, is a matter of envisioning what customers will want and need in the future, and what will be required for delivery. Sometimes it entails the ability to imagine not only the kind of change that is continuous with the present, but also radical, discontinuous change. In its most visionary form, strategic foresight can mean foreseeing dramatic changes in the entire industry in which the organization competes, or even the creation of a whole new industry.[12]

Shaping Organizational Strategy Through Strategic Innovation

Strategic foresight leads to strategic innovation—a business development framework that identifies breakthrough growth opportunities with measurable impact, in both the near-term and long-term. Strategic innovation defines the supporting decisions and actions to achieve a compelling organizational vision. "To be effective, a vision should describe some 'future state' that is so appealing that the company stakeholders will be motivated and dedicated to the journey."[13] It is the responsibility of the chief strategy officer to encourage innovation throughout the organization for "future based" results. "No leader can do everything that needs to be done, because innovation often must come from others in the organization. The question is whether a company stimulates or discourages the creation and testing of new ideas."[14] Along with a culture that encourages and rewards innovative ideas, the chief strategy officer must also encourage collaboration.

Many organizations face the challenge of balancing the development of innovative ideas and delivering sustained results, while maintaining a stable and collaborative state of mind. High performance requires a "balanced approach to each of the key elements of the organization."[15] Strategic innovation is based on harnessing the insights and creative ideas of the organization's experts in fields relevant to growth goals. This is done through creative teamwork and collaboration.

> An important organizational and behavioral aspect of innovation is that innovation is rarely an output of isolated genius. Today's significant innovations, including those that confer competitive advantage, are developed through effective collaboration between people in different parts of an organization, or even from different organizations.[16]

Everyone in the organization has to be involved in executing the strategy which means, everyone has to understand it. This is why strategic communications is so significant.

Shaping Organizational Strategy Through Strategic Communications

Communications is critical to making strategy everyone's job. Poor execution, not bad strategy, is the primary cause of strategy failure, and one of the main reasons organizations do not successfully execute strategy is the lack of awareness. This requirement for awareness stretches to internal as well as external stakeholders. Customers as well as investors must know where the organization is headed. "External communication is the two-way interaction between an organization and its various publics. It might reasonably be argued that this is marketing by another name, but there are some key differences:

1. Unlike marketing, external communication is part of every manager's responsibility.

2. It envisages a far wider audience (the various publics) than is generally associated with marketing activity, where customers are the direct focus.

3. It is concerned with understanding and conveying a potentially bewildering array of messages ('How do people perceive us?', 'What are our competitors up to?', 'The company is in a strong financial position?, 'We care about the standard of local services', 'This is a family-friendly employer')."[17]

Senior managers must be made aware of the added value of the strategy and employees cannot be expected to help achieve strategy if they are not aware of it. Even when asked if they understand the strategy, many employees say "yes" when in fact what they believe to be the strategy is incorrect. I'm reminded of a company executive. While explaining why he didn't see a need to develop an internal communications strategy, he said, "If I want something communicated to everyone in this company, I know exactly which three secretaries to tell." Obviously, he has never played the telephone game as a child. The first child whispers a message to the next, who whispers it to the next, and on down the line until the last child announces the message he heard, which rarely sounds like the message the first child uttered. High performance organizations have senior managers that are highly effective communicators as well as employees who have a good overall understanding of organizational goals. Employees represent the company to external audiences in a manner consistent with the image the company's leaders want the outside world to see—breeches of ethics or involvement in the community or tales of employee innovation.[18] When managers communicate well and employees understand goals, organizations perform well.

Strategic communication reveals to those around you that you are committed to them. This commitment leads to trust, which in turn leads to innovative efforts.

> Trust and commitment result in enthusiastic cooperative and innovative efforts beyond that gained from simple financial incentives or contracts. . . . Only trust can assure people that they will not be overly penalized for new ideas that fail or that they are free to try improvisations leading to competitive innovations.[19]

Your followers are less likely to take the risk, peers are less likely to support your efforts, and your leaders are less likely to advocate innovative ideas or take steps to bring those ideas to fruition unless there is trust. The anxiety associated with lack of trust causes wasted effort to protect oneself during transactions. Strategic communication fails when participants lack commitment, leading to the conclusion that processes leading towards trust and commitment, as well as trust itself, are critical to growing strategic leaders. There is an element of reliance in this covenant because of the sense of loyalty when risk is involved, and the commitment of the parties to that effort is enhanced by greater trust. There are a number of behaviors that executives can make use of in order to foster strategic communications within the organization:[20]

1. Talk Straight—Be honest, confront reality, and address the tough issues.

2. Demonstrate Respect—Create transparency, be authentic, and genuinely care for others.

3. Practice Accountability—Hold yourself and others accountable.

4. Show Loyalty—Don't break confidences and acknowledge others' contributions.

5. Deliver Results—Keep commitments and get the right things done.

6. Get Better—Continuously improve.

7. Clarify Expectations—Listen first, understand, and diagnose. Be clear and consistent.

8. Extend Trust—Demonstrate a propensity to trust others.

Shaping Organizational Strategy Through Knowledge Sharing

It takes years for the best people to acquire their knowledge, but seconds to walk out the door and take their knowledge with them. In most cases, CEOs are forced to leave. How do you keep an executive from leaving without taking the corporate knowledge with him? Since organizations cannot force executives to stay and in some cases you do not want them to, they must consider knowledge sharing.

> In today's economy, competitive success is increasingly based on possessing knowledge and intellectual capital rather than financial or other 'hard' assets. A firm's knowledge and its ability to produce knowledge is at the core of a theory of the firm. Nevertheless, the sharing of expertise within organizations remains a challenge for managers.[21]

But who has the specific responsibility for knowledge sharing within the organization? In most organizations people are overloaded with tasks; they have only limited time that they can devote to knowledge sharing. So saying that "everybody" needs to contribute often means that "nobody" feels particularly responsible. Organizations need designated resources, someone with specific skills or who has had additional training, to make all the parts of a knowledge sharing system work.

Chief strategy officers must turn their subject matter experts into knowledge coaches. Knowledge coaches use learn-by-doing techniques—guided practice, observation, problem solving, and experimentation—to help novices absorb long-acquired business wisdom. "Knowledge coaching not only spurs transfer and retention of vital wisdom; it yields breakthrough product ideas and more efficient business processes."[22] This goes to the heart of what makes the learning organization successful. The end result is that those engaged in this process won't just rely on their own expertise. They supplement their know-how by tapping into informal networks of personal contacts to gain information and make decisions while fostering trust. How can organizations tap into this network? By ensuring that the CEO has an executive near at hand to share the load and maintain—or regain—control of a process that constantly threatens to become chaotic.

> The COO or the CFO may seem like obvious resources to tap, but there are risks in delegating the oversight of strategy to either. Nearly three decades ago, one executive arguing for the creation of a new top strategy role explained why it should not be folded into the COO's duties. As he put it, 'a fundamental conflict between what is easy to execute and what is *right* to execute often leads the chief operating officer away from the tougher decision.' One could easily envision similar conflicts of interest for the CFO.[23]

Adding Value to the Organization

Strategy formulation is an activity that draws heavily on the creativity of the human mind and there are no prescriptive formulae that give the "right" answer. Strategic action is intended to achieve strategic fit between the organization and its environment. (It is easier to sell something that people want than to sell something that they do not want.) This can be translated into the strategic question of why some organizations perform better than others. The answer is that the right leadership involvement and commitment adds value to the organizational strategy process.

> The most important thing when implementing a strategy is the top management's commitment to the strategic direction itself. This is undoubtedly a prerequisite for strategy implementation. Therefore, top managers must demonstrate their willingness to give energy and loyalty to the implementation process. This demonstrable commitment becomes, at the same time, a positive signal for all the affected organizational members.[24]

Few things work perfectly. It's unlikely that any strategy will achieve the desired results without someone to keep the entire organization engaged. Strategy needs to be continuously developed and iteratively improved. Chief strategy officers come from a variety of backgrounds and may be known by other titles, but what they have in common is that they are not pure strategists, planning and thinking in isolation. Typically, they are star players with deep operational experience and, in most cases, a background in the same organization.

> CEOs are formally handing the reins of strategy execution to individuals known by a variety of titles but with increasing frequency as 'chief strategy officers.' Companies are adding Chief Strategy Officers to their management teams (or at least considering doing so) for several reasons—changes to the business landscape such as complex organizational structures, rapid globalization, new regulations, the struggle to innovate. These challenges make it ever more difficult for CEOs to be on top of everything, even an area as important as strategy execution.[25]

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