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Principled Leadership

The final ingredient in effective team performance—and one of the most critical—is team leadership. Our research strongly indicates that the right person in a leadership role can add tremendous value to any collective effort, even to the point of sparking the outcome with an intangible kind of magic.

For example, leaders can turn around an undesirable situation, as did Ara Parseghian, who as head coach of the Notre Dame football team during the 1965 and 1966 seasons took a mediocre team and turned it into a national champion. Leaders can motivate a team to follow them through the most rigorous of standards and grueling efforts, as exemplified by pioneering heart surgeons Michael DeBakey and Denton Cooley. And they can be instrumental in changing priorities and generating support for ideas and programs, as did Dr. Alex Langmuir of the Centers for Disease Control, who saved the polio vaccination program from extinction after a defective vaccine infected a small number of children and threatened to end this entire lifesaving effort.

A CONSISTENT MESSAGE

We are certainly not the first to study the role of leaders. The importance of leadership and its conspicuous absence in a multitude of contexts has been described, discussed, and debated for several years now. Some recent views even suggest that the element of leadership has received far more attention than it deserves (Kiechel, 1988).

Generally, however, writers and researchers of the past decade have concentrated on the need for leadership to focus on the relationships among three elements: the goal or vision, how to cause change

to occur, and how best to involve followers. A consistent and well-focused point of view has begun to emerge.

The genesis of such thinking began with James MacGregor Burns in his seminal 1978 book, *Leadership*, in which he distinguished the transactional leader from the transforming leader as follows:

> The relations of most leaders and followers are transactional—leaders approach followers with an eye to exchanging one thing for another: jobs for votes, or subsidies for campaign contributions. Such transactions comprise the bulk of the relationships among leaders and followers. . . . Transforming leadership, while more complex, is more potent. . . . The transforming leader looks for potential motives and followers, seeks to satisfy higher needs, and engages the full person of the follower. The result of transforming leadership is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents. (p. 4)

From this conceptually rigorous perspective, Burns referred to Gandhi as perhaps the best modern example of a transforming leader, someone "who aroused and elevated the hopes and demands of millions of Indians and whose life and personality were enhanced in the process" (p. 20). Finally, Burns placed a stake in the ground regarding the true test of such leadership when he defined leadership as "the achievement of significant change that represents the collective interests of leaders and followers" (p. 251).

Following Burns and his change-agent perspective, equally cogent thinkers further developed the concept of leadership as transformation. Charles Kiefer and Peter Senge (1984) proffered the term *metanoic*, from a Greek word meaning "a fundamental shift of mind." The metanoic organization, according to Kiefer and Senge, is based upon the principle that individuals can have extraordinary influence once aligned with a common vision. The metanoic organization embraces five primary dimensions: (1) a deep sense of vision or purposefulness; (2) alignment around that vision; (3) empowering people; (4) structural integrity; and (5) the balance of reason and intuition (p. 111). Leaders, according to these five principles, are "responsible for sustaining vision, catalyzing alignment, and evolving policy and structure. They frequently conceive of themselves as teachers, but they do not control the system. Most don't even think it's possible to control an organization effectively from the top" (p. 119). Such

leaders focus unusual attention on teaching employees how the organization and the business operate.

In 1985, Warren Bennis and Burt Nanus directly adopted Burns' notion, defining transformative leadership as follows: " . . . the new leader . . . is one who commits people to action, who converts followers into leaders, and who may convert leaders into agents of change. We refer to this as 'transformative leadership' " (p. 3).

Following interviews with 90 distinctive and successful leaders in various professions, Bennis and Nanus identified four primary components of the transformative leader: (1) creating attention through vision—creating a focus that is compelling and results-oriented; (2) creating meaning through communication—the capacity to relate a compelling image that is fostered through shared meanings, symbols, and images powerful enough to induce enthusiasm and commitment; (3) establishing trust through positioning—assuring that the leader's behavior exemplifies the ideals and course of the vision; and (4) the deployment of self through positive self-regard—"leadership is an essentially human business" (p. 55). Regarding the last point, Bennis and Nanus point out that "there was no trace of self-worship or cockiness in our leaders" (p. 57).

During the next three years, three thoughtful efforts continued to contribute to and expand this line of thinking. In 1986, Tichy and Devanna's book, *The Transformational Leader*, emphasized three leadership skills: First, the leader must recognize the need for revitalization and change of some sort; second, the leader must create a vision that depicts how things might be different in the future if the change occurs; and third, the leader must institutionalize change so that it will survive the leader's tenure (pp. 5–6).

In 1987, *The Renewal Factor*, by Robert Waterman, built upon the work he and Tom Peters began a few years earlier in their 1982 *In Search of Excellence*, by looking at people as sources of organizational renewal. Based on a research effort that included an in-depth study of 45 organizations that had "renewed" themselves, Waterman emphasized that leaders in renewing organizations brought a stabilizing factor by constantly reminding people that change is normal and inevitable, and should be valued (p. 233). The vision portion of the renewing company, according to Waterman, is provided by leaders who are able to find a way to give people a sense of pride that will result in a sense of commitment (p. 242).

Finally, John Kotter, in his 1988 book, *The Leadership Factor*,

advanced the overall concept of leadership by describing some of the attributes necessary for success. Based on interviews with 150 managers from 40 firms; questionnaire data from nearly 1,000 top-level executives; the examination of best practices in 15 corporations; and an in-depth analysis of how five corporations attracted, developed, and retained leadership talent, Kotter observed that, at the broadest level, leaders focus on (1) an intelligent agenda for change and then (2) build a strong, energized network of necessary resources (p. 19). Kotter's contribution also included the identification of some necessary requirements for effective leadership: (1) industry and organizational knowledge; (2) solid relationships in the firm and industry; (3) an excellent reputation and a strong track record; (4) abilities and skills that include a keen mind and strong interpersonal skills; (5) personal values that broadly appreciate all peoples and groups; and (6) the ability to motivate through high energy and a strong desire to lead (p. 30).

Although reflecting several different perspectives, such insightful thinkers have converged on three consistent characteristics of leadership. Effective leaders (1) establish a vision; (2) create change; and (3) unleash talent. Our research findings were consistent with these cumulative findings of the past decade.

First, we found that effective team leaders begin by establishing a vision of the future. The observable consensus across our interviews was that team leaders have a vision of the way something could and should be. In the most common language of our sample of interviewees, this need was articulated as the clear, elevating goal described in Chapter 2. Such a goal, or vision, is a hallmark of effective leaders. They articulate what an organization can and should become, or what a team can or should accomplish. Furthermore, they articulate the team's goal in such a way as to inspire a desire for and eventual commitment to the accomplishment of the goal. The goal, or vision, is seen as worthwhile, making team members eager to be a part of its achievement.

Vernon R. Loucks, chairman and CEO of Baxter International, described this aspect of leadership as "the highest form of commitment. This is accomplished when people want to do their best because senior management has helped them understand what really must happen—short- and long-term—in order for the business to be successful."

Second, effective leaders create change. They influence movement

away from the status quo. As early Greek and Latin etymology suggests, the word *leadership* is derived from the verb to act, to begin, to set in motion.[1] Effective leaders intuitively recognize the obvious: The vision of the way things could be is different from the way things are now, and this requires someone to cause changes to occur. The effectiveness of this perspective, according to our findings, is in the leader's ability to demonstrate to team members that change is possible. Effective leaders have a plan or an agenda for change, and they demonstrate that the plan is possible by demonstrating an ability to make things happen. They are able to influence constituencies outside the team—for example, the next level of management, the board, the media, the industry—to support the team's effort.

Third, effective team leaders unleash the energy and talents of contributing members. They motivate team members to take an action-oriented approach toward achieving the objective. It is within the context of this dimension of leadership that our research data yield an especially interesting and worthwhile observation.

A PERSPECTIVE FOR UNLEASHING TALENT

Here, it's important to note that in this chapter we are departing from the anecdotal approach that served us well in previous chapters. We are not convinced that the behaviors of specific leaders can be generalized to other leaders. So rather than citing a litany of leaders and describing how they performed, we undertook a content analysis of our research data to identify the common behaviors of effective and ineffective leaders. While our interview sample confirmed that effective leaders establish clear, elevating goals and demonstrate the ability to create the necessary changes that make goal achievement possible, we became most interested in how team leaders unleash the energy and talents of team members.

During the interviews we conducted, each interviewee was asked to describe the qualities and behaviors of team leaders whom they recalled as being unusually effective or successful. We asked them to describe not only what those leaders did, but also what they consciously avoided doing. We then asked about the interviewees' experiences with ineffective leaders and what they found particularly noteworthy.

A content analysis of our research data yielded a consistent mes-

sage that focused on how team leaders generated enthusiasm, a bias for action, and a commitment to the team's objective among team members. The single most distinguishing feature of the effective leaders in our data base was their ability to establish, and lead by, guiding principles. These principles represented day-to-day performance standards. They represented what all team members, including the team leader, should expect from one another on a day-to-day basis.

The principles identified by our sample created three natural categories of expectations: (1) what the team should expect of the team leader; (2) what the team leader should expect from each team member, and each team member should expect from one another; and (3) leadership principles that established a supportive decision-making climate in which team members could take risks.

1. Team Leader

The first set of leadership principles that emerged from our data described what team members could expect of the team leader. These principles were most commonly described in the form of the following six expectations:

> As team leader, I will:
> 1. Avoid compromising the team's objective with political issues.
> 2. Exhibit personal commitment to our team's goal.
> 3. Not dilute the team's efforts with too many priorities.
> 4. Be fair and impartial toward all team members.
> 5. Be willing to confront and resolve issues associated with inadequate performance by team members.
> 6. Be open to new ideas and information from team members.

The effective leaders described by our sample were characterized by their adherence to a dependable set of values. They were, if you will, "principled" about their approach toward accomplishment and how they would conduct themselves along the way.

2. Team Members

The second set of principles described what the team leader could expect from each team member and, correspondingly, what team members should expect from each other. This set of principles placed responsibility on each team member to manage appropriately his or

her membership within the group. The content analysis of our interview data generated the following 12 guiding principles:

Each team member will be expected to:
1. Demonstrate a realistic understanding of his/her role and accountabilities.
2. Demonstrate objective and fact-based judgments.
3. Collaborate effectively with other team members.
4. Make the team goal a higher priority than any personal objective.
5. Demonstrate a willingness to devote whatever effort is necessary to achieve team success.
6. Be willing to share information, perceptions, and feedback openly.
7. Provide help to other team members when needed and appropriate.
8. Demonstrate high standards of excellence.
9. Stand behind and support team decisions.
10. Demonstrate courage of conviction by directly confronting important issues.
11. Demonstrate leadership in ways which contribute to the team's success.
12. Respond constructively to feedback from others.

It is within the context of these 12 principles, or some variation of them, that the effective team leaders as described by our sample exhibited leadership excellence. Such principles created a value-driven leadership style, placing the responsibility for appropriate team behavior squarely in the lap of each team member.

In fact, the concept of leading by principles was the most distinguishing feature of the effective leaders described by our research sample. In each case, interviewees commented that the excellent leaders were very tough on principles, not on people. And the leaders made sure that there were real consequences if the principles were violated. After all, no consequences means no standards—which translates into very little leadership. Moreover, the establishment of such principles incorporated a basic respect for people, their abilities, their opportunities to achieve, and the relationship between their accomplishment and their self-esteem. At the same time, however, these principles established performance standards that created a relentless expectation to achieve the team goal. In effect, the leader managed the principles, and the principles managed the team.

LEADER

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PRINCIPLES

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TEAM
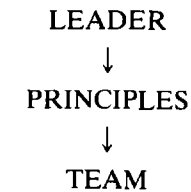
Our research findings regarding the role of "principled leadership" coincide with the natural but unsystematic emergence of this kind of thinking among progressive groups. More and more, in government, business, and social institutions, we are seeing the emergence of leadership that is focused on principles and values—on the belief that there are no shortcuts to "doing it right." Approaches to quality (Crosby, 1979), organizations devoted to exploring issues of ethics (The Center for Ethics and Corporate Policy, Chicago, IL), and the new concept of service guarantees (Hart, 1988) are all topical ways in which corporate leadership, in particular, is assuming its moral and professional responsibility to employees, customers, and suppliers.

3. Decision-Making Climate

The third set of leadership principles, and we believe the most important, clearly focused attention on the creation of a supportive decision-making climate. The effective leaders described by our sample created decision-making environments that unleashed people's willingness to exhibit a bias for action, which in turn created an enthusiasm and commitment to the team's objective. This was accomplished by giving team members the confidence to take risks, make choices, and actively contribute to the team's success.

Decision-making confidence was directly related to the principles established by the team leader. These principles served as guidelines for making choices. Effective leaders understood that excellence could only be achieved if all members were willing to make choices that resulted in actions and changes, thereby moving the team toward its objective. Effective leaders knew it was impossible to make all decisions themselves. They also knew that it was equally impossible, and certainly not desirable, to specify all decisions that would be made by each team member. However, it was possible to establish leadership principles that would encourage people to act confidently

on their own. These principles encouraged team members to take risks, and to act, which, as we may recall from the etymology of the word itself, is the core of leadership. They created a value system that encouraged people to act confidently, rather than be concerned about doing the wrong thing. This fostered a decision-making climate that inspired team members to feel they had the power to act, to make choices, and to make a difference, rather than feel apprehensive of or superfluous to the end result.

The logic that emerged from our research regarding how important encouragement and support is to decision-making is simple and difficult to ignore:

- To achieve an elevated goal or vision, change must occur.
- For change to occur, a decision must be made.
- For a decision to occur, a choice must be made.
- To make a choice, a risk must be taken.
- To encourage risk-taking, a supportive climate must exist.
- A supportive climate is demonstrated by day-to-day leadership behavior.

According to our sample of interviewees, effective team leaders gave team members clear signals, which encouraged them to act. The leadership principles that created this supportive decision-making climate were most commonly demonstrated when the team leader lived up to the following five behaviors:

As team leader, I will provide a supportive decision-making climate by:
1. Trusting team members with meaningful levels of responsibility.
2. Providing team members the necessary autonomy to achieve results.
3. Presenting challenging opportunities which stretch the individual abilities of team members.
4. Recognizing and rewarding superior performance.
5. Standing behind our team and supporting it.

These five principles were identified repeatedly as playing an important role in unleashing the best abilities of other people. Such principles were seen as encouraging people to become involved, to act, and to make decisions because they establish a climate that is fair and appropriate. These principles encourage people to feel they are

valued because they are given responsibilities, and trusted because they are given the necessary freedom to make decisions. They afford opportunities to grow; foster a belief that people's efforts will be recognized; and give team members the assurance that the team leader will be supportive of their efforts, and not leave them "hanging out to dry."

This type of a decision-making climate was described, in one way or another, as playing an integral part in bringing out the best in team members. In fact, each of the CEOs we interviewed identified a supportive decision-making climate as absolutely critical to the success of a team.

If we stop and think, we quickly realize, perhaps even recall from personal experience, that introducing change is a monumental task in and of itself. By definition, change requires a shifting away from the comfort of the status quo. This is usually when the antibodies come out and resist any effort to "do it differently." The effort required just to overcome such inertia is enormous. Now, add to this already difficult effort a climate that does not support people in exercising their best judgment. Is it any wonder people become uninterested, apprehensive, and risk-averse?

On the other hand, our data strongly suggest that a leadership climate that encourages and supports people taking risks and making choices will unleash a personal interest in the outcome. It's extremely difficult to invest one's personal judgment, which is what the opportunity to make decisions is all about, and not take a keen interest in the outcome of the effort. As Elliot Richardson, a man who has observed the principles of leadership as a member of five Presidential Cabinets, commented: "You cannot immerse yourself in work without getting interested in it." Such is the nature of a climate that encourages people to act.

EGO SUPPRESSION

Such an orientation, however, requires a constant suppression of the individual ego on behalf of all team members, beginning with the team leader. As Fiedler and Chemers (1974) observed, "Leadership is an amazingly ego-involving activity" (p. 5). It's all too easy for the "leadership role" to include, inherently, the presumptuous belief that judgment is more sound at the leader's level. It is the uncontrolled