

## *The Browning Leadership Institute*

### **SENIOR LEADERSHIP: RELEVANT LEADERSHIP THEORIES AND PRACTICES**

**By Jim Browning, PhD**

Unlike leading at lower organizational-levels, leadership at the senior level is primarily “indirect” leadership—leading through others. Clearly, as a senior leader, you will practice “direct” leadership with your direct reports and those you personally attempt to persuade or influence—e.g., peers, other senior leaders, partners, and stakeholders.

Most leadership research in the past did not focus on indirect leadership. Rather, primary research focused on direct leadership—interactions of change producing behaviors—between the leader and a follower (more of a one-on-one or small group leadership exchange). Yet, a majority of these research efforts and theories are not fully translatable to the indirect leadership modalities available to you as a senior leader.

Based on my experience and my discussions with senior leaders and leadership scholars, I offer my thoughts regarding those leadership theories or practices I consider to have relevancy when you are leading at the senior level. (Note: I do not provide them in any priority order):

- Adaptive Leadership
- Authentic Leadership
- Distributed and Shared Leadership
- Level-5 Leadership

- Transformational, Transactional, and Charismatic Leadership
- Value-based Leadership
- Stratified Systems Theory (SST)

While there are other leadership theories and practices relevant to senior or executive leadership, e.g., “path-goal”, “visionary”, “inspirational”, and “servant” leadership, I view them as elements of the theories presented above. In addition, Paul Hersey and Ken Blanchard’s 1976-introduced “situational leadership” is more appropriate for “direct” leadership, i.e., directing others (task-oriented), providing support (relationship-oriented), and follower capability (task maturity). However, the two key attributes embedded in situational leadership—trust between the leader and follower and the concept of “context,” i.e., what is the situation being faced by both the leader and the follower—are certainly relevant for any leader operating at the senior level.

## Adaptive Leadership

Many researchers and practitioners consider the practice of adaptive leadership essential to meeting today's and tomorrow's strategic and especially "wicked" challenges. Ronald Heifetz, Alexander Grashow, and Marty Linsky define adaptive leadership as, "*the practice of mobilizing people to tackle tough challenges and thrive.*"<sup>1</sup> Based on my own experiences, as well as most of the senior leaders I know, I believe that unless you are able to develop the ability to lead adaptively with agility, you may fail to meet the many challenges you will face at the senior level.

Heifetz argues: "The most common cause of failure in leadership is produced by treating adaptive challenges as if they were technical problems." He defines technical problems as those with "known solutions." Even if very complex and viewed as critically important (he uses the example of a heart surgeon replacing a heart valve as a technical problem—the process and skill sets are known), the pathway to action is known and can be implemented with existing knowledge. Obviously, many of yesterday's adaptive challenges are today's technical problems. Whereas, he argues that, "Adaptive challenges can only be addressed through changes in people's priorities, beliefs, habits, and loyalties."

Thus, not only is the challenge unclear, the solution is often unclear as well. This requires learning to take place before one is able to interpret and understand the challenge and the development of new thinking, skills, and practices to create a proper solution. In today's VUCA (volatile, uncertain, complex, ambiguous) world with "wicked" problems (problems with no known solutions), if you, as the leader, apply a technical solution to an adaptive challenge, you are using a mental model or frame of reference<sup>2</sup> that worked in the past and will likely fail to provide the solution to this new challenge.

But to know what type of solution to apply, you must diagnose whether the challenge you're facing is adaptive or technical. Unfortunately, such a diagnosis can be a very difficult undertaking. Clearly, as Heifetz notes, "problems do not always come neatly packaged as either 'technical' or 'adaptive.'" They often have technical and adaptive elements intertwined.<sup>3</sup>

Because the military cannot predict the threats and decisions they will face in the coming years, they began to actively pursue approaches to train and develop adaptive military leaders. For

the past two decades, senior military leaders initiated efforts to build a more flexible and adaptable officer corps.

For example, in 2008, the Institute for Defense Analyses (IDA) released a report regarding their comprehensive study of adaptable leadership in the military. IDA defines adaptability as “the metaskill required to respond effectively to a changed situation and, specifically, to an unpredicted change.”<sup>4</sup> They report that adaptability is a metaskill that requires the integration of both cognitive and relational skills and be able to handle both high cognitive and emotional loads. Included in their model is the requirement for resilience, hardiness, and grit (a measure of passionate, determined, and relentless pursuit of long-term goals). Figure 1 below outlines the IDA adaptability model.

**Figure 1: The IDA Adaptability Model<sup>5</sup>**

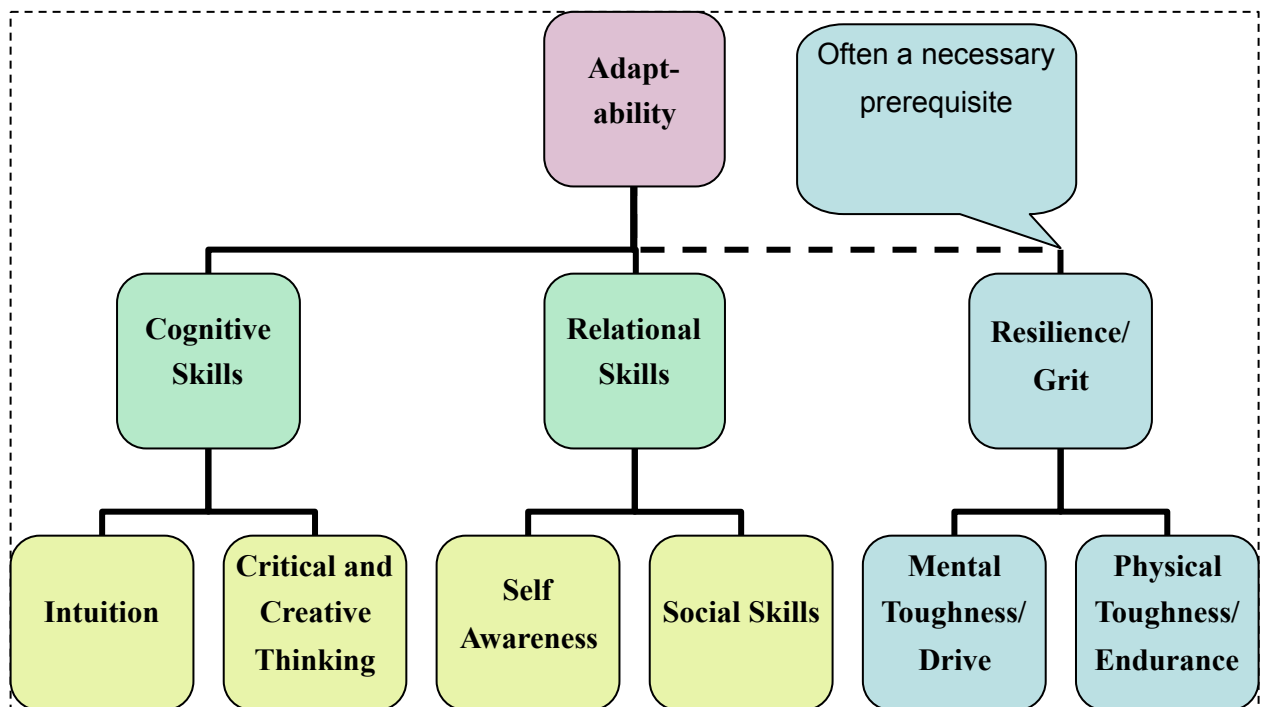


Figure 1 adapted from William R. Burns, Jr., and Waldo D. Freeman, “Developing an Adaptability Training Strategy and Policy for the DoD—Interim Report,” (IDA Paper P-4358, 2008), Institute for Defense Analysis, p. 13.

In summary, the practice of adaptive leadership applies to both you, as the senior leader, and to your organization. If the problem is one you have seen previously, then previous knowledge and skill sets should be sufficient to solve the problem. Should in your efforts to interpret and understand

the strategic challenge you have difficulty in matching the issue(s) with current knowledge and frames of reference, then you (with your senior leadership team) must learn and develop new insights as a precursor to connecting the dots that help define and solve (or at least manage) the problem. This will usually require you to learn and develop new strategies, approaches, and tactics to solve the problem. In essence, adaptive leadership is about change.

Managed change—preemptive, planned, thoughtful, organized, and sequenced—is what makes adaptive leadership competence an absolute requirement for you as a senior leader. You must realize that both internal and external forces influence the organization. Scanning the external environment with the proper “sensors” and analytical rigor improves the chances that threats—and opportunities—can be identified, assessed, and appropriately targeted for action. Scanning the external environment greatly enhances your capacity to anticipate—and deal with—the need for change. Aligning the organization to take effective advantage of opportunities, or to minimize or even avoid emerging threats, requires adaptive leadership.

General Chuck Krulak, former Commandant of the Marine Corps, describes the importance of adaptive leadership with his analogy of “The Dragon of Change.” Krulak explains, “There are three ways that you can deal with the dragon of change. First, you can turn your back on change and you can ignore it; this will allow you to survive for a little bit but ultimately you will fail. Secondly, you can get a big chain and loop it around the dragon's neck, and start pulling the dragon in the direction you want it to go. This can often times be very successful but usually it is not the best way to handle change. Lastly, you must ride the dragon of change. This is the only way to be successful and this approach was one that I employed at the Marine Corps.”<sup>6</sup> This example by Krulak illustrates the importance of being both agile and effective at adaptive leadership for success as a senior leader. If you do not have adaptive leadership skills, the “Dragon of Change” can overpower the organization and ultimately drag it into irrelevance.

## Authentic Leadership

Most of the senior leaders I've talked to suggest that to be an effective senior leader you need to be an "authentic" leader. In most instances, they use terms and phrases such as: a leader who is true to himself or herself, honest, a person of values and principles, genuine, character, integrity, and accepting yourself as a leader. In many ways, they use terms and examples that resonate with transformational leadership (discussed later).

Bill George, Harvard professor and former Chairman and CEO of Medtronic, suggests, "Authentic leaders know who they are. They are 'good in their skin,' so good they don't feel a need to impress or please others. They not only inspire those around them, they bring people together around a shared purpose and a common set of values and motivate them to create value for everyone involved."<sup>7</sup>

Authentic leaders focus on serving others, rather than on themselves and their individual success. Moreover, "Authentic leaders know the 'truth north' of their moral compass and are prepared to stay the course despite challenges and disappointments." This does not mean that senior leaders practicing authentic leadership do not make mistakes—they do. It is the authentic leader who is willing to acknowledge these "failings and [by] admitting error, they connect with people and empower them to take risks."<sup>8</sup>

George proposes five characteristics that define an authentic leader:

1. Pursuing their purpose with passion. Without understanding or having a sense of purpose, leaders can be "at the mercy of their egos and narcissistic impulses."
2. Practicing solid values. Leaders' values are individual and personal. George argues that, "The test of authentic leaders' values is not what they say but how they act under pressure. If leaders aren't true to the values they profess, the trust is broken and not easily regained." Included in this dimension is for the senior leader to know his or her ethical boundaries—helpful parameters for decisions and behaviors when faced with ethical dilemmas.
3. Leading with their hearts as well as their heads. "Leading with heart means having passion for your work, compassion for the people you serve, empathy for your teammates, and the courage to make tough calls."

4. Establishing connected relationships. Authentic leaders typically develop enduring relationships. Followers want a relationship with their leaders, one in which they feel inspired by their leaders to make a difference. Having such relationships builds trust and willingness to go the extra mile.
5. Demonstrating self-discipline. Self-discipline is essential to staying focused and persevering while the going is tough—and getting results.<sup>9</sup>

Practicing the five above dimensions will enhance your ability to be effective. Stakeholders, shareholders, customers, and employees value—and support—leaders who they believe are authentic. Many of the elements reflected in these five dimensions relate to a leader’s personal dimensions—what they bring to the table. [hyperlink to personal dimensions] To obtain George’s 2018 free eBook, Lead True, go to: <https://www.billgeorge.org/articles/lead-true-authentic-leadership-rediscovered/>.

To be authentic, you must have a strong sense of self-awareness. Knowing your values, belief systems, and passions, while displaying a clear sense of purpose, is essential for leadership effectiveness. Without this clarity, you may be vulnerable to outside influences and expectations.

To be a successful senior leader, you must obtain buy-in from stakeholders and organizational members. If not authentic, most likely you will not receive the trust that is a prerequisite for buy-in. Trust is the glue that holds the organization together. As a senior leader, you must establish trust, honesty, ethics, and values within your organization. Authentic leadership is crucial to strategic leadership because authenticity builds trust, trust generates buy-in, and buy-in leads to the successful implementation of vision, strategy, and transformational change.

## Distributed and Shared Leadership

In today's world, researchers, scholars, and leaders do not place appreciable credibility in the "heroic" single leader concept—"able to leap tall buildings with a single bound"—one that knows all and can do all to make their organization remain viable. This has led to studies in the area of Distributed and Shared Leadership. These terms are often used interchangeably. The thought behind these two leadership approaches is your need as a senior leader to share efforts to lead and manage organizations in today's hyper-complex, hypercompetitive, and uncertain world.

In my experience, because the role of a senior leader is just too big for one person, I and most of the senior leaders I talked with believe in sharing and distributing leadership with their senior leadership team (SLT) and other key leaders within the organization.

Clearly, most leadership theories and practices prescribe two key elements for organizational success: 1) delegating authority to others (one person cannot do it all), and 2) developing leaders in the organization (where subordinate leaders can make decisions and actions that are within their purview).

Similarly, the development of self-managed teams leads to questions about team leadership and accountability for results. In general, shared leadership research focused on enhancing team success, including the SLT. In other words, successful SLTs often result from member relationships where they share team leadership in decision making.

Distributed and shared leadership takes place in organizations all the time. In consensus decision making, for example, SLT members share their power and decision-making authority. It is not so much that these terms are different; rather they go together as a collective focus. For example, the interagency process in government demonstrates this collective focus. Although each agency leader has power and authority, no particular agency secretary has power or authority over another agency leader. However, for the unity of government to be successful, this distributed leadership in government requires shared leadership to take place among the various leaders and their organizations. It is in these settings that the authority vested in individual leaders do not determine leadership. Rather it is the ability of each to exercise influence on their peers based on the issues being faced at the moment. It is through the sharing of the distributed leadership that enhances the unity of government.



Furthermore, when facing the VUCA environment, you and your SLT can influence performance by sharing respective mental models. As leadership scholar, Gary Yukl notes, “Making strategic decisions jointly is more likely to yield high quality decisions if the executives have an accurate, shared ‘mental model’ about the determinants of organizational performance.”<sup>10</sup>

Many researchers and practitioners argue that distributed and shared leadership are the leadership approaches needed both today and in the future. Interestingly, some political thinkers made this argument when Ronald Reagan was running for President in 1980. There were suggestions of putting former president Gerald Ford on the ticket for vice president—they viewed it as a dream ticket. Ford entertained the idea; however, he wanted expanded powers as vice president and viewed as a de facto co-president. As noted by Alex Trex:

Ford’s representatives in these negotiations . . . included Henry Kissinger, Alan Greenspan, and Dick Cheney, who had been Ford’s White House Chief of Staff. Ford’s team allegedly wanted a heavy say on foreign policy matters; rumors later emerged that Kissinger would have become Secretary of State in the co-presidents’ cabinets. As one might imagine, Reagan and his team weren’t too keen on giving up their foreign policy powers. (The same problems supposedly derailed talks of a deal for John McCain to run as John Kerry’s vice-presidential candidate in 2004.)<sup>11</sup>

In a different vein, but similar in context, in November 2010, former Nebraska senator Bob Kerrey argued that the government needed a chief operating officer (COO). Discussing the White House chief of staff (COS) position, he explained the COS “has very little statutory power over a federal enterprise that employs more than 4 million people, purchases more than half a trillion dollars each year in goods and services, and occupies more than 1 billion square feet of office space.” Furthermore, he stated that the president needed a COO “to run the day-to-day government, to cut through budget battles, political fiefdoms, parochialism and inertia to assist the president in keeping this country moving. Let the president's chief of staff manage the White House—an enormous responsibility in itself. We need a chief operating officer to manage everything else.”<sup>12</sup> Some cable news pundits illustrate the point by focusing on the revolving door of chiefs of staff in President Donald Trump’s administration.

Some suggest that shared or distributed leadership is not realistically feasible in a political, power-laden environment. Yet, leaders in Switzerland have the reputation of running the country efficiently and effectively. Yet, Switzerland rotates its head of state on an annual basis. Elected by

the Switzerland's parliament, all seven members take collective responsibility for decisions. Each year, one of these seven leaders takes his or her turn to act as the president. The presidential post confers no special powers or privileges, and the president continues to administer his or her own department. Switzerland is an example of a country that utilizes an effective shared leadership mentality.

Though distributed and shared leadership theories resonate with the practice of many successful senior leaders, clearly the success of such leadership approaches rest on the conceptual frame of reference held by you as the senior leader and with those you choose to distribute and share leadership. In the end, someone has to be accountable and make the final decision, even if that decision is to accept the consensus decision made by the team.

In summary, distributed and shared leadership theories and practices essentially emphasize that to be successful at the senior level in today's strategic environmental reality, you must value and practice collaborative approaches to leading and managing your organizations. Whether identified as "networked," "collaborative," "integrative," "distributed," or "shared," senior leaders practicing collaboration—with the sharing of authority and power—is not only becoming more acceptable, it is becoming essential.

## Level 5 Leadership

In 1996, Jim Collins and a team of researchers embarked on a five-year study to identify businesses that made the leap from mediocre to great results and sustained them for at least fifteen years. His study led to his seminal business book, *Good to Great*. He settled on eleven companies, including Gillette, Kroger, and Wells Fargo, and organized the book around common practices those companies followed.

A prominent example is the hedgehog concept, the idea that a business should focus narrowly on the intersection of three criteria: 1) what it can be the best in the world at, 2) what drives its economic engine, and 3) what it is passionate about. While still very popular years following publication, the book was criticized for praising companies that later shut down or had severe financial struggles, like Circuit City and Fannie Mae.

Though some proponents of the book point out “several of the companies have subsequently fallen off the pedestal for a variety of often unrelated reasons, the foundational tenets and principles Collins and his team identified remain as timeless and relevant to successful organizations today as they did 15 years ago when this book first published”<sup>13</sup>

Other than possibly Stratified Systems Theory (SST), Collin’s identification of Level-5 Leadership is the closest research to describe leadership approaches necessary for success at the senior level. In other words, attributes demonstrated by successful executives.

As Collins and his research colleagues uncovered several key requirements necessary to move a good company to a great one, he noted that the most surprising result was not only that the empirical data focused on executive leadership, but also that it focused on the type of leadership necessary to create a great company. He named this type of leadership, “Level 5 Leadership.” Collins argues that during the five years of research, the data clearly indicates that those executives who went from good to great and sustained it did so by demonstrating Level 5 Leadership. He further argues that the opposite also proved true; i.e., when there was an absence of Level 5 leadership, organizations were consistently unable to transition from good to great.

Collins explains that Level 5 Leaders, “have individual capability (Level 1), team skills (Level 2), managerial competence (Level 3), leadership as traditionally conceived (Level 4), plus an “extra dimension:” a paradoxical blend of personal humility and professional will (Level 5). They

are somewhat self-effacing individuals who deflect adulation, yet who resolve to do whatever it takes to make the company great, channeling their ego needs away from themselves and into the goal of building a great company.” Moreover, “It’s not that Level 5 leaders have no ego or self-interest. Indeed, they are incredibly ambitious—but their ambition is first and foremost for the institution and its greatness, not for themselves.”<sup>14</sup> Table 1 illustrates Collins’ Level 5 hierarchy.

**Table 1: “THE LEVEL 5 HIERARCHY”**

<b>LEVEL 5</b>	<i>Level 5 Executive:</i> Builds enduring greatness through a paradoxical combination of personal humility plus professional will.
<b>LEVEL 4</b>	<i>Effective Leader:</i> Catalyzes commitment to and vigorous pursuit of a clear and compelling vision; stimulates the group to high performance standards.
<b>LEVEL 3</b>	<i>Competent Manager:</i> Organizes people and resources toward the effective and efficient pursuit of predetermined objectives.
<b>LEVEL 2</b>	<i>Contributing Team Member:</i> Contributes to the achievement of group objectives; works effectively with others in a group setting.
<b>LEVEL 1</b>	<i>Highly Capable Individual:</i> Makes productive contributions through talent, knowledge, skills, and good work habits.

Relating Level 5 Leadership to government, Collins hypothesizes that, “...there are two types of leadership skills: *executive* and *legislative* [italics in original].” He explains, “In executive leadership, the individual leader has enough concentrated power to simply make the right decisions. In legislative leadership, on the other hand, no individual leader—not even in nominal chief executive—has enough structural power to make the most important decisions by himself or herself.” Consequently, “Legislative leadership relies more upon persuasion, political currency, and shared interests to create the conditions for the right decisions to happen. And it is precisely this legislative dynamic that makes Level 5 leadership particularly important to the social sectors.”<sup>15</sup>

Collins explains that in the social sector, “Level 5 leadership is not about being ‘soft’ or ‘nice’ or purely ‘inclusive’ or ‘consensus-building.’ The whole point of Level 5 is to make sure the *right* decisions happen—no matter how difficult or painful—for the long-term greatness of the institution and the achievement of its mission, independent of consensus or popularity.”<sup>16</sup>

In reviewing Collins' data, some aspects are similar elements espoused as components of "transformational leadership" and "authentic leadership." Level 5 leadership echoes the importance of the senior leader's main objective: to ensure the long-term viability of his or her organization. Level 4 emphasizes the need for the senior leader to commit to a clear and compelling vision, but without Level 5, more than likely that vision will be difficult to achieve.

While reviewing Collins' Level-5 Leadership, you may conclude his findings seem reasonable for success as a senior leader. Yet, a number of studies argue "Collins does not provide any evidence that the five characteristics he describes were responsible for these companies' success. To do so, he would need to provide a theoretical justification for these characteristics, select companies before beginning his study that did and did not have these characteristics, and monitor their success according to some metric...He did none of this."<sup>17</sup>

Though the five characteristics are now often criticized, I suggest as a senior leader (or a leader aspiring to climb the organizational ladder), you should review Collins' findings to stimulate your thinking and for developing your own leadership framework.

## Transformational, Transactional, and Charismatic Leadership

In his seminal 1978 book, *Leadership*, James MacGregor Burns introduces the terms transactional and transformational leadership.<sup>18</sup> In my discussions with former US President Jimmy Carter in 1991, he stated that he had read the book and asked members of his cabinet and others to read the book during his presidency (1977 to 1980). Following the introduction of the book, numerous scholarly studies provided corroborating support for the theory.

What, then, are transactional leadership and transformational leadership?

The key characteristic of transactional leadership is a quid-pro-quo approach (reward for action), e.g., I will give you a bonus if you will perform this work by next week. Whereas, the key characteristic of transformational leadership is your ability to appeal to higher values and motivations and to inspire others to realize a desired outcome.

Transactional leaders typically set expectations, objectives and goals, and identify a reward structure for organizational members' commitment, efforts, and results. Transactional leaders focus on the motivational power of an organizational vision, mission, and supporting systems to achieve organizational performance and desired outcomes. In other words, in most organizational settings, transactional leadership is really management—not leadership. As such, if you use this as your primary approach, most likely you will not generate and sustain the necessary enthusiasm, commitment, and the willingness to go the extra mile by those you're leading.

Most organizational leaders I've observed who practiced transformational leadership focus on where the organization needs to go. They define challenging expectations. They challenge those they wished to influence to transcend self-interests for the sake of the larger organizational vision and strategic objectives. They inspire and create excitement. They are enthusiastic and often lead others to exceed what they thought was possible. They stimulate and encourage creative and innovative ways of doing business. Furthermore, they enhance their leadership ability by paying attention to their followers' personal needs and development.

Transformational leaders have the ability to rally the troops through, for example, enthusiasm or symbolic strategies—such as giving the project or organization a “higher purpose.” For example, when Dave Melcher was President of ITT Defense & Information Solutions, he inspired a shared vision through symbolic actions. “The vision that unites the employees of ITT goes beyond the

paycheck. The motto is ‘Engineered for Life,’ which brings the employees together around a more tangible, patriotic goal.” This strategy set a “higher purpose” for ITT employees. Instead of just working to meet objectives, his workforce was working to help the men and women who defended the country. Ultimately, the employees of ITT are “saving lives.”<sup>19</sup>

It is important to note that while transactional and transformational leadership are distinct processes, they are not mutually exclusive. In my experience, leaders who use both are more effective than those who rely on just one.

Leadership researchers suggest that there are four main components to the theory of transformational leadership: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. As leadership scholar, Bruce Avolio, explains:

**Idealized Influence** (*also identified as charisma*) refers to “leaders who had set high ideals, values, and ethical standards. This helped us differentiate transformational leadership from the ‘bad’ charismatic leaders, who certainly liked to be idolized rather than idealize.”<sup>20</sup> Transformational leaders act as strong role models; engender trust, confidence, and enthusiasm. They create idealized influence by:

- articulating an inclusive vision,
- leading by example (walking the talk),
- expressing confidence and optimism,
- developing a trust and sharing risks with followers,
- emphasizing values and reinforcing them by symbolic actions, and
- displaying a high level of ethical and moral conduct.

**Inspirational Motivation** (*Inspiring followers through a shared vision for the future*).

Inspirational Motivation is different from Idealized Inspiration because motivation is internal. Transformational leaders motivate followers inspirationally by:

- clarifying an appealing view of the future (where the organization will be in the future),
- sharing a vision that provides followers meaning and purpose in their work,
- aligning organizational and individual needs and aspirations,
- helping followers to accomplish more beyond what they expected, and
- communicating inspiring messages that build enthusiasm, teamwork, and performance.

**Intellectual Stimulation** (*stimulating followers to “think out of the box.”*). Transformational leaders encourage followers to be creative and innovative in their work—to challenge the status quo

and their beliefs and assumptions. In my experience, transformational leadership is giving people the opportunity to make meaning for themselves through their work. Both you, as the senior leader, and your followers actively work together to seek the best ideas and solutions. Some examples as to how senior —transformational—leaders provide intellectual stimulation include:

- developing a climate and culture that encourages followers’ imagination and creativity; and the willingness to challenge current assumptions, processes and procedures associated with the status quo;
- sharing of information and knowledge; and,
- willing to take risks to enhance the potential of organizational success.

**Individualized Consideration** (*developing a supportive climate for each individual follower*). Transformational leaders support the development of followers and teammates as individuals in ways that help them achieve their full potential. As a senior transformational leader, you ensure your followers obtain the necessary education, training, coaching, and mentoring to grow as leaders and to be major contributors to mission fulfillment. Examples include:

- demonstrating empathy with your follower's needs and concerns (at the senior level, this would be with those people you have direct contact, and indirectly with the organization as a whole through policies, procedures, and shaping organizational climate and culture issue);
- making personal connections with followers;
- using technology to publicize initiatives and accomplishments;
- exhibiting caring and compassion; and,
- fostering the development of followers’ growth as leaders.

Avolio suggests there are three leadership approaches to transactional leadership: Contingent Rewards (let’s make a deal!), Management-By-Exception (putting out fires), and Laissez-Faire (hands-off leadership).

**Contingent Rewards** (*deal making*): Discussing Contingent Rewards, Avolio explains that this component of Transactional Leadership refers to setting goals and objectives, as well as providing feedback, recognition, and the rewards necessary to gain desired performance.<sup>21</sup> While this leadership style can be effective, as noted previously it will rarely motivate others to go the extra mile. Examples of Contingent Rewards actions include:

- creating a clear expectation of required work and desired outcomes,



- exchanging rewards and recognition for goal or work accomplishments,
- monitoring followers' progress and performance, and
- providing constructive feedback.

**Management-By-Exception** (*"if it ain't broke, don't fix it"*). Though these transactional leaders set standards of performance, they rarely take action until something goes wrong. Examples of Management-By-Exception leader behaviors are:

- waiting until a problem arises before taking action,
- emphasizing what followers are doing incorrectly,
- enforcing policies and procedures, and
- maintaining the status quo.

**Passive-Avoidant Leadership** (*failing to exercise leadership*). Transactional leaders preferring laissez-faire typically avoid exercising leadership. Clearly, this is the least effective leadership style. You may even question why this leadership approach is included as it is not leadership. Avolio states he and other scholars kept this approach as it represents "what we would counsel leaders not to do, or to do as little as possible."<sup>22</sup> In my experience, leaders who demonstrate passive-avoidant leadership are rarely effective. Examples of Passive-Avoidant behaviors include:

- avoiding making decisions or taking a stand,
- failing to pay attention to performance standards or followers' performance,
- reframing from emphasizing results,
- failing to explore or question when problems are identified, and
- lacking any active leadership.

Leadership Scholar Owen Jacobs suggests that transformational leadership expresses a core value, a belief in the good intentions of the follower, one that places a priority both on personal growth, and on high standards of ethics and morality. He posits the following as the "core" set of attributes for a transformational leader:<sup>23</sup>

- Openness—being receptive to new ideas and new ways of thinking.
- Conceptual Capacity—ability to comprehensively understand systems and subsystems one wishes to transform.
- Values—an internalized and consistent set of core values and beliefs that provide a matrix and foundation for mature judgments about what is morally, ethically, and socially right.

- Maturity and Flexibility of Perspective—chose to operate in terms of a balance between what is good for themselves and what is good for the systems with which they are entrusted.

Transformational leadership is closely aligned with “Charismatic Leadership.” In fact, the component “Idealized Influence” was originally termed “Charismatic Action.” Therefore, charisma is only part of transformational leadership.

### **Dealing with the “dark side” of charismatic leadership**

Two issues faced Burns, Avolio, and their colleagues regarding transformational leadership—the concepts of charisma and of transformation. Scholars can attribute both leadership concepts to such charismatic leaders as Jim Jones, David Koresh, and Fidel Castro—who were immoral, brutal, and even evil. Additionally, Adolph Hitler certainly was not only charismatic but also transformational. After much discussion, these scholars settled on the concept of “pseudo-transformational” leadership. Therefore, Hitler, for example, was transformational, but was not a transformational leader. In other words, the baseline for transformational leadership agreed to by both scholars and practitioners is that legitimate transformational leadership has a strong ethical and moral foundation.

## Values-Based Leadership

Values-based leadership is more of a practice than a researched theory. Values-based leadership practice asserts that when you, as a leader, make decisions reflecting your core values, you are more likely to be relevant to both what is going on in the organization and its future. When you base decisions on your and the organization's core values, making tough choices is easier. Furthermore, unlike beliefs, values are not constrained to what has happened in the past. This is especially true in the VUCA (volatile, uncertain, complex, ambiguous) world you face today as a senior leader. If your organization operates with a set of shared values, it helps to build stronger bonds of trust between you and others and delivering stronger personal loyalty to the organization's vision, mission, and desired outcomes.

Shared values and beliefs are among the foundations of organizational culture. For example, Bob McDonald, when he was Chairman and CEO of Procter & Gamble (P&G), exemplified this view. In discussing values-based leadership, McDonald emphasized to all P&G members that it is important that "...each one of us get in touch with the organizations we're members of, get in touch with life. Understand how we've been socialized—because that socialization makes us unique—and then understand how our socialization has led to a belief system."<sup>24</sup> What the CEO or senior leader values can enhance—or restrict—organizational effectiveness. McDonald, for example, stressed to his P&G workforce the following:

- The value to learn. "What differentiates those who succeed in an ever-changing world is the ability to learn." [As long as the correct lessons are absorbed—and applied.]
- Develop a "values system that keeps you grounded in this ever-changing world."
- Value of leadership and ownership. "We expect every employee to be a leader and to act like an owner of the company."
- Value integrity. "[W]e don't lie, cheat, or steal and we don't tolerate people who do. [Those are very important values] for us."
- Value the passion for winning. "Our goal on the job every day is to win with consumers and beat the competition."
- Value trust. By trusting one another, P&G is a much more efficient and effective company.

McDonald told me that in today's global, interconnected and interdependent world, to be successful in any organization, as a senior leader, you need to move from "The Golden Rule:" Treat others as *you* would want to be treated to "The Platinum Rule:" Treat others as *they* want to be treated.

In my experience, the best organizations and leaders operate by a clear purpose and a consistent set of principles or values. I believe people like working for leaders who are transparent about what's important to them.

## Stratified Systems Theory (SST)

Stratified Systems Theory (SST) is a seminal theory related to strategic leadership and organizational hierarchy and serves as a key framework for understanding the importance of cognitive capacity of strategic senior leaders. SST, initially developed by Elliott Jaques, focuses on an individual's cognitive power and ability to reason over a specific period of time—to think through complex and interactive sequences of cause and effect.

Based on their research performed with senior Army officers and civilian executives (government Senior Executive Service), Jaques and leadership researcher and scholar Owen Jacobs argue “leadership in large part reflects a cognitive, or problem-solving process.”<sup>25</sup> Using SST, they demonstrate this requirement by finding that as a person moves up the organizational leadership hierarchy, “problem types and decisions choices become more ambiguous, less structured, more novel, and more differentiated at higher organizational levels.”<sup>26</sup> This requires a more complex cognitive capacity at each of the higher levels of leadership.

Jaques and Jacobs identified seven levels or strata of organizational work. As a leader progresses to a higher level, they added unique value at that level. They grouped these seven levels in three layers with the top layer reflecting strategic-level leadership requiring strategic and systems thinking; the middle layer reflects organizational leadership or general management, and the bottom layer tactical supervision.

Most leadership actions at the tactical level are direct—face-to-face—whereas leaders use both direct and indirect leadership at the operational level. Once a leader arrives at the strategic level, the actions are primarily indirect. Rather than seeking to influence individuals at lower levels through personal intervention, leaders influence actions more by generating policies, specifying work procedures, and designing workflows. While strategic leaders will primarily use indirect leadership to achieve desired results, they do exercise personal influence at their own level; therefore, the requirement for face-to-face leadership skills remains necessary when dealing with direct reports, peers, partners, and stakeholders. Referring to strategic leaders, Jacobs asserts:

Their influence at the bottom-most levels of the organization is no longer face- to- face except under unusual circumstances; it is indirect. This represents a qualitative shift in

the kinds of skills needed to perform effectively beyond the production layer. A face-to-face leader, if skillful, can judge the effects of his/her leadership in real time, by personal observation. An “indirect” leader must look not only for outcomes in real time but also across a longer time span. Further, the indicators of effectiveness may also be “indirect.” This is a more abstract and complex task, requiring significantly more complex thinking skills.<sup>27</sup>

To perform with the requisite cognitive ability, the leader must have matching frames of reference or complex mental models that align with the complexity of the job at a specific leadership level. “A causal frame of reference provides the basis for a leader’s understanding and interpretation of information and events encountered in the organization’s operational environment.”<sup>28</sup> Steve Zaccaro writes, “the frames of reference or causal maps developed by senior leaders must be more complex than those of leaders at lower organizational levels.” He explains:

This required difference results because (a) executive leaders’ maps must accommodate many more causal elements; (b) these elements have more complex interconnections and associations; (c) multiple causal chains may be occurring simultaneously, requiring both differentiation and integrations; (d) antecedental events occur over longer time frames at higher organizational levels, greatly increasing the difficulty of perceiving and integrating them into a comprehensive causal map; and (e) executives who are operating within the external environment also need to factor into their frames of reference the strategies and purposes of executives of other co-acting and competing organizations.<sup>29</sup>

Therefore, Zaccaro argues, “The requirement of increasingly complex models and causal maps at upper organizational levels dictates the need . . . for higher order cognitive skills and capabilities at those levels.”<sup>30</sup> See Table 1 for an overview of SST for large-scale organizations.

An important concept related to the SST model is the time span (the right-hand column of Table 1). The higher you progress within the organization, the more you have to plan and think within longer time spans—the length of time required for the inception point of a specific task or program to its completion date. Making strategic-level decisions has multiple order as well as long-term consequences that affect future organizational leaders for decades to come. For example, in January 2011, US Secretary of Defense Robert Gates cancelled the development of a \$14 billion amphibious Marine vehicle.<sup>31</sup> This decision directly affects the future of Marine capabilities as well as indirectly affecting several thousands of jobs. To develop a military vehicle or weapons system

takes years to plan, develop, test, and certify as operationally ready, and may take 10 to 20 years to conclude.

Military actions in Iraq and Afghanistan following 9/11 used military equipment planned, funded, and developed many years before George W. Bush and Donald Rumsfeld took office. These examples illustrate the time spans necessary at different leadership levels depicted by SST. In making these types of decisions, military strategic leaders require the necessary foresight and reasoned assumptions on what they believe warfighting will be in the next 10 to 30 years.

Consequently, to meet effectively the cognitive capacity required at the higher levels of SST, as a senior leader at the strategic level, you must develop complex frames of reference and mental models that will be sufficient to deal with today's VUCA (volatile, uncertain, complex, ambiguous) external environment and the "wicked" problems and challenges faced at the strategic level. Such cognitive capacity requires adept thinking skills, including metacognition—thinking about how you think. "These more complex frames of reference allow executives to consider multiple options and multiple strategies, to deal with more complex forms of organization and a wider variety of influential constituent groups."<sup>32</sup>

**Table:1: Levels of Organizational Stratification Proposed by Stratified Systems Theory (SST)**

Stratum	Domain	Rank/Grade	Task Requirements and Characteristics						
			Type of Unit with Civil Service and Business Correlates			System Resources and Policy Task Requirements	Scope of Work		SST Time Span of work
			Military	Civil Service	Business		Number of Subordinates	Sphere of Influence	
VII	<u>Indirect Leadership</u>	General	Unified or Specified Command	Cabinet Secretary	C-Level	Create/integrate complex systems; organize acquisition of major resources; create policy	500,000 – 1,000,000	International	20+ Years
VI	<u>Strategic/Systems</u>	Lieutenant General	Corps	Deputy Secretary	Group	Oversee directly operation of subordinate divisions; allocate resource; apply policy	50,000 – 60,000	National	10-20 Years
V	<u>Indirect &amp; Direct Leadership</u>	Major General	Division	Under Secretary	Full DMS	Direct operation of complex systems; allocate assigned resources; implement policy	11,000 – 12,000	Regional	5-10 Years
IV	<u>Organizational/Operational</u>	Brigadier General	Separate Brigade	Assistant Secretary	Medium-Sized Business	Direct operation of systems; organize resources allocations to interdependent subordinate programs and subsystems; implement policy	5000	Sector	4-7 Years
		Colonel	Division Brigade				2,500	10-15 KM	
III	<u>Direct Leadership</u>	Lieutenant Colonel / Sergeant Major	Battalion	Principal Staff	One-Man Business or Unit	Develop execute plans and tasks; organize subsystems; prioritize resources; translate and implement policy and assigned missions	500 – 600	4,000 – 5000 M	1+ Years
	<u>Tactical/Command</u>	Major	Battalion ORT Level				100 – 200	1500 M	



II	Captain First Sergeant	Company Platoon	Assistant Principal	Section	Supervise direct performance of subsystems; anticipate/solve real-time problems; shift resources; translate and implement policy	3 – 40		3+ Months
I	Lieutenant NCO	NCO's And Ors	Office Supervisor	Supervisor	Direct performance of work; use practical judgment to solve ongoing problems			Less than 3 Months

Source: Adapted from Steven Zaccaro, *The Nature of Executive Leadership: A Conceptual and Empirical Analysis of Success* (Washington, DC: American Psychological Association, 2001), p. 27. Reproduced with permission of American Psychological Association—All Rights Reserved.



## Synthesis

Each of the examined leadership theories and practices is relevant to how senior leaders lead and manage their organizations. In many ways, each shares elements of the others. While some may offer some distinct differences, most differ only in nuance.

One key element imbedded in each of these leadership theories is the acknowledgement that organizational effectiveness and success does not depend on the ability of a “heroic” leader. As a senior leader, your behaviors and decisions do significantly influence an organization’s relevance and outcomes (positively or negatively). However, as a senior leader, you cannot do it by yourself. Your success requires building and sustaining an organizational climate and culture that empowers formal and informal leaders to act collaboratively and collectively to advance organizational strategic goals to achieve sustained superior effectiveness and excellence.

The leadership theories and practices highlight important roles and characteristics of the senior leader—and the need for you as the senior leader to engage and empower “the collective leadership capabilities of leaders acting together in groups and across boundaries to implement strategies, solve problems, respond to threats, adapt to change, support innovation, etc.”<sup>33</sup> Moreover, with the fast-paced, ever-changing strategic environment, these leadership theories collectively point to the importance for you to be future-oriented, rather than trapped in the current ways of doing business.

The discussed leadership theories and practices offer you a variety of helpful tools and approaches in your efforts to leading your organization successfully in a VUCA environment—both today and into the future. I recommend you review these theories and incorporate those aspects that resonate with you into your personal leadership framework.

### End Notes

<sup>1</sup> Ronald Heifetz, Alexander Grashow, and Marty Linsky, *The Practice of Adaptive Leadership*, Boston, MA: Harvard Business Press, 2009, p. 14.

<sup>2</sup> Mental models (MM) and frames of reference (FR) are very similar terms and often used interchangeably. The difference, if any, may be a FR being larger in scope and scale. Both MMs and FRs are the collection of internal assumptions, personal experience, attitude, values, emotions, knowledge, bias, worldview, mindset, blind spots, imagination, and successful and unsuccessful past usage. They’re often habitual. They help us understand the world, perceive a situation or problem, connect the dots, make judgments, and take action. If accurate, they predict an appropriate process and outcome to problem solving. If limited or inaccurate, they can lead the decision-maker astray. Unfortunately, many leaders are unaware of many of their MMs and FRs—making it more difficult to test and update them. Insufficient MMs and FRs could lead to personal derailment and organizational demise.

- 3 Heifetz, Grashow, and M Linsky, 19.
- 4 William Burns, Jr. and Waldo Freeman, *Developing an Adaptability Training Strategy and Policy for the DoD – Interim Report, IDA Paper P-4358* (Alexandria, VA: Institute for Defense Analyses, 2008), p. 8.
- 5 Ibid.
- 6 Personal interview with General Chuck Krulak, Board of Directors, Union Pacific; former President, Birmingham-Southern College; former Vice Chairman of MBNA and Chairman & CEO for MBNA Europe Bank; former Commandant, US Marine Corps.
- 7 Bill George, “Truly Authentic Leadership,” *U.S. News & World Report* (October 30, 2006), <http://www.usnews.com/usnews/news/articles/061022/30authentic.htm>.
- 8 Ibid.
- 9 Ibid.
- 10 Gary Yukl, “How leaders influence organizational effectiveness,” *The Leadership Quarterly* 19 (2008), 717.
- 11 [Ethan Trex](http://mentalfloss.com/article/25085/reagan-and-ford-considered-co-presidency-1980), “Reagan and Ford Considered a Co-Presidency in 1980.” (July 10, 2010) <http://mentalfloss.com/article/25085/reagan-and-ford-considered-co-presidency-1980>.
- 12 Bob Kerrey, Mark L. Alderman, and Howard Schweitzer, “Federal government needs a chief operating officer,” *The Washington Post* (Friday, November 5, 2010); [http://www.washingtonpost.com/wp-dyn/content/article/2010/11/04/AR2010110406882\\_pf.html](http://www.washingtonpost.com/wp-dyn/content/article/2010/11/04/AR2010110406882_pf.html).
- 13 *Defense Acquisition Research Journal*, 23 (October 2016), Vol. 23. No.4: 395-397. <https://apps.dtic.mil/dtic/tr/fulltext/u2/1026990.pdf>,
- 14 Jim Collins, “The Misguided Mix-up,” *Executive Excellence*, 19 (December 2002) 12, 3. [https://www.jimcollins.com/article\\_topics/articles/the-misguided-mixup.html](https://www.jimcollins.com/article_topics/articles/the-misguided-mixup.html).
- 15 Jim Collins, *Good to Great and the Social Sectors*, (Monograph published by Jim Collins, July 24, 2005), 11.
- 16 Ibid.
- 17 Gabrielle Baum and Gary Smith, “Great Companies: Looking for Success Secrets in All the Wrong Places,” *The Journal of Investing*, (Fall 2015), 61-72. <http://economics-files.pomona.edu/GarySmith/SuccessSecrets.pdf>.
- 18 James MacGregor Burns, *Leadership* (New York, NY: Harper & Row, 1978).
- 19 Personal interview with LTG Dave Melcher, USA (Ret), President and CEO of the Aerospace Industries Association (AIA); former CEO Exelis; former President of ITT Defense & Information Solutions; former Deputy for Budget, Assistant Secretary of the Army.

- 20 Bruce Avolio, "Pursuing Authentic Leadership Development" in *Handbook of Leadership Theory and Practice*, edited by Nitin Nohria and Rakesh Khurana (Boston: MA: Harvard Business Press, 2010), 748.
- 21 Ibid.
- 22 Ibid.
- 23 T. Owen Jacobs, *Strategic Leadership: The Competitive Edge*, (Washington, DC: National Defense University, 2009), 145-146.
- 24 Personal interview with Bob McDonald, former Secretary of Veteran's Affairs; former Chairman, President & CEO, Procter & Gamble.
- 25 Steven Zaccaro, *The Nature of Executive Leadership: A Conceptual and Empirical Analysis of Success* (Washington, DC: American Psychological Association, 2001), 24.
- 26 Ibid.
- 27 Jacobs, 33.
- 28 Zaccaro, 26.
- 29 Ibid.
- 30 Ibid.
- 31 Crag Whitlock and Greg Jaffe, "Gates wants to drop \$14 billion Marine landing-craft program," *The Washington Post*, January 5, 2011). <http://www.washingtonpost.com/wp-dyn/content/article/2011/01/05/AR2011010506374.html>.
- 32 Cynthia McCauley, "Successful and Unsuccessful Leadership," edited by John Antonakis, Anna Cianciolo, and Robert Sternberg in *The Nature of Leadership* (Thousand Oaks, CA: Sage, 2004), 212.
- 33 William Pasmore, "Developing a Leadership Strategy: A Critical Ingredient for Organizational Success," (*Center for Creative Leadership White Paper Series*, 2014), 5. <https://www.ccl.org/wp-content/uploads/2015/04/DevelopingLeadershipStrategy.pdf>.