Pearson New International Edition

Level Three Leadership
Getting Below the Surface

James G. Clawson

Fifth Edition

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THE LEADERSHIP POINT OF VIEW

The task of a great leader is to get his people from where they are to where they have not been . . . Leaders must invoke an alchemy of great vision. Those leaders who do not are ultimately judged failures, even though they may be popular at the moment.

—Henry Kissinger

Leadership is about managing *energy,* first in yourself and then in those around you. This is not the usual academic definition. When you walk into an organization, you can tell quickly what the energy level is—and therefore the quality of the leadership in the place. If the energy level is low, the leadership is likely to be weak. If the energy level is high, there is likely good leadership in place. This book is about how to manage human energy, first in yourself and then in those around you. Most leadership discussions assume that the goal is to motivate others; here, we'll consider self-leadership and then motivating (or energizing) others. This text is an invitation to think at three levels about developing your personal leadership style. And in that context, I invite you to remember and think about this unusual definition of our topic: *Leadership is about managing* energy, *first in yourself and then in those around you*.

Let's begin with the fairly simple observation that being a leader depends on one's point of view, not on title or status. People who inhabit positions of power may or may not be leaders. Society tends to think that people who occupy leadership positions are leaders. If we meet a "president" of an organization, we are encouraged to think of that person as the leader of the organization, which may, in fact, not be true. We've all met many people with leadership titles who were not strategic thinkers, who had little influence, and who weren't sure where they were going—or how to get there! Some of the most powerful leaders in history—for example Mother Theresa, Jesus, and Gandhi—never held titular offices, yet they led millions of people. At the same time, some of the incumbents of the most

powerful leadership positions were—and are—viewed as weak or ineffectual leaders with little influence. We can refer to people who occupy positions of authority as "authoritors." Whether they are leaders or not depends on their point of view.

Point of view, in large part, determines a person's attitude about everything they see including leadership. In essence, a point of view is a habitual way of seeing the world around us. Each individual develops over time a habitual point of view. This view may be a follower's point of view, an administrator's point of view, a bureaucrat's point of view, or even a contrarian's or devil's-advocate point of view. As we watch and listen to people, it often becomes apparent which point of view they are employing, whether consciously or not; they make it apparent in their speech. People who take the follower's point of view, for example, tend to ask questions like "What do you want me to do?" "How will you measure me?" "What resources do I have to do the job?" "Can you give me more authority to match my responsibility?" "Can you remove the obstacles I face?" People with a bureaucratic point of view tend to say things like "That's not my job" or "Our procedures require you to fill out this form." Table 1 provides some common language associated with these various points of view. The language for each is consistent with and reflects the underlying mental framework and perspective (point of view) that the person takes toward the surrounding world. Perhaps your experience has already familiarized you with these language clues.

TABLE 1 Language Cues of Various Points of View

Point of View (POV)	Language Cues
Follower's POV	What do you want me to do? Will you give me more authority? I need you to clear the obstacles for me.
Bureaucrat's POV	That's not my job. I'll pass that on to so-and-so. Our procedures don't allow that. We've never done it that way. This hasn't been approved. I can't do that without my supervisor's permission. Have you filled out the form yet?
Administrator's POV	What did they do last time? We've never done it that way. Let's see, what was the rule on that? How can we maintain our present position? This is too different from what we've done before.
Contrarian's POV	That'll never work! We tried that before. That's a terrible idea. You won't be able to fund it. You'll never be able to do it in time. Well, to play the Devil's Advocate . . . Yeah, but . . .

ELEMENTS OF THE LEADERSHIP POINT OF VIEW

The Leadership Point of View (LPV) is something different from the points of view and cues listed in Table 1. The LPV consists of three elements:

1. *Seeing* what needs to be done
2. *Understanding* ALL the underlying forces at play in a situation
3. Having the *courage to initiate action* to make things better

Does this perspective make sense to you? Think about it for a minute. What do leaders do? They enter or engage a situation, "somehow" see what needs to be done, ensure that they understand the situation well—not just their "favorite" perspective—and then exercise courage to initiate action to make things better. This process may seem simple. Adopting and employing an LPV is not necessarily easy; it is demanding, yet powerful. It demands broad, strategic thinking, careful analysis and insight, and careful planning mixed with lots of courage. Taking an LPV requires a willingness to focus your attention, your efforts, and your time and energy (Table 2).

Seeing What Needs to be Done

Most people rely on someone else to tell them what needs to be done. The problem with this approach is that eventually *someone* must make that decision. Someone asks someone else, explicitly or implicitly, "What should we do?" And then that person asks the next person, who asks the next person, and eventually, the person who decides what to do next, for better or worse, is the "leader."

How does one decide what to do next? What should the priorities be? These questions have no easy answers, yet the truth is that sometime, somewhere, someone has to say, "Well, let's go left instead of right." It may be that the higher level people in some organizations have better information, better experience, and better judgment and that they are better prepared to make those decisions. Or you may say, "They developed their leadership capacity after they got the leadership job/title." It's true that people often grow into their jobs, but sometimes they don't. This reality is the genesis of the widely mentioned Peter Principle—that a person will be promoted to the level of his or her incompetence. In other words, people are promoted for doing well, and when they don't do well, they stop getting promoted, so organizations tend to fill up with people who are incompetent at their jobs.[1] When a senior position in an organization opens up, who will be chosen to fill it? Usually, the person *perceived* to have performed the best at the next level down is the one promoted.

TABLE 2 The Leadership Point of View

1. Do you *see* what needs to be done?
2. Do you *understand* the underlying forces at play?
3. Do you *have the courage to initiate action* to make things better?

[1] Laurence J. Peter and Raymond Hull, *The Peter Principle: Why Things Always Go Wrong* (New York: Bantam, 1970).

So we might ask, When does one begin to take the LPV, that is, to begin looking around and deciding what needs to be done and then exercising the courage to get it done? If you wait until you have been promoted to a "leadership position" to begin thinking about developing your LPV, the odds are it's too late. You've spent too many years waiting for others to tell you what needs to be done to make a sudden professional and psychological jump to figuring that out for yourself—and others. For many, the habits of following are so ingrained that they may never become comfortable or good leaders.

Some people who have a Follower's Point of View or a Bureaucratic Point of View take exception to this thought. They defend themselves by attributing leadership characteristics to a title or position rather than to themselves. They argue, for example, "Well, my boss has more data than I do, so it's not possible for me to have a view of what needs to be done." This statement may be true, but in today's world, it is increasingly less likely. Today, with the Internet, intranets, and other forms of mass media, we have access to oceans of information. The challenge amid all of these data is to develop the vision, perception, wisdom, and judgment to sift the information for what is relevant to you and your organization—the information that contains implications for your future—and then to clarify and expose those implications for those around you.

Your boss carries no magic wand. Bosses are faced, like you, with scanning the environment, sifting through these oceans of information, and making choices about what's important and what's not. If you think you'd like more responsibility but you don't enjoy or aren't motivated to do this kind of mental homework, I invite you to rethink your ambitions. Leaders by their nature—and, I say, by definition—are charged with seeing what others commonly do not. This vision does not come overnight. It's the result of lots of reading, lots of scanning, lots of conversations, and lots of thinking. If you look around your work and cannot see what needs to be done to make the place a beehive of productivity and value creation, look again. And again. And again.

Another aspect to recognizing what needs to be done comes from seeing what needs to be done *in yourself.* Most would-be leaders look out there for ways to change the world. Few are wise enough to realize that unless they change the way they deal with the world, nothing much is likely to change. At a minimum, it means changing the way you interact with the outside world. At a more profound level, it may mean changing some of your core assumptions about who you are and how the world works. In fact, we could argue that if you want to change something around you, you must first begin with yourself. Being able to see what needs to change in yourself is the key to becoming an effective leader.

Understanding All the Underlying Forces at Play

One of the reasons the suggestions of junior- or middle-level people are dismissed is that their proposals are made from a limited perspective that fails to take into account the broader issues that the more-senior people see. This limited perspective is particularly apparent when middle-level employees are called on to identify problems and offer solutions. In my experience, the proposals that are ultimately accepted show a more in-depth analysis of current conditions and situations and what aspects of the organization might be affected if these were changed. The proposals that are ultimately rejected tend to be narrowly focused and ignorant of related issues and forces affecting the situation. You cannot responsibly propose a new plant without considering the costs. You cannot realistically propose expanding a facility without understanding local zoning regulations and the size of the local labor pool. Sometimes what seems obvious and important to one employee is sheer folly to another who sees the big picture.

Leaders must continually work to broaden their vision and deepen their insight into the global, societal, market, competitive, consumer, and related issues that surround any organization. If they miss these or any underlying forces, their choices about what to focus on and what to do will be met with surprises, unanticipated obstacles, and perhaps failure. The same result is true for senior people who hold strong opinions not based on analysis. Sometimes subordinates must obey senior leaders while remaining convinced that their leaders don't see the whole picture; the malaise of seeing less clearly or comprehensively is not limited to lower levels of an organization. Again, your title does not guarantee your leadership capability.

Can you ever understand all that is required to make informed leadership choices? Probably not. You can stack the odds, though, by doing your homework, soliciting other viewpoints, and developing your judgment as to what works and what doesn't. Leaders must operate in conditions of uncertainty, and that reality implies the need for even more careful analysis and ultimately for some faith and courage. The fields of risk analysis and quantitative analysis in business schools help leaders-to-be to assess uncertain conditions and think about alternatives and potential outcomes. And although "paralysis by analysis" is not a good thing, many would-be leaders merely shoot from the hip and hope for the best.

If you take a real LPV, you'll do what you can to ensure you understand what's going on in a situation before you jump in. Some Americans believe that the worst thing is to do nothing, but sometimes, if you understood what was going on, you would realize it was the best thing. Although inaction is often deadly, so, too, can be the stereotypical North American approach, "Fire, Fire, Fire, Aim!"

Having the Courage to Initiate Action to Make Things Better

The final aspect of the LPV is having the courage to initiate action to improve the situation. Again, most people are unwilling to develop the requisite courage. Perhaps it's because they are comfortable in their current lifestyles and don't want the hassle that leadership brings. The "hassle factor" is one reason leaders make more money: they do things that others cannot or will not do (for whatever reason).

Many people don't want to be leaders. I see two main reasons for this lack of leadership initiative. The first is lack of strategic insight (the person has nothing to say about what we should do) and the second is fear of rejection (generally abbreviated FoR). Let's be blunt: Leadership requires courage. People in leadership roles are in crucibles of public scrutiny. Those who are comfortable with the current way of doing things will not like you suggesting changes, particularly if you're not seen as a leader. "Who are you to say?" they may comment. "What gives you the right?" If you've done your homework, at least you won't have to rely on that tired, old saw, "Because I said so, and I'm the boss." Instead, you can lay out your vision of why your strategic approach is important (what you see), explain why your solution addresses all the forces at play (political, economic, environmental, consumer, employee, etc.), and in the process, begin to persuade people to accept your way of thinking.

Presenting your case takes courage. Plain guts. What if you're wrong? You may be. What if they don't agree with you? I'm sure at least one contrarian won't! At that point, the weight of real responsibility will settle on your shoulders, and you'll know what it means to be a true leader, not just one in title alone.

A large proportion of society, the large majority of people, lives life in fear of rejection. Most people react negatively to this statement. Let's explore this reaction for a moment. Julian Rotter developed a concept he called the *Locus of Control*. Locus of Control is a rough measure of how much

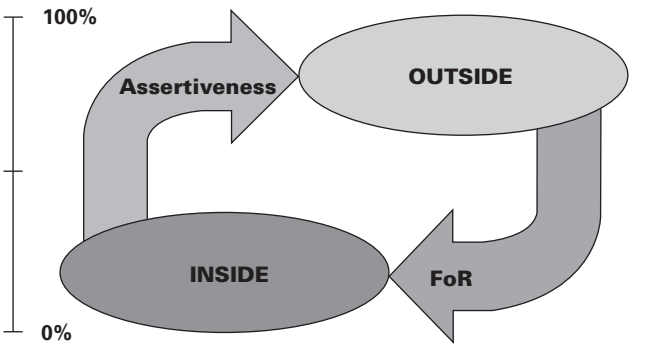


FIGURE 1 Locus of control

a person lives his or her life "inside-out" versus "outside-in." People who live their lives outside-in tend to think more about the opinions of others than about their own opinions of themselves. People who live more inside-out tend to think more of their own opinions than those of others (Figure 1).

Living "outside-in" means that a person thinks about what others will think or say in response to their own behavior. If you dress to please others, if you conform your desires to fit what others expect or demand, you're living, to that extent, outside-in. On the other hand, if you tend to assert your beliefs without worrying about what others will say, you'd be living more inside-out. Consider the extremes of the scale on the left side of the figure. Those who live their lives completely outside-in or are at the bottom of the inside-out scale, we could call "spineless, wishy-washy, opinionless." James Joyce wrote an interesting short story about a young woman in Dublin entitled "Clay." His thesis was that this person was so malleable that whatever group she was with, she molded herself to fit them . . . instead of the other way around.

At the top of the scale, people who live completely inside-out, we'd have narcissistic, egocentric, self-centered, obnoxious boors. These are people who have no concern whatever for the thoughts and concerns of others. Where would you place your own behavior on this scale? How much do you worry about what other people say? Does that focus change what you say or do? On balance, are you more concerned about what others think of you? Or are you more likely to do what you want and let the chips fall where they may? For example, do you ever (how often?) change what you're thinking before you speak in order to be more socially "acceptable"? Do you ever (how often?) not do things you really want to do because of what others might think? If this behavior is not fear of rejection, what is it?

The fear of rejection is a powerful thing. As social beings, we humans contain within us a powerful, probably genetic, force that makes us want to belong to, to be a part of, a group of some kind. In prehistoric times, this predisposition probably kept us alive. Over the course of history, it became the basis for the fundamental sanction that humans in power imposed on those who were, in their view, misbehaving: removal or rejection from society. The only question was, for how long? Five minutes in a parental "time-out." Thirty years in prison for rape or armed robbery. Indefinitely in the case of life imprisonment or capital punishment. In the religious world, excommunication was, and is, the ultimate sanction. So, if you were so inclined, don't dismiss the importance of the concept of the fear of rejection out of hand—we all want to be accepted by somebody. The questions are, by whom and how many and how often? You may ask yourself if your fear of rejection keeps you from behaving more like a leader, and whether you'd like to work on that aspect of your dealings with others.

Conclusions

This opening chapter introduced a number of important concepts beginning with "Leadership is about managing energy, first in yourself and then in those around you." One implication of this assertion is that before you start thinking about influencing others, you might want to think about reflection and introspection. Reflection has become an important part of the current research on leadership. I invite you to reflect, to self-assess, on a number of aspects and dimensions of leadership. The premise is that the person who knows him- or herself well is better equipped not only to lead, but to lead well. Executive coaching is big business; more and more executives realize that these issues are not just rudimentary, low-level, introductory concepts, but rather leadership-related concepts that extend to leaders in their mid-fifties and older and even those who serve on the executive committees.

I've also said that people develop a point of view during their lives and that those who have an LPV, regardless of their title, are more likely to succeed in leadership positions. If you can size up a situation quickly, have the ability to understand all the forces at play, and have the internal courage to initiate action, you can develop your leadership capacity. This perspective includes being aware of how you need to change if you want to become an effective leader.

We also argued in this chapter that people shrink from leadership roles for two main reasons: not having a strategic story to tell and the fear of rejection. The first can be remedied with study, practice, and active learning, but the latter is a deeper issue. Learning to trust your conclusions when others disagree is a fact of life for people in leadership roles. Finding the balance between being open to the opinions of others and being confident of your views is a central leadership challenge.

If you want to develop your LPV, you can begin by developing your own strategic thinking capacity. Rather than waiting for someone else to tell you what needs to be done, do your own mental homework. Where do you think the organization to which you belong should be going? Why? What data do you have? What's your rationale? You don't need to wait until you are assigned to the leadership role to begin thinking about these things. In fact, if you do, the odds are you'll never make it there. Don't wait for someone else to tell you what the strategic future of your department or division will be. By then, it may be too late—as they announce the closing of your division, the sale of your section, or the outsourcing of your department's services to a subcontractor. Look around. Look beyond your present circle of responsibilities. Devote time weekly to thinking about where your organization should be going. At a minimum, you'll be a much better conversationalist at receptions and in the hallway. More likely, you will come to be viewed as a person who goes beyond the current job, beyond the bureaucratic mind-set, to a proactive view of the business as a whole—the stuff of which leaders are made.

The times, as Bob Dylan wrote, are "a-changin'."

Concepts Introduced in This Chapter

1. Leadership is about managing energy, first in yourself and then in those around you.
2. People take habitual points of view, some as leaders, some as followers, some as bureaucrats.
3. The Leadership Point of View (LPV) consists of *seeing* what needs to be done, *understanding* all forces at play, and having the *courage* to initiate action to make things better.

4. People lack in leadership for two main reasons: a lack of strategic thinking (no story to tell) and a fear of rejection (the desire to be accepted by others).
5. People live their lives balanced in some way between inside-out and outside-in. Leaders live more inside-out than outside-in.
6. Self-leadership involves the realization that to change the world around us, we must be willing to change things in ourselves—in the way we think, the way we communicate, the way we believe the world is or should be.

Questions for Personal Reflection

1. What is your average daily energy level? How does your energy level affect those around you?
2. Can you manage or change your energy level? Or do surrounding circumstances tend to determine how you feel?
3. What things will you have to change in yourself in order to become an effective leader?
4. In most situations, are you able to see what needs to be done? Or do you find yourself waiting to be guided or nudged one way or another?
5. Do you enjoy learning about a broad range of issues and forces in society? Or would you rather focus on your favorite subject?
6. How much of your life do you live inside-out versus outside-in? Why? Where did this style come from? What, if any, change would you like to make in this balance?
7. Suppose you were just asked to be the president of your current organization (university or company or other organization). What would your strategy be for the organization?
8. How much do you worry about or consider what other people think when you speak or act? Why? How much does the fear of rejection shape your behavior?

CASELET FOR DISCUSSION

George Hendrickson had just been asked to be the new CEO of the Rocky Mountain Box Company. He was the first person who was not a member of the founding family to be in charge of the company. Competition was fierce in the industry and margins were small, often just pennies a box. George and his colleagues, former peers and now employees, knew the cardboard box business inside and out. Yet many competitors were developing all kinds of new container options, including plastics, plastic coatings, linings, enclosures, odd shapes and sizes, and so on. George had a strong loyalty to his company and its employees, and he wanted to ensure their future.

Research the paperboard container business on the Internet and then be prepared to offer advice to George.

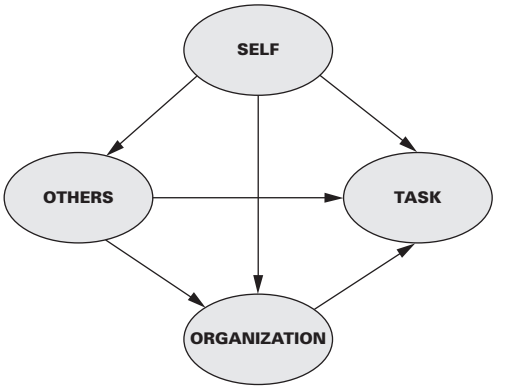
WORKBOOK

Use the exercise Outside-In Versus Inside-Out: Managing the Fear of Rejection, in the workbook, to note the ways that you've used the fear of rejection in the past week and what the impact of that tendency is on your ability to lead.

CONTRIBUTING YOUR OWN CASELETS

Have you seen or experienced a situation involving the concepts introduced in this chapter? If so, and if you'd like to contribute your experience/situation to our case data bank, please visit http://faculty.darden.virginia.edu/clawsonj/ and click on the "Contribute new caselets" button.

THE DIAMOND MODEL OF LEADERSHIP IN ORGANIZATIONS



(Before you read this chapter, I encourage you to complete the exercise, Survey of Managerial Style, in the workbook.)

In a learning organization, leaders are designers, stewards, and teachers. They are responsible for building organizations where people continually expand their capabilities to understand complexity, clarify vision, and improve shared mental models—that is, they are responsible for learning.

—Peter Senge,
Fifth Discipline, 340

We live in a rapidly changing world that needs leaders at every level of society. We need leaders at the international, national, local, neighborhood, and family levels. We need leaders in businesses at all levels regardless of the overall size of these businesses. We need these leaders because until we all become perfectly and uniformly able to perceive the meaning of present and future events clearly and to act

on them effectively, leaders help us see things differently, help us to organize our efforts, and help us to accomplish things that we might not be able to accomplish otherwise. Unless one has a model of leadership—that is, a mental map of what leadership is and how one employs it—one's attempts to influence others will be ad hoc, inconsistent, and wandering. Note that everyone has *some kind of model* about leadership in their minds. I invite you here to begin making your model of leadership more explicit.

Do you want to *be* a leader in society or just *know about* leadership in society? Some people say they are uncomfortable trying to influence others, or they are too shy, or they are more interested in doing their work than in getting involved in "office politics." An alternative way to think about this question is to ask whether you'd like to have more positive influence on those around you. You could consider thousands of employees, a few team members, colleagues in a professional firm, other citizens on a local committee, or members of your family. If the answer to that question is yes, then think about strengthening your small "l" leadership skills. You can learn something here that will help you develop that positive influence among your peer group. Having a flexible but powerful way of thinking about developing that influence will guide your efforts, and that's our goal in this chapter.

LEADING STRATEGIC CHANGE

Our model begins with a key concept that leadership only has meaning if it has a direction and a means of achieving that direction. Leaders take initiative; they are proactive. In other words, leadership without a strategy is aimless, and leadership without the ability to manage change is powerless. Thus, while we speak separately of leadership, strategy, and managing change, we could—and should—also speak of *leading strategic change* as a more comprehensive concept. We really cannot talk about leadership without talking about strategy and managing change. The overlap of these domains is shown in Figure 1.

First we must ask, leadership for what? This is the strategic question. Once a person has developed the answer to this question, the next question is, how can we get there? This question usually involves three other domains: the environment, others (the potential followers), and the organization (the setting in which the leader and the followers work). Finally, one must look at the issue of managing change, another important leadership initiative. In fact, one could argue

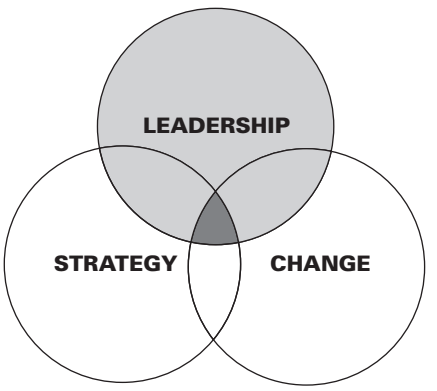


FIGURE 1 Leading strategic change

FIGURE 2 Key leadership initiatives

that no change means no leadership. Leadership is not about protecting the past, but rather about building the future.

One way to diagram the view of leadership outlined just now is shown in Figure 2. The potential leader must address all three directions, or vectors, to solve his or her fundamental problems of "What?" and "How?" These three initiatives provide the basis for a comprehensive, four-wheel-drive utility model of leadership.

KEY ELEMENTS OF LEADERSHIP

Each of the four basic elements introduced in Figure 2—the individual leader, the task facing the organization, others working in the organization, and the organization itself—clearly creates an impact on the outcomes of a leadership situation. The characteristics of the leader, the individual, will make a difference. The nature of the tasks or challenges facing the organization will have an impact, so will the nature of the people in the organization. The impact caused by the organization's design is often overlooked; however, structure, systems, and culture play a huge role in the outcomes of a leadership situation. Further, if we examine the relationship between these four basic elements, we can say that leadership is not just a result of any one of them *but of how all the elements work together*. In other words, leadership is only in part about the qualities of the leader: one must consider the strategy envisioned, the relationships with the followers, the organizational context in which the leader will attempt to influence those followers, and the environmental context in which the efforts to lead take place.

In this view, leadership is the result of a confluence of the characteristics of these four main domains and of the relationships between and among them, a total of at least 11 essential factors. Each of these factors as much as the traits of any potential leader will influence the outcomes of a situation and help determine whether those outcomes are positive. Let's examine each of the elements.

Leader: The Individual

Clearly, the individual leader in a leadership situation possesses characteristics that will influence the outcomes. Who you are and how you present yourself, your voice, your language, your demeanor, your energy level—all of these things and more will have an impact on the outcomes. Each individual leader brings to a situation a variety of personal characteristics, including preferences, skills, values, goals, education, interpersonal style, and a psychological makeup. These attributes shape the leader's abilities to observe, to make sense of and deal with the environment, to understand and relate to followers, to manage change, and to define and work toward a goal.

Many leadership theories focus on individual characteristics, but research shows that the so-called great-man theory of leadership doesn't work; which characteristics are effective depends on the situation. Many modern corporations develop what they call competency models, a shorter list usually of about 10 to 20 characteristics that management believes are essential to be a successful leader in that company. Although a great deal of overlap occurs among these competency models, sometimes they are too complex to use well or too simple to be comprehensive.

Either way, *who you are makes a difference.* Although who you are makes a difference on leadership outcomes, your personality is not *all* that is necessary for effective leadership. Strategic thinking, influencing others, designing organizations, managing change, and building commitment between employees and the organization are also key elements in leadership outcomes.

Task: What Should We Do?

People who take the Leadership Point of View (LPV) can size up a situation and see what needs to be done. This assessment is not always easy. Chief executives responsible for large corporations must size up an enormous array of alternatives and select the ones they believe to be most important. This process includes competitive issues, financial options, operating alternatives, hiring practices, and a host of other possible "tasks" to consider. From that bewildering array, *someone* must choose what's most important and what we are going to focus on. In this first step in the LPV, the individual leader's view of those tasks—of what the organization should be working on—sets the agenda for an organization and is critical to the leadership outcomes in that situation.

Clearly, one person's view of those tasks can vary from another's. Outside observers may see another set of tasks or challenges that the organization "ought" to be addressing. An individual's ability to read and assess what is taking place around them guides their conclusions about what is important and what the organization could do—and should do. This view, or vision, of what *needs* to be done, what *can* be done, or what *should* be done will shape virtually all of the leader's behavior as well as the agenda for the rest of the organization. The way a person assesses the challenges facing an organization is clearly a function of that person's vision and of the "realities"—or issues that come into focus when the leader recognizes them and places priority on them—facing the organization.

Depending on what the leader(ship) sees, what the leader believes he or she can do, and how the leader behaves, the situation might be transformed from a no-change situation into one in which dramatic and positive things begin to happen. Leadership involves sensing, seeing, and *appreciating* what is taking place around us. The capacity to appreciate what's happening around you is not an innate gift, but rather a skill that you can develop and strengthen. Like strategic thinking in general, environmental appreciation is part science and part art.

Others: Working Together with Followers

Leadership doesn't happen without followers, so any map or model of leadership must include the "others" or followers. The employees of an organization also bring to the situation a set of characteristics, including values, preferences, experience, skills, goals, educational background, and concerns. Environmental pressures affect them as well as the leader, but perhaps in different ways. Their personal and collective characteristics help determine whether the leader will be able to develop an influential relationship with them. The quality of the leader–follower relationship (the north–west axis in Figure 3) will determine in large part whether the followers will develop a view of the tasks facing the organization similar to the view held by the leader (the east–west axis in Figure 3). If the others don't trust or respect the leader, it will be difficult for them to develop commitment for and energy to work on the leader's view of what can be or should be done.

Organization: Designing the Right Context

As the leader and employees develop convergent views of what the firm should be doing, the structure of the organization and the systems that hold it together become increasingly important. At a minimum, organizations consist of a predictable set of features: a structure, a series of human resource management and other kinds of subsystems (introduced later), and a culture. Organizational culture is the result of the collision between the design decisions managers make and the people they hire into the organization. The leadership of an organization decides what they want the structure and systems of a business to be. The people who populate that design determine consciously what the culture of the organization will be.

This organizational design subcontext can either enable the leader and the employees to move ahead toward their objectives or constrain them from realizing their vision. If the organization's structure and systems do not fit the demands of the task as defined, the organization and its leadership will be at a severe disadvantage. Effective leaders are constantly working with questions of whether the organizational context is favorable to the task or mission they defined. Stan Davis, in

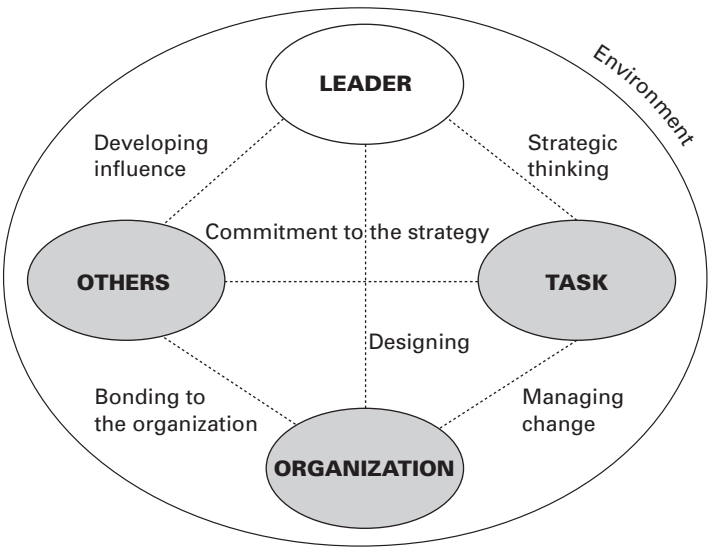


FIGURE 3 Elements in leadership

his book *Future Perfect,*[1] asserts that *all* organizations are obsolete by definition because of the time lag between the development of a strategic vision and the implementation of an organization to work toward it. By the time the organization is in place, he says, especially in a turbulent environment, the changes in the strategic picture require that the organization change again to try to keep up. Peter Senge reinforces this message with his concept of the learning organization in *The Fifth Discipline*.[2] Unless an organization is a learning organization, he notes, it will be unable to keep up with the rapidly changing world as we now know it. Similarly, if the attitudes and abilities of the employees are not matched to or aligned with the systems and structure of the organization, their efforts to achieve the goals of the firm will be diluted and diffused.

A DIAMOND IN THE ROUGH

These four elements—the leader, the task, the followers, and the organization—can be arrayed in the shape of a diamond as shown in Figure 3. Each of the four elements and their characteristics are important to understand if one wants to be an effective leader. This basic four-point mental model or map of leadership provides the basis for a flexible framework that can be applied to a variety of settings and used to understand a multitude of situations. It's a "diamond in the rough" because one does not need to specify exactly which characteristics need to be addressed in each element: the model is flexible. As times change, as knowledge increases, our understanding of the importance of different dimensions in each element might evolve. Plus, the context in which these elements combine may change. That said, I assert that every leadership situation has these basic elements in it. If one ignores or discounts any of these elements, one is likely to fail as a leader.

Environment: The Context

All leadership situations occur within an environmental context that includes, among other things, political forces, legal forces, labor market realities, financial vicissitudes, increasingly diverse demographics, advancing technology, investor inquiries, an international arena, and competitive pressures. Although these forces are often overlooked or only given cursory attention, they affect all other elements of a leadership situation, individually and in concert. Effective leaders are adept at scanning and interpreting these external forces and their impact. These environmental changes can set a context for one's attempts to lead or influence others. Environmental factors affect *all* of the elements of the model. They certainly affect the possible tasks that a leader must consider and hence his or her strategic thinking. They affect the "others" in the organization—the employees and members whom one is trying to lead. They affect the nature of the organization, including its shape and culture. And they certainly affect one's ability to manage change. So we illustrate this pervasive influence by showing the leadership situation being embedded in the circle of surrounding environmental factors.

Results: Outcomes of Leadership

In the end, leadership is about results, about outcomes. The choices leaders make about *what outcomes* to focus on reflect their values and assumptions. These outcomes include profitability, customer satisfaction, operational effectiveness and efficiency, and employee growth, learning,

[1] Stanley M. Davis, *Future Perfect* (Reading, MA: Addison-Wesley, 1987).
[2] Peter Senge, *The Fifth Discipline: The Art and Practice of the Learning Organization* (New York: Doubleday, 1990).

and morale. Most leaders in private-sector businesses include profitability high on their list. Profitability, however, is a function of a series of important steps: satisfying customers who purchase, developing the organizational capabilities to service those customers, and building an organization that is sustainable. When these three other elements are aligned, profits emerge.

The balanced scorecard model developed at the Harvard Business School by Robert Kaplan and David Norton presents this "balanced" way of thinking about outcome measures.[3] If customers are not satisfied or delighted, one is not likely to make money in the long run. If your internal processes are not efficient, you are not likely to make money in the long run. And if your organization is not learning, you are not likely to continue making money in the long run. If you're familiar with American baseball and the baseball diamond consisting of first base, second base, third base, and home plate, you can make these elements analogous to the bases. Customer satisfaction is the first base; if you don't have happy customers, you might as well stop right there. If you have happy customers, then we can ask, are you making them happy efficiently? If so, you'll get to second base and in "scoring position" by improving your efficiencies. Third base is the capacity to learn regardless of how the environment changes. And if you do all these things, you're likely to make it home, to score, and that's the financial payoff. So, selecting the "right" measures of leadership situation outcomes becomes an important leadership issue in and of itself.

INTERELEMENT RELATIONSHIPS ARE IMPORTANT

The four basic elements—the leader, a set of strategic challenges or tasks, the followers, and the organization—set in an environmental context, form the key building blocks of leadership outcomes. The characteristics of these elements provide the basic raw materials of a leadership situation, but it is the *relationships* among them that determine how it will all turn out. Consider again the diamond-shaped model shown in Figure 3.

On the northeast corner, the line between Leader and Task represents the relationship between the leader and the challenges facing the organization. This relationship is the substance of what the leader pays attention to and *sees* as critical as well as forming the crux of the leader's vision of what the organization should be doing. If this axis is broken (i.e., if the leader has not developed a vision of what needs to be done and set priorities for self and organization, that is, if the leader has no strategic story to tell), the leader has no purpose, no direction, and no outlet for attempts to lead or influence. In short, a leader cannot get somewhere if he or she doesn't know where he or she wants to go. From an array of tasks, what the leader chooses to focus on and work on defines the leadership agenda.

On the northwest corner, the line between Leader and Others represents the relationship between the leader and the followers. We can analyze and examine the quality of those relationships and determine whether they are healthy or "broken." If they are broken—that is, if the leader doesn't have influence with the followers—not much will happen in the way of leadership, no matter how clear the vision (north–east axis) is.

The north–south axis, the line between Leader and Organization, represents the leader's design decisions about how the organization should be structured and operate. If a leader has a good strategic story to tell and a strong relationship with the followers but makes bad organizational design decisions, the energy of the organization can be drained away amazingly fast. Further, when

[3] See, for example, Robert S. Kaplan and David P. Norton, "The Balanced Scorecard: Measures That Drive Performance," *Harvard Business Review,* July 1, 2005, R0507Q.

boards of directors hire new leaders, if the new leader's style and skills don't match the organization's culture, one or the other will have to change. If the leader is a good organizational designer and a master of managing change, this north–south link will be strong. If the leader comes from the outside and has a style that is at great variance with the characteristics of the organization, it will be difficult to create a positive leadership outcome. Numerous situations reported in the press describe an outside leader who came in and was clearly at odds with the culture, structure, costing systems, and other features of the organization and who, even though he or she was hired to make changes, was eventually rejected by the organization as a human body might reject a poorly conducted transplant.

On the southwest corner, the line between Others and Organization represents the quality of the connection between the followers and the organization. Here we can assess the strength of the bonds between the organization and its members. If this relationship is basically a mercenary one in which people trade time and talent for money, it will be more difficult to lead toward world-class performance, for instance, than if that relationship were a committed one in which the systems and processes of the organization encourage a deeper attachment to the organization.

On the southeast corner, the line between Organization and Task represents the match between the various aspects of the organization (structure, systems, processes, culture, etc.) and the strategic challenges facing the organization. If the organization is ill-structured to meet those challenges, it will be difficult to create a positive leadership outcome. As already noted, this axis is constantly changing as the environment changes, and the leadership tries to reorganize the business to keep up. Employees who resist these changes probably don't have a clear view of the strategy of the organization (east–west axis) and, therefore, are less committed to doing what the organization wants and needs.

On the east–west axis, the line between Others and Task represents the followers' take on what they are trying to do. A gap between what the leader sees (the northeast corner) and what the followers see (the east–west link) decreases the likelihood of a positive leadership outcome. If the leader's view of the task (northeast corner) is strong and the leader's relationships with the followers (north–west axis) are strong, but the east–west link is broken, management will have to constantly supervise what the employees are doing. If the east–west axis is strong, though, (i.e., the employees have a clear picture of the strategy and are committed to it) the need for management to supervise begins to melt away. Many not-for-profit organizations benefit from this congruence between employees' values and visions and those of the organization—and the leaders just have to keep out of the way.

Each of the circle elements portrayed in Figure 4, including the environment that surrounds them all, contributes a variety of features or characteristics that affect the outcome of the leadership opportunity. Leaders who ignore any of them may not get the desired results. Further, understanding the relationships between and among those elements is essential to understanding leadership. So, leadership is more than just personal character traits and habits. It involves a leader's ability to think strategically, to bond with followers, and to design an organization that people believe in and, ultimately, the capacity to manage change.

How the Diamond Model Relates to Other Models of Leadership

The diamond framework presented here is flexible enough to incorporate many of the features of the main leadership models present today, but in a way that is simple and useful for the practicing manager. The Diamond Model allows a focus on the individual characteristics of the leader

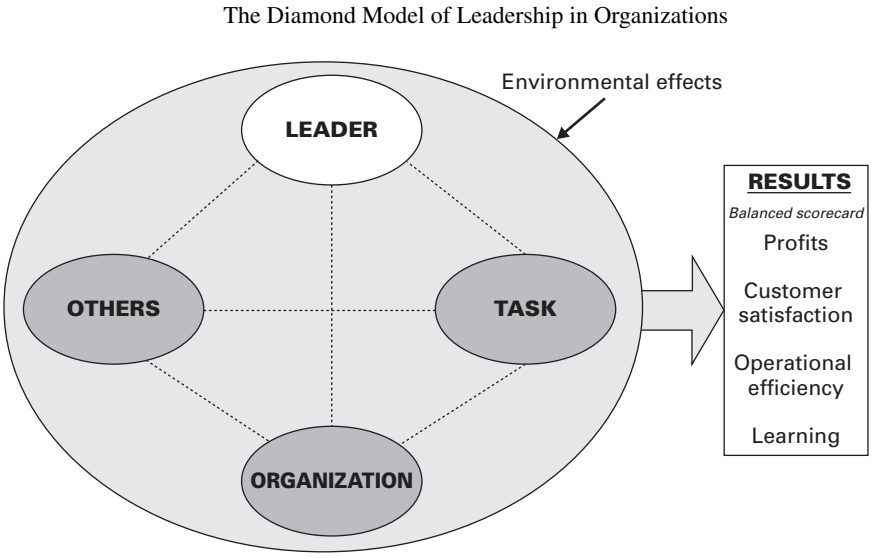


FIGURE 4 Diamond Model of leadership

and leaves room to include the useful elements of the great-leader theories. It focuses on leader–follower relationships (northwest corner). It also contains a strong contingency flavor and asserts that the fit between the leader and the situation is a critical part of a positive leadership outcome. The model includes the importance of leaders as designers in shaping their organizations. Although the model doesn't give all the details related to each element or of the relationships that connect them, it does point out the key areas of attention that leaders need to be aware of and understand.

Basic Definitions

Before we continue, we need to establish some working definitions that will clarify what we mean by leadership in talking with others about what it is and isn't. Leadership is about managing energy, first in yourself and then in those around you. We expand that definition by considering the relationship between power and leadership. First, simply put, *power* is the ability to make something happen. Power in organizations is the ability to get others to do what you want them to do. This definition simply states that when you make a change in something, you are exerting power in that thing. If you exert power, you get something done, you move a person, an organization, a project from here to there.

First, the ability to influence others can be taught. In fact, in *The West Point Way of Leadership,* Col. Larry Donnithorne notes that one West Point commandant once said that he could make a leader out of anyone who was not a schizophrenic.[4] To the extent that leadership includes the ability to think strategically, to communicate effectively with others, to design supportive organizations, and to lead change, leadership can be taught.

We can think of leadership skills as clustering around three areas: strategic thinking or visioning, garnering the commitment of others to that vision or strategy, and monitoring and

[4] Larry Donnithorne, *The West Point Way of Leadership* (New York: Currency Doubleday, 1993).

measuring progress toward the vision. The visioning cluster includes gaining an historical perspective, identifying trends in the present, and perceiving their outcomes in the future. It includes a concern for what might and could be. It includes the ability to identify signposts along the way that point one way or another. It includes the ability in some sense to dream, to see clearly a picture of the future you'd like to see, and to articulate that picture to others. If you completed the Survey of Managerial Style as invited at the beginning of this chapter, you can review your own data and the indications they give of how your preferences range across these three dimensions.

The first big reason why we cannot find as many leaders as we want is that most people do not do their strategic homework. That is, most people fail to study the environment carefully enough and, in the midst of that analysis, simply conclude what they think is what the business should be doing. Many will argue that they have a low vision (V) score because their jobs don't demand it. A database of more than 700 practicing managers, however, showed no clear correlation between the size of a person's V score and that person's level in the organization. In other words, you can and should develop your strategic-thinking skills regardless of your level in the organization. Others—your competitors in the organization—are.

The skills that cluster around "garnering the commitment of others" (the north–west axis) include communication style, patterns, and abilities. This skill cluster includes the level of trustworthiness a person has and the quality of the relationships an individual develops with others. It includes the ability to listen, to understand and respect the goals and dreams of others, and to find ways to match those goals with your own. All of these things can be taught.

The monitoring and measuring skills cluster includes the ability to design and follow significant measures of what you're trying to accomplish so you can attend as the organization begins to drift from your vision and to praise and celebrate those who contribute toward the goal.[5] This tripartite view of leadership skill development, what we could call the VCM perspective (for visioning, commitment gathering, and monitoring and measuring), is shown in Figure 5.

Not everyone will have the same proportion of these three skill clusters. Some people might have more visioning skills and fewer managing skills. Others might be excellent and inspiring communicators but not so good at coming up with the vision in the first place. Each of these skill clusters, however, includes specific skills that you can learn. By studying these skills and practicing them, you can increase your ability as a leader.

The second element of our leadership definition is *willingness*. Some individuals with the ability to be leaders choose not to exert influence for a variety of reasons. Perhaps they are uncomfortable being center stage, laying out their thoughts and beliefs for others to see and accept or reject. Another reason for the lack of leaders is the *fear of rejection*. The issue here is that many people are so concerned about what others think of them, even if they have done their strategic homework, that they are afraid to speak honestly. Why? Fear of rejection. Sometimes, their reluctance is based on an ethical conclusion that believes in self-determination above all else. Regardless of the reason, each of us must decide whether we will accept or seek leadership responsibilities—and many are not willing to do so.

In some respects, leadership is like a crucible that either refines or incinerates a person's soul and being. At times, it feels like being the figurehead on the prow of a clipper ship, arms

[5] See James Kouzes and Barry Posner, *The Leadership Challenge* (San Francisco, CA: Jossey-Bass, 1987).

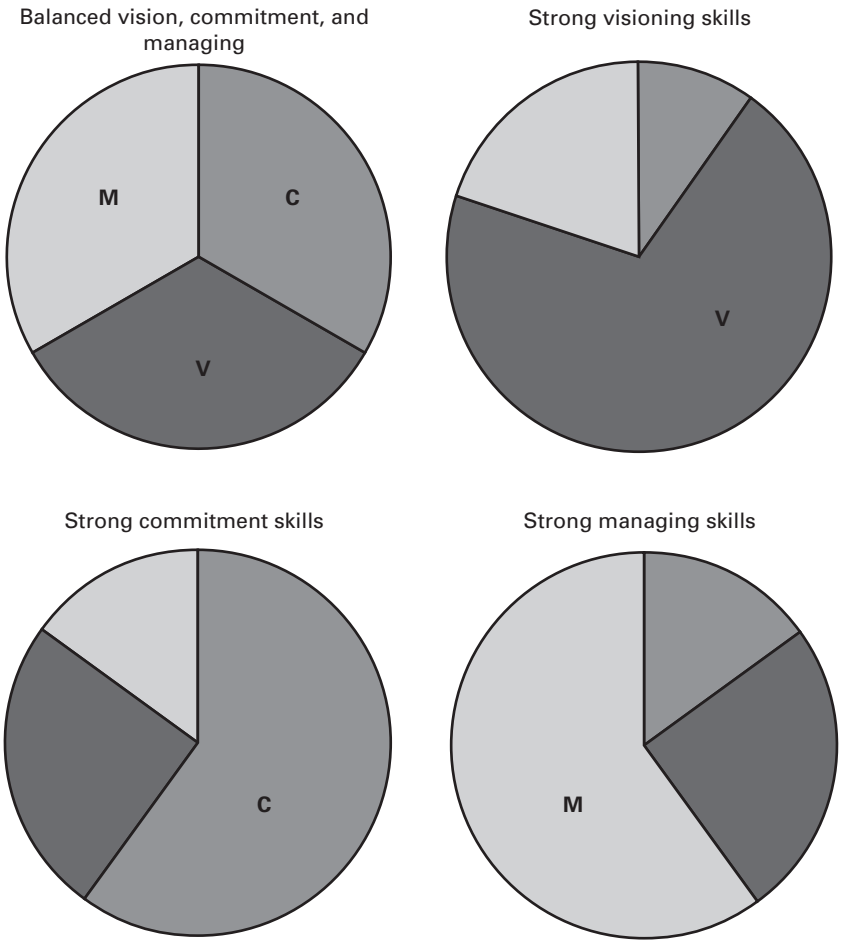


FIGURE 5 VCM balance

and legs pinned back against the hull, face and chest exposed to the elements of the sea. The only buffer or protection is simple determination to persist and reach the goal. This aspect of leadership, the loneliness and vulnerability to attack and criticism, justified or not, often causes otherwise capable people to shrink. Even in smaller group settings, the process of exposing one's thoughts, feelings, beliefs, and analyses to others can be daunting. Clearly, in order to be a leader, one must develop some mental toughness and ability to endure criticism. Ultimately, to be a leader, one must be willing to overcome the fear of rejection and attempt to influence others.

The third key element of this definition lies in the choice of the followers to follow. When the agency of the followers is compromised or removed—when followers are forced or coerced into doing something—leadership ceases to exist and something else takes its place. If you threaten people with their jobs and thereby force them to do what you want, you may indeed be exerting power, but by this definition, you're not leading. If you get people to do what you want

them to do but they don't know about it, you've moved into the realm of manipulation, which also is *not* leadership. If people feel that they *have* to do what you want them to do for fear of their jobs or their well-being, you've moved out of leadership into coercion. True leadership is more than about winning the behavior of people; it is about winning their minds and their hearts.

People in positions of potential leadership, such as CEOs, vice presidents, or supervisors, sometimes borrow authority from their titles and order people to do things on threat of their livelihoods. Many years ago, Stephen Covey likened it to using a crutch to walk: unable to influence on one's own merits, the person who borrows power from his or her title to force people to do things is using a leadership crutch. Although the short-term job may get done, it is not leadership. It is intimidation and coercion, and in the end, it undermines one's ability to lead others.

Manipulation and leadership are distinctly different. Manipulation is when you get someone to do something without them knowing it. You use this method because deep down you believe that they won't do it if they knew what you were doing. The deceit involved in manipulation removes the element of voluntary followership. If people don't know what you're getting them to do, how can it be leadership? The question becomes, If the followers knew what you were doing, how you were doing it, and what your motives were, would they still follow you willingly? If the answer is yes, then you don't need to use the manipulative techniques and you can claim to be a leader. If the answer is no, you're not leading, you're manipulating, and when the "followers" find out, your "leadership" will collapse.

TARGET LEVELS OF LEADERSHIP

When people talk about leadership, they most often think of the organizational or institutional level and refer to the titular heads of companies or foundations or institutions as their leaders. True organizational leaders have a broad impact; their decisions can affect thousands of lives. Yet much research and experience suggest that we need leaders at many levels in organizations.[6] Surely, each work group within an organization needs leadership to guide and manage its daily activities. We can also think of individual or self-leadership.[7] If we are unable in some sense to lead ourselves, how can we presume to lead others?

The general model in Figure 4 applies to organizations, to work groups, and to individuals as well as society writ large. These four levels of attention are important to remember. The concepts about the ethics of leadership, the need for strategic thinking, and the ability to influence others and to redesign structures to unleash potential all relate to each of these levels—society, the organization, the work group, and you, the individual.

Leadership occurs at four levels:

1. *Societal*
2. *Organizational*
3. *Work Group*
4. *Individual*

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[6] See John Kotter, *The Leadership Factor* (New York: The Free Press, 1988), for a discussion "little l leadership" needed everywhere in organizations.

[7] See Charles Manz, "Self-Leadership," *Academy of Management Review* 11, no. 3 (July 1986): 585.

Conclusions

As you reflect on the model in Figure 4 and contemplate your own goals and aspirations of leadership, note that leadership is the *result* of a situation in which people have worked together voluntarily with energy to accomplish some purpose. In this view of leadership, leaders respect the dignity of their followers and recognize the importance and power of self-determination. They work openly rather than covertly to convince, persuade, and guide others to a view of what needs to be done and, in so doing, build commitment to that view. This approach depends on a strong ethical foundation. Further, leaders' attempts to influence occur in environmental, national, and organizational contexts that can shape or severely handicap their efforts.

The view of leadership presented here incorporates a broad view of leadership potential situations in which various forces are at play. These forces include the characteristics of the leader, those of the followers, the organization, and the environment (and its bewildering array of strategic possibilities). This view is optimistic about the internal capacities of the followers and the leaders' confidence in and acceptance of their own role in guiding those capacities. This view asserts that leadership begins when a person recognizes all of the elements of the situation and is willing to work to unlock the potential in each of those elements to make something happen. This view contends that leadership requires significant, assertive personal attributes, intense effort, and a deep sense of respect for the environment and people. It requires an ability to see and formulate strategy, an ethical foundation on which to build relationships, and a clear sense of appropriate measures and the ability to manage change.

All these features take place at three levels: that of the individual, the work group, and the organization. Effective leaders are aware of and active at all three levels; they are not only willing to influence organizations and work groups around them, to lead strategic change, but also willing to initiate equally disruptive change in themselves.

Concepts Introduced in This Chapter

1. Leadership is the result of much more than personal characteristics of the potential leader. Leadership includes defining a task (setting a strategy), the quality of relationships with followers, designing organizations, and managing change within the organization and in relationships with followers in order to achieve the desired outcomes of the task/strategy.
2. Leadership is different from exercising power. Power gets others to do what you want them to do; leadership involves ability (skill in influence), willingness to be in the leadership role, and influence that creates voluntary response. Many people who have the skills to lead choose not to because they don't want to be in the leadership role with all of its pressures and difficulties.
3. One cannot talk about leadership without talking about strategic thinking, managing change, and ethics. Effective leaders are strategic thinkers, masters of the change process, and ethically grounded.
4. Leadership involves a cluster of skills around creating a vision, a second cluster of skills around garnering commitment, and a third cluster of skills around managing progress toward the vision.
5. Leadership occurs at four levels: externally, in the organization, in the work group, and in one's self.

Questions for Personal Reflection

1. To what extent do your efforts to influence others rely on your position or title (exercising power)? If your title or position were taken away, would others listen to you? Why or why not?
2. How much time do you spend in strategic thought, creating a vision for yourself, your workgroup, or your organization? What would you need to do to increase this time?

3. How comfortable are you with the change process? Do you understand it? Do you feel like you are a master at managing it?
4. Why is it important for a potential leader to have a clear vision or dream in order to become an effective leader?
5. Recall a person with authority over you who used power rather than leadership as defined here to influence you. How did you respond to that person? What were your thoughts about that experience? What did you learn from that experience?

CASELET FOR DISCUSSION

Consider the profiles presented in Figure 5. Can you identify individuals that fit each profile? Who are they and how does their behavior reflect the profiles laid out in the figure?

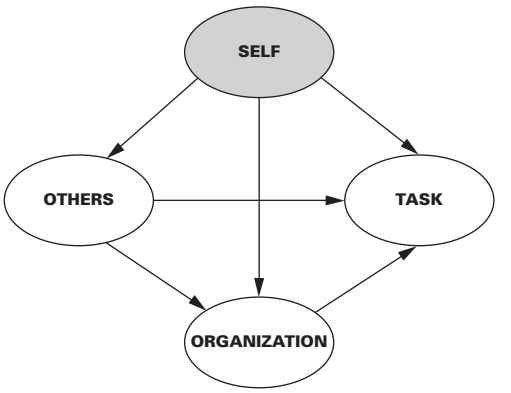
WORKBOOK

Complete the Survey of Managerial Style. As requested at the end of the exercise, please contribute your data to our growing database at http://faculty.darden.virginia.edu/clawsonj/index.htm.

CONTRIBUTING YOUR OWN CASELETS

Have you seen or experienced a situation involving the concepts introduced in this chapter? If so and if you'd like to contribute your experience/situation to our case data bank, please visit http://faculty.darden.virginia.edu/clawsonj/ and click on the "Contribute new caselets" button.

LEVELS OF LEADERSHIP



For every thousand hacking away at the leaves of evil, there is one striking at the root.

—Henry David Thoreau[1]

Before we address the details of the various aspects of the general Diamond Model in detail, an important set of ideas needs consideration. These ideas concern the difference between focusing on the superficial and focusing on the deeper, more powerful aspects of leadership. Leadership is about affecting human behavior, which can be thought of as occurring at three levels: visible behavior, conscious thought, and semiconscious or preconscious basic values and assumptions. Visible behavior, what I will call "Level One," is simply what others say and do, the things that you can capture on a video camera. People speak and act. They make gestures and movements that we can see and hear. This visible behavior is Level One behavior.

[1] Quoted in Stephen Covey, *Spiritual Roots of Human Relations* (Salt Lake City, UT: Desert Book Co., 1971).

TABLE 1 Levels of Human Behavior

1. Visible behavior
2. Conscious thought
3. Values, assumptions, beliefs, and expectations (VABEs)

At "Level Two," people have conscious thoughts, which they may or may not reveal at Level One. Although we may not be aware of these thoughts, the person very much is. They decide what to show to us and what to keep to themselves. They *think,* and they are aware. Of course, sometimes Level Two behavior "leaks" to Level One in tiny ways—a sigh, a grimace, a grin, a twitch. In our attempts to lead others, we may or may not pay attention to what others are thinking—in fact, often we do not. Many authoritors only pay attention to what others do, in large part, because it seems consistent with a "results-oriented" perspective.

At a deeper level, "Level Three," people hold a set of values, assumptions, beliefs, and expectations (VABEs[2]) about the way the world is or should be. These values and beliefs developed over time and are so much a part of the person that they may be only partially visible or available to them. These VABEs are, therefore, often semiconscious or partially conscious collections of what we have come to think of as the way the world is or should be. These three levels are shown in Table 1, in which the double underline denotes a separation between what we can see and what we cannot.

Many would-be leaders intentionally choose to try to influence people at Level One only. They argue that it is too difficult to understand Levels Two and Three, and, in fact, they don't really care what's happening at Levels Two and Three, so they focus on Level One. Dealing with people only at the level of their visible behavior is, they argue, simpler and seemingly more accurate. In fact, many theorists and observers argue strongly that leaders can *only* deal with Level One and that attempts to influence Levels Two and Three are unethical and an invasion of privacy. This is the essence of the Skinnerian view. B. F. Skinner, the famous psychologist, conducted research and wrote extensively arguing that we could condition animals and people to behave in certain ways by managing the mechanisms by which they were rewarded.[3] You may remember, he put (among other things and in his work's simplest form) a chicken in a box with a button; when the chicken pecked on the button, it was rewarded with a kernel of corn. By reinforcing the pecking behavior with the corn, Skinner was able to teach the chicken to peck in a certain way. Skinnerians, then, tend to argue that leadership should focus on behavior and not think about or worry about what goes on *inside* a person. There are several issues with this approach, not the least of which is that this model relies on the assumption of the consistency of the chicken's underlying value on a kernel of corn. Satiated chickens likely have little interest in the marginal piece of corn.

Visible behavior is clearly the most readily available. Levels Two and Three, on the other hand, are available to us only through two means: (1) when the other person decides to reveal him-or herself to us, and (2) through our observations of their behavior, which enable us to *infer* what the underlying VABEs might be. Both of these methods are imprecise. We cannot always be sure that what someone says is an accurate reflection of what they are thinking or experiencing.

[2] Some scholars may find this terminology weak, yet over a dozen years, it has proven effective in executive education settings as a means for consolidating several ideas and making them memorable.
[3] See B. F. Skinner, *Beyond Freedom and Dignity* (New York: Bantam, 1971).

Of course, others may or may not be *able* to tell us their thoughts and feelings as well. They may be hesitant to tell us the truth or they may not be very clear in their own minds about their thinking. When we observe people, if we are careful, we may get some vital clues about why people behave the way they do. In fact, sometimes our observations may give us a clearer picture than if we just listened to what they said. People don't always behave at Level One consistently with what they say they believe.

The model presented in this book is decidedly not Skinnerian. Rather, it recognizes the levels of conscious thought and of somewhat vague but strongly held values, assumptions, beliefs, and expectations and argues that effective leadership must take into account Levels Two and Three. Unless one does, one has little hope of understanding why people behave the way they do and therefore, of influencing them in profound ways, ways that move beyond monitoring and constraining superficial behavior.

BODY, HEAD, AND HEART

Because visible behavior is decidedly physical and observable, we can liken Level One to the body. Some companies and managers explicitly state their wish that employees would check their thoughts and emotions at the door, and just do their jobs. In essence, this philosophy is focused on Level One and attempts to manage visible behavior in isolation from what people think (head) and believe (heart). Many managers express frustration because they try to hire "workers" and "people" keep coming to work; that is, because of what they think and believe, they often do things that managers don't want them to. Most managerial systems since the beginning of the Industrial Revolution (around 1800) focused on Level One, on visible behavior, with much less attention on Levels Two and Three. Frederick Taylor's work on time–motion studies around the turn of the twentieth century, for instance, focused largely on managing the behavior of employees with little attention given to their inner thinking and feeling.[4] The underlying assumption of those who seek to influence only visible behavior is that people are like machines in that they can be programmed to behave consistently. The goal of Level One managerial systems is to minimize variance from work objectives by managing people to behave in the most efficient manner and in concert with the "corporation's values."

Increasingly, in a changing world with enormous volumes of information available to employees at every rank, the centralized, Level One control mentality is outdated and unworkable. People keep bringing their heads and their hearts to work, which influences their behavior constantly. Further, as competition increases, corporations are concerned about building high-performance workplaces where employees at all levels are committed to and engaged in serving customers, where their heads and hearts as well as their bodies are focused on high-quality work. Unless management can tap into the human potential at Levels Two and Three, it will be unable for the corporations to compete with the best of its competitors. Leading at Level One is a formula for mediocrity—not for world-class performance. It's a simple concept: unless the whole employee is engaged in the work, the work won't be as high quality as it otherwise would be. Focusing on Level One is insufficient for getting this kind of commitment and engagement and for competing against those who have learned how to get more out of their employees.

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[4] See Frederick W. Taylor, *The Principles of Scientific Management* (New York: Harper & Brothers, 1911).

Effective leadership also needs to influence Level Two. Level Two, or conscious thought, is thought we are immediately aware of in ourselves. We think thoughts and choose whether to communicate them and if we do, whether to communicate them accurately. We are aware of Level Two activity within ourselves almost constantly, and we presume it in others. We can liken Level Two to the mind because that's where it occurs. Would-be leaders who ignore what people think are undermining their own capacity for influence.

Level Three refers to the deep-seated beliefs that we hold about what is true in life and that we generally take for granted and no longer need to think about or reflect upon. Level Three includes our hierarchy of priorities, our list of what we value more than other things. It includes our summary of the "shoulds" and "oughts" in the world, the way the world and the people in it should behave. Level Three probably also includes the influence of the enteric "brain." Emerging research is learning more and more about this ancillary nervous system that resides literally in our alimentary canal. It seems to be an evolutionary residual of the central nervous system of our distant invertebrate ancestors. The enteric "brain" includes something like 100 million neurons, many more than in your spinal column, and is capable of producing more serotonin than the brain that sits atop your spinal column. We are learning more about the reality of "gut feel." Taken together, the beliefs we hold in our primary brain and the influence of our secondary brain form the domain of Level Three.

Our Level Three VABEs are, by nature, highly cultural and family specific. The circumstances of where we were born and grew up, the quality of our relationships with our parents, and what they taught us—in fact, all of our life's experiences—contributed to the set of VABEs we hold as adults.

In a sense, our VABEs are like limestone caverns (Figure 1). The interior of these limestone caverns is dark and wet. Over time, tiny drops of limestone-laden water drip from the ceilings and land on the floors. As they do, evaporating partially each time, they leave a small deposit. After millions of repetitions, these deposits form into stalactites and stalagmites. Some of these structures are thin and easily broken. Others are thick and may even have formed into solid columns extending from ceiling to floor. Our VABEs are like these limestone structures. Some are pretty weak; others are pillars central to our personality and views of the world. Further, some are so familiar to us that we no longer notice them. These stalactites and stalagmites and pillars form the structures of our personality—yet we may not see them clearly because they are so much who we are.

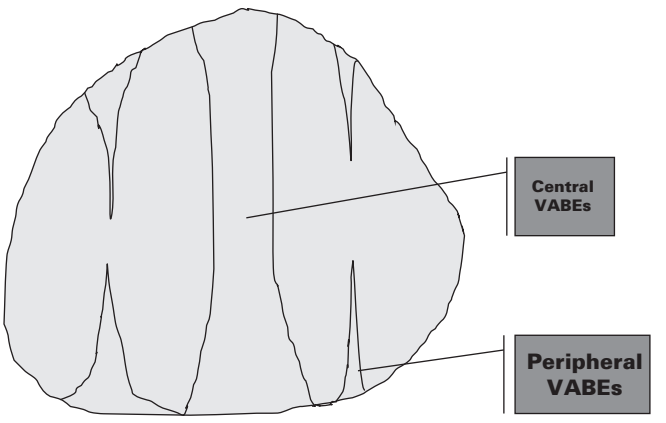

FIGURE 1 Our Level Three VABEs form much like limestone caverns . . . a drop of experience at a time.

To see our own Level Three VABEs, we often need assistance. Like fish swimming in water or birds flying in air, we have come to take for granted our more fundamental VABEs and assume them to be "true." Honest conversations with others, particularly people who are skilled in recognizing VABEs when they see them, can be helpful in clarifying what a person's—or an organization's—VABEs are. This does not mean that you have to be a psychologist to be a Level Three Leader—that is, one skilled at influencing at Level Three. Psychology is the study of where a person's VABEs come from. Management and leadership have to do with *recognizing* the most influential VABEs and then working with a person or organization to accomplish some goals with those VABEs. Note that VABEs are not just an individual phenomenon; they also have a major influence in the collective organizational level. "Cultures" at the organizational, national, or regional level are collections of shared VABEs.

Types of VABEs

VABEs come in a variety of forms. We can think of VABEs of distinction, VABEs of association, and VABEs of strategy.[5] Distinction VABEs help us to distinguish between one concept and another. We accept, for example, that one country's boundaries begin here or end there. Yet the ground shows no lines, just continuous dirt. That country, France perhaps, is an assumption of distinction. Association VABEs reflect our priorities and values. "France is good," we may think, or "France is bad." Finally, strategy or what we might call "conditional" VABEs involve action. "If I turn left, we can get there faster," we may believe, or "If I lie, no one will find out." Strategy VABEs usually have the basic "if-then" structure.

VABEs are usually clearest and most available for examination when they are stated as declarative normative sentences, such as "People should tell the truth," "The early bird gets the worm," "Be respectful to your elders," or "Don't spit in public." The basic structures of distinction, association, and strategy VABEs are shown in Table 2.

We carry thousands of VABEs around with us. Some we inherited from others, whereas some of them we developed uniquely from our experience. Some of them are relatively weak, and others quite strong and central to our way of living. The collective structure of our VABEs forms the nature of our personalities in a powerful way. Even so, it may not be so easy to recognize another person's VABEs.

VABEs are often manifest at Level One when people act or speak. Whenever you hear a person say "should" or "really oughta wanna" or "Good Xs do it this way," a blip should appear on your personal VABE radar because that person just revealed to you a portion of his or her list of VABEs. If you watch and listen carefully and with intent, you can pick up a lot about a person's VABEs.

Peoples VABEs are not necessarily consistent; they may espouse one VABE and live another. This gap between *espoused* theories or VABEs (what a person says) and *actual* behavior (what a person does) has been the subject of much research and practical speculation.[6] Books have been written too about the difference between "knowing and doing," the gaps between Level Two and Level One—which suggest some conflicts at Level Three. Bob Quinn's work at Michigan on the Competing Values Framework recognizes this reality.[7] Quinn observes that we have many competing values within us and that two of the

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[5] See Richard Brodie, *Virus of the Mind* (Seattle, WA: Integral Press, 1996). Brodie, building on the work of Richard Dawkins, refers to these "mental viruses" as "memes" instead of VABEs.
[6] See, for example, Chris Argyris, *Reasoning, Learning, and Action* (San Francisco, CA: Jossey-Bass, 1982).
[7] See, for example, Robert E. Quinn, *Beyond Rational Management* (San Francisco, CA: Jossey-Bass, 1991).

TABLE 2 Basic Structure of VABEs

Distinction VABEs	→	"This is X."
Association VABEs	→	"X is (good, bad)."
Strategy VABEs	→	"If A, then likely B."

biggest ones are the tensions between inside and outside and between control and autonomy. Some of these competing values are predictable and universal; some are unique to regional cultures, to families, and to individuals.

Level Three, then, is a gray area between conscious thought and the subconscious; it is an area that *may* be available to us, but about which we seldom think and into which we seldom delve in detail. Yet, it controls our lives, our thinking, and clearly our judgments about what we view to be right or wrong. We can liken Level Three to the heart, although no physiological evidence other than the enteric nervous system indicates that our VABEs in any way reside there or near there.

Please note that these three levels of human activity are closely intertwined. Clearly our VABEs affect our thinking, and clearly our thinking affects our behavior. Others argue that our behavior affects our thinking and feeling—the view taken by Skinnerians. The effective Level Three Leader will be aware of these recursive influences and strive to influence all three levels, not just one. It requires a willingness to think about all three levels and to consider how one might begin to influence them in others. A singular focus on behavior ignores two-thirds of what makes individuals do what they do. See Figure 2 for a visual diagram of the relationship between behavior, thoughts, and VABEs.

CONNECTING THE THREE LEVELS TO SCHOLARLY VIEWS

This three-level view of human behavior is relatively straightforward and well understood by scholars and many practicing leaders. In discussing the development of leadership in ethnic and organizational cultures, for instance, Ed Schein, one of the world's leading authorities on the subject, introduces what he calls three levels of cultural manifestation: (1) artifacts, the visible structures and processes of a culture; (2) espoused values, the justifications for behavior; and (3) basic underlying assumptions, the "unconscious taken-for-granted beliefs, perceptions,

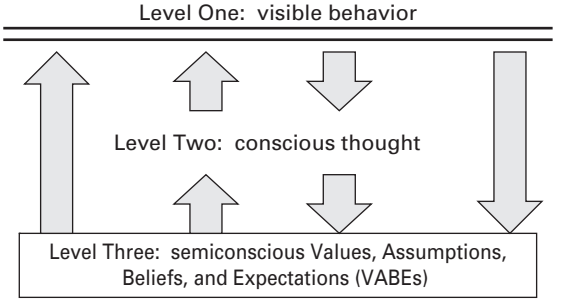

FIGURE 2 Interaction among levels of human behavior

thoughts, and feelings" that drive culture.[8] If you're interested in exploring this concept further, Schein's book contains an excellent description of how these underlying basic assumptions are formed and shape individual and organizational behavior. Our three-level leadership model parallels Schein's cultural model in many ways.

Learning Level Three Leadership

If you accept the assertion that human behavior occurs at these three levels and that leaders should pay attention to all three, the question emerges, how do I learn to attend to all three? The first step is in recognizing your own VABEs and then those of others. This is consistent with our assertion that strong leadership begins with self-leadership. Developing skill at observing and inferring is critical to "seeing" VABEs.[9] If we recollect that the issue of "What do you see?" is the first step in developing a Leadership Point of View, then we can see the importance of developing better VABE vision. If we can "see" what others overlook, we have a head start on developing influence. Second, we may need to unlearn some of the VABEs we already developed thus far in life. This learning and unlearning is particularly important in an era of paradigm shift from a bureaucratic to an infocratic society. This process is difficult for many people. By definition, people are comfortable with their VABEs; in fact, a person's VABEs tend to define who that person is. To a large degree, our present VABEs are what they are because they have "worked" for us so far in life and got us to where we are.

Techniques for All Three Levels

Attempts to lead or influence at each of these three levels imply the use of different techniques. Although some techniques may have affect on more than one level, many leadership approaches or recipes clearly target one level more than another. Table 3 shows some common techniques employed at each level. You may be able to add more techniques to this basic list. We all use all of these techniques in one proportion or another. The point is not that we should use only the techniques at Level Three or Level One, rather that if we know what our habitual tendencies are, we can develop our leadership style more appropriately for the careers we choose.

ORGANIZATIONAL IMPLICATIONS

So far, we have looked at Level Three Leadership primarily from individual and interpersonal perspectives. We can also speak of three levels of activity in a broader, organizational sense. A Level One, visible behavioral focus in organizational leadership is reflected in the

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[8] Edgar H. Schein, *Organization Culture and Leadership* (San Francisco, CA: Jossey Bass, 1985).

[9] This approach encourages the development of inductive logic skills—seeing patterns in raw data. Much of our educational system is focused on deductive logic—giving patterns and practicing applications. "Pattern recognition" is a critical managerial skill set because managers often operate in rapidly changing environments in which there are no proven recipes for behavior.

TABLE 3 Some Common Techniques Employed at Levels One, Two, and Three

Level of Intended Influence	Influence Technique	Usual Impact
Level One: Visible behavior	Orders, commands, threats, intimidation, incentives, bonuses	L1: Short-term compliance, possible sabotage, passive aggression L2: Obligatory agreement L3: Anger, resentment
Level Two: Conscious thought	Arguments, rationale, data, citations, references, evidence, manipulation	L1: Short-term compliance L2: Begrudged agreement L3: Anger, resentment, resistance
Level Three: VABEs	Visioning, purpose definition, honesty, openness, emotional story telling, anecdotes, tender emotions	L1: Commitment

application of the latest fads or techniques. Level One Leaders read about the latest technique in the literature and try to apply these techniques over the top of their existing organizations without considering of how these new techniques affect other interrelated systems and the structures and cultures of the organization. Sometimes it manifests itself when executives commission expensive educational programs but then never attend personally.

Level Two at the organization includes the organizational design of its structure, its key systems, and the formal design of the firm. These historically designed aspects of the organization are the result of conscious thought; hence, we can align them with Level Two.

The way in which an organization's design factors combine with the people who work in it, including the managerial or leadership style of the people in charge, to create a set of values, assumptions, beliefs, and expectations about how people in the organization should behave, results in the organizational culture (and subcultures). Level Three in the organization is the organizational culture, the set of commonly held values and operating principles that people take for granted as the "way we do things around here." These cultural realities may or may not line up with the formal organization and its subordinate designs. When they don't, "unintended consequences" are the result.

Level Three in the organization, as in the individual, is semiconscious. Some employees may be able to talk about aspects of the extant culture, while others may not be clear enough about it to articulate it—although they behave it. Using Chris Argyris's terms, Level Two is the "espoused theory" of the organization, while Level Three is the theory in action. These elements are shown in Table 4. They differ somewhat from Ed Schein's characterization, yet they illustrate the point that what managers do (trying to apply the latest fad in the literature), how they think about the organization (its structure and processes), and what they believe deeply about how to manage and organize are all potentially quite different things.