

# Leadership: What Is Old and What Is New

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## I Introduction

A few years ago I had the pleasure of addressing an audience of executives in Berlin on what I saw to be some of the new challenges facing the leader of the future. This paper provides an excellent opportunity to update that talk and to revisit my main point - that the leader of the future will have to add to whatever they already have to do, the unusual task of becoming helpful, especially to subordinates. Before I return to this point, I want to review the whole field of leadership to see if we can make some sense of it.

Leadership is one of those words that we think we know what we are talking about but unless we get very specific, we discover that it has many meanings and is, in fact, a very unclear concept. But it sounds good. It is a positive concept until someone in a powerful position decides to “lead” his or her followers into some kind of disaster. Then we say that he or she was a “bad leader,” but what a leader does and what a leader is remains surprisingly opaque. So let me in this brief essay try to be specific and, thereby, see if we can make some sense out of this concept.

I will address several issues:

- Leadership as the behavior of individuals in a powerful organizational position
- The complex interplay between leadership and culture
- Leadership as a human behavior in any situation

## II Leadership as the Behavior of People in Positions of Power

In many organizations, senior managers and executives are automatically called “leaders” because of the formal position they hold in a hierarchy. But controversy rages around how they should exercise the leadership potential that is in the office, from the extreme that once in power, they should use it as much as possible and make all the decisions to the other extreme that they should think of themselves as a steward, delegating as much as possible and trying to be what Greenleaf called “Servant Leaders.”

In this debate what is often missing is that the leader’s behavior should fit both the culture in which he or she operates and the task that is to be performed. Different kinds of organizations with different missions in different cultures require different kinds of leadership behavior. The evolution of leadership research reflects a gradual recognition of these contingencies.

### 1. Cultural Differences in “Power Distance”

What “official” leaders should be, say, and do has been argued since the dawn of history. The preoccupation, almost obsession, with this question fills the shelves of bookstores. Every day I see new ads that purport to be yet another and more up to date prescription for the “essential” qualities of leadership. Some clarity arose out of the extensive research done in the 1940s and thereafter to try to explain both how communism and Naziism could work, how whole nations could fall under the spell of leaders whose ideas proved to be ultimately suicidal for their followers.

In the meantime, cross-cultural studies had revealed that one of the most important dimensions of culture was what Hofstede labeled “power distance,” the degree to which citizens perceived a greater or lesser psychological distance between themselves and their leaders. A similar dimension recently identified by Meyer is the degree to which the leader is expected to “take charge,” “make decisions,” and show everyone who is boss, where countries like Denmark are very egalitarian while Russia and many Asian countries are very hierarchic. So before we identify an “ideal model” consider that this ideal varies widely across national cultures. I will mostly discuss the prominent Western theories of what leaders should be and do.

## **2. Kurt Lewin and Douglas McGregor**

When the prominent social psychologist Kurt Lewin did his seminal research with children in U.S. classrooms he found another important element in the leadership story. Autocratically run classrooms could be just as productive as more democratically run classrooms, but when the teacher was away, the autocratically run class could not continue on its own. It had become dependent on the teacher. On the other hand, the democratically run classroom had allowed the kids to learn how to learn on their own, which enabled them to continue to learn even without the teacher.

These findings remind us that the leader’s job can be thought of as having two critical components: 1) Get the job done, whatever it is; and 2) Develop the people so that they can continue to get the job done if you have to leave. Organizations today vary widely in the degree to which they require and reward “succession planning,” but much of the literature on leadership in business and government emphasizes the importance of developing people as part of the leader’s intrinsic job.

It should be noted that all positions of authority and power face the same dilemma – how much to just get the job and how much to teach or enable learning. Just as parents face the difficult choice of just how much freedom to give to their kids to learn on their own, every leader faces the choice of how much to do it all or to delegate as much as possible to subordinates or followers. As further research revealed, the ability to make this choice, rather than being unilaterally autocratic, becomes critical.

One of Kurt Lewin’s colleagues in the U.S. was Douglas McGregor, who made this next important contribution to the leadership discussion. He had observed many managers and leaders, some of whom seemed more effective than others. He concluded that the key difference was not their overt behavior, their leadership style, but, instead, was the result of *their inner assumptions about human nature*. The more effective leaders had a basically optimistic view of human nature. Effective managers believed that employees wanted meaningful work and would expend effort to get things done. What they needed from their leaders was clear goals, the resources, training, and support to accomplish the goal. He called this Theory Y and observed that leaders who believed in their people enabled the work to get done. Fundamentally they began by trusting their people, would delegate as much as possible and concentrate on developing their subordinates.

The less effective leaders operated from what McGregor labeled Theory X. They deep down mistrusted people, believed that unless employees were motivated and rewarded by the leader they would not work, and therefore had to be monitored and controlled with time clocks and other control devices.

Several important conclusions about leadership follow from this model.

- The Theory X leader will rely on hierarchy and control mechanisms for all employees and all tasks because he or she has no alternative. If you don't trust people in the first place, you can never find out whether or not they were trustworthy.
- The Theory X leader will, therefore, ultimately create a self-fulfilling prophecy in that, if employees are consistently controlled and measured and treated as untrustworthy, they will eventually fall into those roles, thereby convincing the Theory X manager that he or she was right all along.
- The Theory Y manager starts with the recognition of a crucial alternative – *how you manage should depend on the task to be performed*. If you are managing so called “knowledge workers” as in Research and Development or software programming, you hire the best and brightest and give them maximum freedom and self-control. On the other hand, if you are running a tightly controlled military operation you create whatever hierarchy you need, put in lots of measurement and control systems, issue orders and expect them to be obeyed. When the operation is over and you are debriefing what happened, you drop the hierarchy and expect equal participation from everyone.
- In other words, the Theory Y leader will flexibly adapt his or her behavior to the requirements of the task to be done and will exercise only the amount of command and control that the task requires.
- All the arguments we see about whether it is necessary in the modern, complex world to abandon “Command and Control” in favor of engaging and empowering employees are irrelevant until we have analyzed the task to be done and figured out how best to manage it.

The main conclusion is that in all tasks it is better to have Theory Y leaders who will flexibly adjust their behavior to the situation and the task at hand.

This conclusion may not make sense when we consider how autocratic military leaders are. My point is that they are autocratic to the extent that military operations require that degree of coordination. But it should be obvious that the good leaders trust and take care of their troops, and, in fact, a Theory X person in military jobs would not survive very long. Generals and Admirals, when you get to know them, are almost always Theory Y people, which leads to another key principle.

The most important thing a leader must do is to accurately figure out the requirements of the task to be done and vary his or her leadership behavior according to the needs of that task.

Perhaps the best example of this is the reports from high-level military people, that in the recent wars in the Middle East they have had to relinquish a lot of their coordinated plans and control behavior in favor of empowering the troops to make their own decisions based on what they discover in the perpetually changing situation.

### **3. The Push to Democratize Leadership**

One of the important consequences of Lewin's research was the discovery in the Human Relations Laboratories of the early 1950s that learning in general was enhanced by involving the learner and playing down the dominant role of the teacher. If developing subordinates was a crucial leadership role, then not only Theory Y, was crucial but leader behavior had to be more delegative and empowering. Companies were suddenly trying dramatic experiments such as the “autonomous work groups” at Volvo and SAAB, the use of human relations training and team building at Esso,

TRW and Union Carbide, and the evolution of the whole practice of Organization Development as a field of consultation. We developed concepts of the Ideal Organization around Likert's Model 4, Maslow's humanism and Argyris's concepts of workers' "self-actualization."

The sudden emphasis on empowering the worker was strongly aided by the discovery in the Western Electric studies of worker behavior that the worker was indeed powerful, but often used that power to control or even defeat managerial goals. If workers could control quality and output, it became even more important to involve them in setting goals and helping to design the work processes, as was advocated by the works of Deming and Juran. This worker involvement philosophy was not initially popular in the U.S., but when it led to the Toyota Production System and the enormous success of this methodology in Japan, the whole "Lean Manufacturing" movement was started in the U.S. and is alive and well today.

But national culture intervened. The West did not really think much about these production-system innovations except for the Swedish automakers and the Norwegians' more general push toward industrial democracy. When the Japanese became very successful with the Quality Circles, the U.S. took notice of how important it was to involve workers more, to consult them on how to improve processes, and to give them good feedback on the results of their work. When the U.S. brought these methods in under the label of Quality and Six Sigma, we brought in all the statistical and quantitative tools but, significantly, not the Circles. The U.S. culture could not come to believe that groups and meetings could really be intrinsically valuable, given that all our incentive, reward, control, and promotional systems were focused on the individual.

Quantification, engineering design, and planning of various sorts took over and showed that democratization was too costly and inefficient. The leader as visionary "salesman" displaced the leader as a developer of subordinates. Engineering displaced humanism. The ability to climb the corporate ladder to high-level leadership positions became the heroic model. The CEO became de facto the leader and the astronomical salaries, bonuses and stock options paid to CEOs were a reflection of the importance we attached to this role. Very little attention was paid to the fact that many European companies operated with a different model – internal boards that included employee representation and high-level governing committees that felt *collectively* accountable for the health of the business even if they had a Chair.

The cultural issue that influences our present and future perception of what leaders should do and be is our deep assumptions about whether the basic unit of society is the individual for whom the group must sacrifice itself (the U.S. model) or the group (the model of many Asian societies) for whom the individual must sacrifice him or herself. As more organizations become multi-cultural, it is the ability to reach consensus on this assumption that will ultimately determine their effectiveness.

In the meantime, there will be hundreds more books and papers on what a leader should be and do, reflecting what has come to be called the "contingency theory" of leadership or "situational leadership."

The implications are that leaders must be very good at deciphering the needs of the task and situation and must be agile enough to do what the task and situation require.

### III The Leader/Culture Connection

One reason there is so much confusion about leadership is that we forget the fundamental fact that *leaders as creators of groups* is fundamentally different from *leaders that are promoted into or anointed by an existing group*. In the first case, the leader is the creator of new cultures, as when an entrepreneur founds a company and molds it in her own image through recruiting people like her and imposing her values on them. In the second case, we already have an existing culture with a set of assumptions about identity and values that have been the source of that organization's success and, therefore, limit the kind of person who would be promoted to insure they fit with those values.

In that sense, the one unique function that I associate with *leadership*, as compared with the concept of *management*, is that *leaders create new cultures* when they found and successfully build a new organization or movement, and *leaders evolve existing cultures* when they find themselves promoted or appointed into an organization that has a culture, but one which the leader wishes to evolve and change.

When we debate what a leader should be or do, it is essential to specify whether we are discussing the creation of a new culture or the evolution of an existing culture. In the first case, the founder can hire people like herself and indoctrinate all newcomers. If the organization succeeds, the founder's values gradually become non-negotiable assumptions and become very stable because they are the source of the organization's success.

The second case arises when that stable organization finds that some elements of its culture are no longer well adapted to the changing environment and it brings in a new leader to "change the culture." That new leader will have to exercise entirely different skills to evolve the culture because by then it will be so stable. This task for leadership will become especially difficult when the leader's culture of origin is different from the culture of the organization, as when a U.S. CEO might take over an Asian subsidiary. Skill in dealing with cultures other than the ones one grew up in becomes paramount.

I have found that entrepreneurs and founders of organizations have a very different personality and mindset from promoted CEOs who have worked their way up the corporate ladder. So when we make a statement of what we expect a leader to be and what kind of leadership we want to develop, we need to be very clear whether we are referring to founders or promoted CEOs.

### IV Leadership as a Generic Type of Human Behavior – Wanting to Do Something Different and Better

I taught a seminar on leadership to the executive class at MIT which consisted of bringing in CEOs to talk to the class about their leadership philosophy. The head of Eastman Chemicals, an MIT alumnus, stood up and made probably the most profound remark of the whole semester: "*Leadership is wanting to do something different.*"

This fits nicely with what Warren Bennis often said, that "Managing or administration is doing something *right*; Leadership is doing *the right thing*." We associate leadership with terms like vision, looking forward to something new, trying out something new and different, making changes.

This view of leadership leads directly to an important idea that was spawned in the days when Kurt Lewin, the famous social psychologist, and his colleagues invented the Human Relations Labs that were done in Bethel, Maine, in the late 1940s. The idea is that leadership behavior can occur anywhere in a human organization or community. It is not a unique property of an individual in a certain position. Anyone can be a leader some of the time, especially when someone sees how something could be done better in a group and fulfills the missing function.

Leadership as *fulfilling the mission function* also leads to the idea of leadership as a *distributed function*. This idea has profound implications. It means that everyone can think like a leader, can be a founder and launch some new and different way of doing things, can stand on a soap box with new ideas and build a following by selling that idea. It also means that anyone in an existing culture can see a better way of doing something and set about to change the existing process by innovating or being a catalyst or a facilitator.

This concept implies that instead of trying to locate, select, and then support a few individuals to “own” or “be responsible for” leadership, we should encourage everyone at all times to think forward and figure out how something could be done differently and better. This way of thinking fits well with what we know of human motivation – it is human nature to want to do things more easily, more efficiently, i.e. “better.”

However, what is one person’s idea of better does not necessarily agree with what others think and, worse, may not actually be better. If one studies the problems of safety in high-hazard industries such as nuclear, chemical, or airline companies, one finds what has been called “practical drift.” As Snook first described this phenomenon in explaining how we shot down two helicopters in the Iraq no-fly zone in 1994, and as I subsequently observed in my consulting with a power company, no matter how carefully trained subordinates are in how to perform a job, if they see an easier or seemingly more efficient way to do the job, they will exhibit this kind of “leadership behavior.” They will try something new. In principle, we want people to take the initiative, to improve things, to show us a better way.

We now want “innovation” or what we used to call “intrapreneurship.” There is also much talk of “engaging and empowering employees” to draw on their creative side, but in calling for employee engagement we often ignore the differences between the fundamental technologies of different industries and the reality that innovation at Google is a very different activity than innovation in a chemical or nuclear plant.

It is when we look again at the safety domain that we discover a basic dilemma that is inherent in this concept of distributed leadership and the notion that everyone can and should be a leader. We judge leadership retrospectively and see all the examples of how someone exhibited leadership and made things better. But in the safety field, we discover that some deviations, some practical drift, some “doing something new or different” is, in fact, not only not better, but more dangerous and more likely to cause an accident. So, paradoxically, doing something new and different still has to be evaluated and judged.

When and where we want this kind of innovation depends very much on the task to be done and the different national cultures that might be involved. For example, innovative ways to motivate people with favors in one culture may be viewed as bribery in another culture. Having dinner with clients before a formal meeting is viewed as necessary in one culture and a needless waste of time in another culture.

This way of defining leadership, doing something different, thus has risks associated with it, especially when we combine it with wanting employees to take initiative, to innovate, but not to do something risky. To evaluate risk requires that we monitor innovative behavior and determine whether it will be beneficial or harmful, and then decide either to reward it or to prohibit it. The simplest level of that judgment is whether or not the new behavior or idea is adopted by others. If not, we say “she tried to lead us, but we didn't go along.” If others go along and the behavior seems safe, we reward that employee for her leadership. If we are dealing with *technical* matters, it is the expert, the person who trained the employee, who should judge whether the new behavior is a wonderful innovation or a disastrously dangerous deviation.

The dilemma is that we often don't know because the technical issues are often relatively unimportant compared to the social and political issues. In judging whether something new is good or bad we have to make ethical, economic, and political choices above and beyond the purely technical issues.

Distributed leadership sounds good on the face of it, until we realize that it is an incomplete concept. For distributed leadership to work, there has to be an evaluative function as well, and that leads us directly to the other basic concept of leadership, that it is something that people who are given the responsibility and authority to make decisions do. We call them experts, managers, directors, and sometimes leaders when they want to do something different, but even then their behavior has to be evaluated and judged by yet others – boards, legislative bodies, regulators, and the public in general.

## **V Teaching and Telling or Asking and Helping: The Dilemma of the Future**

In my Berlin talk a few years ago I emphasized four factors that will make all of this more difficult: 1) The growing technical complexity of everything; 2) The degree to which everything is systemically connected to everything else; 3) The degree to which everything we do is increasingly multi-cultural; 4) The degree to which our economic goals have to be aligned with the goals of saving the planet and social responsibility to humanity. I would now add a fifth factor: 5) Everything has to be done faster. We are running out of time.

I concluded my Berlin talk with the belief that these five conditions will inevitably lead to leaders becoming more dependent on their subordinates which will require a major shift in leadership attitude and behavior.

- Leaders will become more dependent and, therefore, will have to change from arrogance to humility.
- Leaders will not know enough to make decisions and, therefore, will have to change from telling to asking.
- To elicit all that subordinates know, leaders will have to create a special climate of being open and helpful that will make subordinates feel psychologically safe, and, therefore, tell all they know.

It is this last point that will be the most difficult. If we think of positional leaders, the executives in our various organizations, they too have a common culture which, in the U.S., is driven more by vision upward and outward to the Board and to the economic and political environment. In a way they have forgotten their subordinates as people and will have to not only add them to their radar

screen but even get to know them as persons. The ability to form relationships, groups and projects will become more important than figuring things out by oneself. To do this rapidly in a multi-cultural environment will be the biggest challenge of all.

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Professor Emeritus of the MIT Sloan School of Management. He was educated at the University of Chicago, Stanford, and Harvard where he received his Ph.D. in Social Psychology in 1952. He worked at the Walter Reed Institute of Research for four years and then joined MIT in 1956 where he taught until 2005. He has published extensively-- Organizational Psychology, 3d Ed. (1980), Process Consultation Revisited (1999), career dynamics (Career Anchors, 4th ed. With John Van Maanen, 2013), Organizational Culture and Leadership, 4th Ed. (2010), The Corporate Culture Survival Guide, 2d Ed., (2009), a cultural analysis of Singapore's economic miracle (Strategic Pragmatism, 1996), and Digital Equipment Corp.'s rise and fall (DEC is Dead; Long Live DEC, 2003).

He continues to consult and recently has published a book on the general theory and practice of giving and receiving help ( Helping, 2009) and Humble Inquiry, 2013, which has won the 2013 business book of the year award from the Dept. of Leadership of San Diego Univ. He is the 2009 recipient of the Distinguished Scholar-Practitioner Award of the Academy of Management, the 2012 recipient of the Life Time Achievement Award from the International Leadership Association, and has an Honorary Doctorate from the IEDC Bled School of Management in Slovenia.