



Center for
Leadership Studies
Situational Leadership[®]

Unleashing Performance in the Real World



A WHITE PAPER FROM THE CENTER FOR LEADERSHIP STUDIES

TRUE CORPORATE LEADERS ARE MADE, NOT BORN

BEHAVIORAL CONSIDERATIONS FOR
BUSINESS LEADERSHIP DEVELOPMENT

EXECUTIVE SUMMARY

Since the time of early tribal groups, mankind has sought strong inspirational leaders. Whether to direct warriors into battle or foster teams of workers toward a common goal, leaders have been considered an essential component for collective accomplishment.

Within the business environment, a commonly held belief was that leadership qualities were an inherent trait exclusively born into true leaders. Being the most aggressive, strongest, smartest, fastest, or most convincing were often qualities used to identify candidates for leadership positions.

Similar criteria are also used in today's business environment to determine leadership. Such markers often center on individuals' work-related attributes such as the highest sales performance, the best bottom-line performance, initiation of a successful global marketing campaign, or leadership of an enterprise out of an embarrassing PR disaster.

Poor leadership that fails to engage employees results in constant monitoring, workplace inefficiencies, poor productivity, more absentees, higher employee turnover, greater training requirements, and ultimately higher costs.

While exceptional work performance is certainly admirable, the ability to excel at tactical projects does not automatically correlate to equally exceptional leadership capabilities. When placed in leadership positions, tactically oriented supervisors often fall back on what they know best, managing project-specific performance rather than working through those individuals as a means to success.

From a bottom-line perspective, hiring ineffective leaders can actually increase the operating costs for an organization. Employees that lack leadership will typically perform at minimal levels in order to retain their positions. As a result, poor leadership that fails to engage employees results in constant monitoring, workplace inefficiencies, poor productivity, more absentees, higher employee turnover, greater training requirements, and ultimately higher costs.



When selecting business leaders, many corporations fail to consider two key principles as part of their decision-making process:

1. True leaders are made, not born, and these qualities can be taught to any individual.

With proper guidance, the best candidates can be selected and developed into highly effective corporate leaders that will work through their employees and prosper.

2. There is no single or consistent path to leadership development.

Several leadership research studies conducted over the past forty years have identified a number of successful strategies in both identifying and developing highly effective corporate leaders.

By applying these principles as part of a formal leadership development program, corporations can select the best candidates to fill their leadership positions. Trained leaders that work through their employees are in a better position to succeed and fulfill the business goals of the enterprise as compared with perceived "natural" leaders placed into similar leadership positions.

Such strategies will be needed to overcome a pending leadership gap in today's business environment.

A POTENTIAL LEADERSHIP CRISIS FOR MANY U.S. CORPORATIONS

Over the next ten to twenty years, baby boomers (individuals born between the years 1946 and 1964) are expected to retire from the workforce in vast numbers, presenting a leadership crisis for many U.S. corporations. When this occurs, many businesses will find that replacing “boomer” supervisors, many with over thirty years of leadership experience, will be a painful process fraught with significant implications for future business productivity and success.

According to statistics compiled by the U.S. Census Bureau, tens of millions of baby boomers are expected to leave the workforce between the years 2008 and 2020. This will cut the ratio of working-age adults to older adults by nearly half,¹ opening a significant leadership chasm within U.S. corporations.

Once these boomers retire, their younger counterparts with only a few years of leadership experience will be expected to fill these open positions. If chosen incorrectly, inexperienced leaders who fail to lead fellow employees will present a significant barrier to meeting the business goals of their organizations.

Unfortunately, new research is also showing that the U.S. and Europe are slipping in the area of business leadership. A 2009 study performed by The Harvard Business Review of over 500 public, private and nonprofit organizations, showed that Europe is now second to organizations in Asia Pacific. While the U.S. still leads the world in the leadership arena, India is making the fastest progress in preparing future business leaders, and South America is developing homegrown models that are chipping away at North America’s dominance of the field².

The study showed two dominant factors that distinguished the top companies in Asia Pacific. The first is the attention to the specific development needs of the individual leader coupled with corporate needs to produce an agenda that generates strong leaders. The second is the speed with which the top companies accelerate the development of key talent through experience, exposure and custom training programs. The aim of Asia Pacific companies is to move leaders quickly through the right portfolio of development and experiences³.

Two factors distinguish top leadership organizations: Attention to the combined leadership needs of the individual and corporation, and leveraging custom training programs to accelerate key leadership talent.

—The Harvard Review, March 2010

It should be noted that management qualities are vastly different from leadership capabilities. Management is about planning, organizing, structuring, and monitoring. Leadership, on the other hand, is the ability to influence others to get things done. A manager who has been able to meet tactical business goals may not automatically translate into an individual who can succeed by working through others.

Yet many corporations still hold on to a commonly held belief that leadership is a natural, inherent trait that is born into “true leaders.” This philosophy results in leadership strategies whereby supervisors with a history of exceptional tactical performance are often chosen to lead their employees. When leaders are chosen based on these traits, many companies end up with “autocrats,” supervisors who are focused on tactical goal accomplishments and fail to understand the process of working through their employees as a means to their success.

Rather than choosing leaders based on personal performance and drive, businesses must use a different approach to growing and developing their leadership candidates. A change of strategy will be needed to address the looming leadership crisis that awaits today’s corporations during the coming years.

¹ Source: Knight-Ridder Newspapers, “Retirement of baby boomers may reverberate in workplace,” February 2005.

² Source: “Asia’s Leadership-Development Process”, The Harvard Business Review, March 8, 2010, page 1

³ Source: Ibid, page 2

UNDERSTANDING THE KEY PRINCIPLES OF EFFECTIVE LEADERSHIP

For many U.S. corporations, the process of selecting and grooming their business leaders can best be described as an ad hoc process. Sadly, when it comes to selecting leaders, most businesses lack the basic fundamentals needed to successfully implement appropriate leadership programs within their organizations.

Among actively engaged employees, 49% strongly agreed that a strong positive relationship with their managers was crucial to success at work, while just 12% of actively disengaged employees strongly agreed with the same statement.

—The Gallup Organization

One factor that many businesses must consider as part of a formal leadership development process is the principle that employees do things as a result of their engagement with a direct supervisor.

A survey of U.S. workers conducted by the Gallup Organization showed that *“engaged employees consider their relationship with their manager[s] to be crucial to their success.”* Among actively engaged employees, 49% strongly agreed that a strong positive relationship with their managers was crucial to their success at work, while just 12% of actively disengaged employees strongly agreed with the same statement. In contrast, just 6% of engaged employees strongly disagreed with this statement, compared with 33% of actively disengaged employees who strongly disagreed with this statement.⁴

To develop a successful corporate leadership campaign, enterprises must enable two key principles:

Principle No. 1: Highly effective leaders are made, not born.

Rather than leadership being perceived as a natural inherent trait, leadership behaviors need to be identified, developed, and taught in order to produce strong business leaders. Two major studies on the issue of leadership provide context for this strategy.

Groundbreaking leadership studies were conducted by expert Rensis Likert at the University of Michigan and Ohio State University in the late 1940s, 1950s, and early 1960s and showed a relationship between leader effectiveness and two significant leadership behaviors: *job-centered or employee-centered styles*.⁵

The University of Michigan study found that managers who practiced job-centered styles, behaviors that paid close attention to subordinates’ work, procedures, and measured performance to goals, were less effective in working through their employees as a means to their success. In contrast, employee-centered leader behaviors, those centered on developing a cohesive work group and concerns with subordinate welfare, tended to be more effective leadership styles.

When the employee population is analyzed and a customized leadership development strategy to support it is designed, business leaders can be trained to work through their employees as a way to succeed in their positions.

Principle No. 2: There are many paths to an effective leadership strategy.

Many organizations mistakenly believe that there is only one path to attain highly effective leadership capabilities. After reviewing the results of the University of Michigan study, one could easily conclude that designing a program around an employee-centered approach would be the best approach to effective leadership. But a second study, conducted by Dr. Ralph Stogdill shortly thereafter, showed that there are a variety of approaches to achieve effective leadership.

⁴ Source: Gallup Management Journal, *“Engaged Employees Inspire Company Innovation,”* October 2006.

⁵ Source: *“Managing Leadership and Influence Processes,”* Cengage Learning Inc., 2008, page 475.

This second study, which was conducted at Ohio State University, compared two additional styles, *initiating-structure behaviors* and consideration behaviors, as factors in effective business leadership.

With an initiating-structure behavioral style, the manager clearly defines the leadership/subordinate role so that everyone knows what is expected, establishes formal lines of communication, and determines how projects will be accomplished. In comparison, managers using the consideration behavioral style show concern for their subordinates, an attempt to establish a warm, friendly, and supportive climate.

The researchers in this study found that employees of initiating-structure managers were high performers but expressed low levels of satisfaction and had a higher absence rate. Conversely, employees of managers who ranked high on consideration had low performers but higher levels of satisfaction and very few absences from work.⁶

The Ohio State study confirmed that different approaches to leadership could be initiated depending on the type of employee behavior within separate organizational structures.

For example, with a high-producing employee, an employee-centered strategy worked best, but within a low-producing employee center, a job-centered strategy proved to be the most effective. Therefore a combination of different leadership strategies could provide equally positive results, depending on the employee performance within that organization.



By fostering leadership programs that are centered on the principles found within these research studies, enterprises could grow prospective candidates into highly effective corporate leaders, creating a positive working environment that meets the overall business objectives of the entire enterprise.

A combination of different leadership strategies could provide equally positive results, depending on the employee performance within that organization.

⁶ Source: "Managing Leadership and Influence Processes," Cengage Learning Inc., 2008, page 476.

LEADING FOUNDATIONAL RESEARCH STUDIES ON BEHAVIOR AND BUSINESS LEADERSHIP

In addition to the Gallup and the University of Michigan and Ohio State leadership studies, studies from two additional research programs provide additional insight into the issue of workplace behavior and its role in business leadership.

The Blake and Mouton Leadership Grid

Developed by founders Drs. Robert R. Blake and Jane S. Mouton, The Blake and Mouton Leadership Grid (illustrated below in Figure 1) is a framework that defines seven basic styles that characterize workplace behavior and their resulting relationships. The styles in the 7 Leadership Grid are based on two fundamental principles: concern for people and concern for results. These seven principles are manifested at varying behavioral levels depending on how people interact with each other.⁷

The grid measures seven different relationship skills that employees experience on a day-to-day basis. Depending on employee personalities and corresponding managerial responsibilities, seven resulting relationship skills depict the various behaviors that make relationships either more effective or ineffective. For example, some behaviors strengthen and enable team performance, while others provide obstructions to that goal.

The Reddin 3-D Management Theory

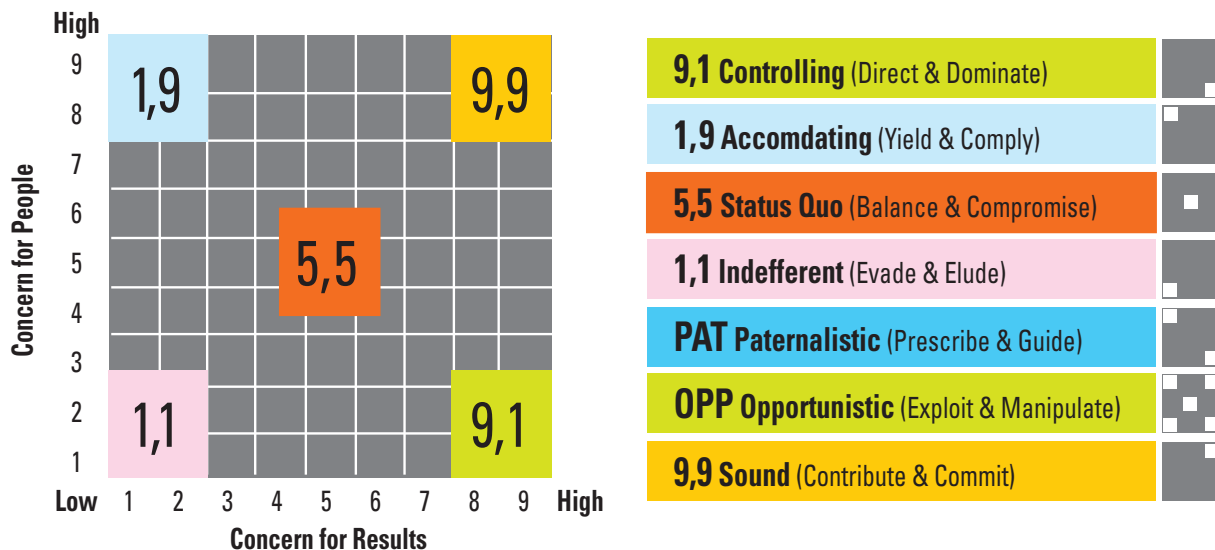
Bill Reddin is best known for his 3-D leadership theory, which is the first simple method of measuring “situational demands,” the things that dictate how a manager must operate and be most effective.

Reddin used an eight-phase model of management behavior. His theory stipulated that behavior could be described as either relationship-oriented or task-oriented. Unlike Blake, Reddin held that relationships and project accomplishments are relatively independent from one another and a manager can exhibit either high or low degrees of both.

The advantage of Reddin’s theory over that of Blake and Mouton is the insight that the same behavior can be either appropriate or inappropriate given the situation, and that managerial behavior can be either positive or negative depending on the situation. A major breakthrough of the theory was the acceptance that delegation is appropriate only in specific situations and that it is essentially hands-off in nature.⁸

The Reddin model is based on the two basic dimensions of leadership, which he referred to as “task-orientation” and

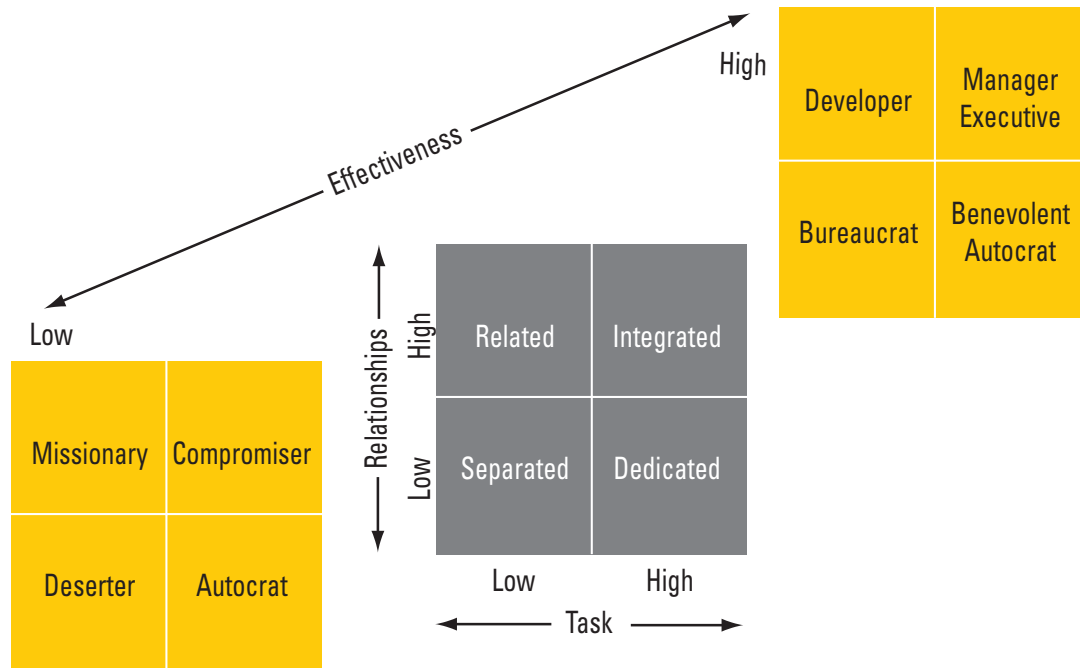
Figure 1: The Blake and Mouton 7 Leadership Grid



There are seven levels of leadership, depending on the concern for either people or results.

⁷ Source: Grid Organization Development, Inc., 2008.

Figure 2: The Reddin 3-D Style-Contingency Model



Relationship behavior is a significant component in determining the degree of effective leadership.

“relationships-orientation.” In addition, he introduced a third dimension: “effectiveness.” Effectiveness results when the right style of leadership is applied in each particular leadership situation.

Reddin identified four major leadership styles on the high-effectiveness plane and four corresponding styles on the low-effectiveness plane, effectiveness being where the leadership style matches the demands of the situation. For example, a manager who demonstrates a high level of task-orientation and high level of relationships-orientation is referred to as a “Benevolent Autocrat”. On the other hand, a manager who applies low relationship-orientation and high task-oriented behavior is simply labeled an “Autocrat”.

The real breakthrough with Reddin’s 3-D model was the concept that one can assess each situation and identify the behavior that is most appropriate. The Reddin 3-D model is depicted as sets of boxes in perspective (hence the 3-D name) as shown above in Figure 2.

Similar to the findings within these research studies, the Center for Leadership Studies agrees with the premise that leadership is a learned behavior and exceptional leaders are made, not born. These studies also point out that, depending on the employee relationship and workplace circumstance, there can be a variety of ways to achieve equally effective leadership results for any business.

⁸ Source: The Business Open Learning Archive, Chris Jarvis, October 2009.

CONCLUDING SUMMARY

The traditional corporate philosophy that leaders are born no longer applies, given the vast amount of research data on the issue of behavior and its role in business leadership. As these research studies point out, any prospective leadership candidate can be trained to work through their employees as a way to become a highly effective corporate leader.

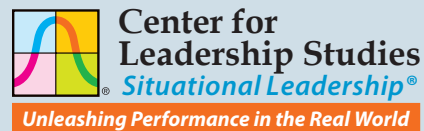
The Center for Leadership Studies supports the findings in these studies and is a strong advocate of the position that a variety of leadership strategies can be deployed within today's enterprise environment to craft the best possible candidates who will meet the leadership objectives of the business both now and into the future.

For more information on business leadership, please visit the Center for Leadership Studies website at www.situational.com, call (866) 545-4951, or send us an email message, and a representative will follow up with you.



ABOUT THE CENTER FOR LEADERSHIP STUDIES

Over the past five decades, the Center for Leadership Studies has had the honor of partnering with millions of individuals from a variety of organizations and professional backgrounds. In almost every case, our clients are talented, committed, and genuinely interested in improving performance within their organizations.



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