

# Preface

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## Approach

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We don't simply teach leadership theory with effective leader examples as applications of leadership practices. We engage students following Benjamin Franklin's progression: "Tell me, and I forget. Teach me, and I remember. Involve me, and I learn." Since the first edition, before AACSB called for competencies (knowledge, abilities, and skills), we engaged students in their learning by teaching them the leadership concepts (knowledge) and how to apply the concepts (abilities) to develop their leadership (skills).

## Organization of the Book

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This book is organized by level of leadership analysis and leadership theory paradigm. Part I presents the individual as a leader, and Part II addresses the individual skills of leaders. Part III covers team leadership, and Part IV deals with organizational leadership. The leadership paradigm progresses from trait to behavior to contingency to the integrative paradigm.

## Features

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### Summary of Key Innovations

Our goal is to make students and instructors successful by providing learning features that not only teach about leadership but also help students become leaders in their personal and professional life. Here are the special ways in which we close the "knowing" versus "doing" gap:

- Three-pronged approach (theory, application, skill development) in the textbook and corresponding assessment of the three areas in the Test Bank
- Comprehensive coverage of leadership theories and concepts (knowledge)
- Unique skill development materials that build leadership skills for use in students' personal and professional life (skills)
- Unique application material to develop critical-thinking skills in applying the leadership concepts and theories (abilities)
- Featured leaders from different industries and demographic backgrounds in the content narrative for greater theory application value
- Flexibility to use any or all of the features that work for you

## New to This Edition

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### Global Changes Made Throughout the Book

- The **table of contents** was revised, especially the Organizational Leadership portion, and there is a new Part II on LEADERSHIP SKILLS. For changes to chapter structure, please refer to the New Edition Kit provided on the instructor website.
- The 8th edition has been completely updated. There are more than **1,500 references** with an average per chapter of around 130 references. When excluding classic references, the percentage of new references is **91%**.
- Several new concepts and topics were expanded or added to this new edition, including the COVID-19 pandemic and leadership. On the following pages, chapter-specific changes are outlined with new topics **highlighted in bold** to draw your attention to them and make them easy to find.
- The **Developing Your Leadership Skills** exercise heading “Doing This Exercise in Class” was changed to “Doing This Exercise,” and many of the exercises provide online directions. The Instructor Manual gives ideas for completing the exercise in class and online. Five new exercises were added to the 8th edition, for a total of 35, averaging three per chapter. Chapters 1–4 now include an ongoing exercise Developing Your Leadership Point of View, in which students answer a series of questions to determine the type of leader they are/want to be.
- There are four new **Self-Assessment (SA)** exercises, for a total of 16, averaging three per chapter.
- Concept Application was renamed **Applying the Concept (AC)**. There are 43 Applying the Concept (AC) boxes with 377 questions, for an approximate average of four boxes with 32 AC questions per chapter. The new questions change the answers to all of the AC questions.
- There are 77 **Work Application** exercises with 17 new questions, for a per-chapter average of 6.5. Every major section now ends with a **Work Application** question.
- Each chapter includes a **You Make The Ethical Call: Ethics And Social Impact** exercise to develop ethical awareness and the ability to apply ethical behavior in given situations.
- **AACSB** standards were updated using the latest 2020 AACSB Business Accreditation Standards. The General Skills developed in each of the Skill-Building Exercises throughout the book continues.
- All end-of-chapter **case studies** are either new or revised for this edition.

### Chapter 1

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- Chapter 1 references were updated. There is a total of 129, six were retained, so 95% are new references.
- The opening case Amazon was updated and rewritten.

- The Introduction section I is changed to **LEADERSHIP QUESTIONS**, the questions were reorganized and a new question **Can Leadership Skills be Developed** was added.
- The paradigm shifts were moved to a new (H1) subheading section II, **LEADERSHIP PARADIGM SHIFTS**, and a new shift from local to global view was added as an (H2) subheading. The section has a new Learning Competency 1.2 and Work Application 1.2.
- There are six new Work Applications, and each section now ends with a Work Application based on the contents of the section in all chapters.
- There are six new Critical-Thinking Questions, and two were revised.
- There is a new Self-Assessment 1.1, Country of Origin Ownership of Products.
- The You Make the Ethical Call 1.1 was deleted, and Executive Compensation was updated with new compensation figures and a new question.
- The end-of-chapter cases were updated or changed.

## Chapter 2

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- References were updated. There is a total of 140 references, with four retained, so 97% of the references are new).
- The chapter has some new contents, and the prior contents were updated.
- The Introduction section I was changed to **YOUR PERSONALITY PROFILE** with a new Learning Competency and Work Application, which have no correct answers.
- The Personality and Traits section II has a new (H2) subheading **Think Like a Leader** empathizing how our thoughts affect us. It also includes a new Table 2.1 that lists 14 positive traits that employers seek in recruits with a new Self-Assessment 2.2, Your Character Traits.
- Section III has the same contents with a new Work Application 2.3.
- Section V **LEADERSHIP ATTITUDES** now begins with a new subsection **Thoughts and Attitudes** describing how our thoughts influence our attitudes, which in turn influence our behavior. The Self-Concept subsection was changed to **Self-Concept, Self-Esteem, Self-Efficacy and Performance**. It describes each concept and discusses how our thoughts and eyes affect our performance.
- In the Ethical Leadership section, we define values and how our thoughts and eyes shape our conscious and unconscious values and relationships, and question if we are living our values. The subheading **What Is Ethical Leadership?** now includes a short discussion of using virtues ethics when making decisions.
- Section VI **THE GUIDELINES TO ETHICAL BEHAVIOR** now has a new (H3) subheading **Ethical Differences Globally** that describes some of the cultural ethics differences.
- The You Make the Ethical Call 2.1 was deleted, and **SEX, VIOLENCE, AND SEXISM** was updated to include virtual reality and AI and a new question 6.
- The end-of-chapter cases were updated or changed.

## Chapter 3

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- References were updated. There is a total of 126 references, with one retained, so 99% of the references are new).
- The chapter has some new contents, and the prior contents were updated and condensed.
- The Introduction section (H1) heading was deleted, and the introduction to the chapter was shortened.
- In the **Leadership and Motivation** section, the (H2) subheading **Motivation, Engagement, and Leadership** was rewritten and has a new subheading (H3) *What Motivates You?* briefly discussing self-motivation.
- In the **Content Motivation Theories** section, there is a new (H2) subheading **Needs vs Wants** that explains the difference between them.
- The You Make the Ethical Call 3.2 Tax Inversion and Tax Avoidance was deleted.
- The last section is now **PUTTING THE MOTIVATION THEORIES TOGETHER WITHIN THE MOTIVATION PROCESS AND SELF-MOTIVATION** to include new contents of self-motivation.
- The end-of-chapter cases were updated or changed.

## Chapter 4

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- References were updated. There is a total of 61 references. There are 27 classic leadership theory references that can't be updated so are not included in the percentage of new question. There are 33 new references, none of the last edition's references were retained, so 100% of the references are new.
- The opening case was updated.
- There is a new Work Applications 4.1.
- The **LEADERSHIP CONTINUUM THEORY AND MODEL** section now includes three new (H2) subheadings to better match the other leadership theory sections.
- You Make the Ethics Call 4.2 was deleted.
- Three new Critical-Thinking Questions were added.
- The end-of-chapter cases were updated or changed.

## Chapter 5

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- References were updated. There is a total of 146 references. There are 142 new references, 2 of the last edition's references were retained, so 99% of the references are new.
- The opening case was updated.

- There are three reorganizations of section of this chapter:
  - The first major section, COMMUNICATION AND LEADERSHIP, (H2) subheading The Interpersonal Communication Process now has two new (H3) subheadings with new contents: *Communications Flows From Our Thoughts*, and *Thoughts, Eyes, and Communications* to discuss how our thoughts and eyes influence our communications and behavior.
  - The (H1) heading MANAGING CONFLICT was split into two major sections, separating the Conflict Management Styles. Thus, there is a new LC 5.7 and Work Application 5.7. The Language and Culture Conflict (H2) subheading was moved up to this section.
  - The CONFLICT MANAGEMENT STYLES section now has an (H2) subheading for each of the five styles. Plus, the advantages and disadvantages of each style has been moved into a new Table 5.2.
- There are two new Work Applications 5.1 and 5.7.
- There is a new Self-Assessment 5.1, Listening Skills in the text.
- You Make the Ethics Call 5.1 was deleted.
- Four new Critical-Thinking Questions were added.
- The end-of-chapter cases were updated or changed.

## Chapter 6

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- References were updated. There is a total of 146 references. There are 140 new references, six of the last edition's references were retained, so 96% of the references are new.
- There is a new feature in this chapter—There are boxed items throughout the chapter that include mentor advice from Danielle Lussier on gaining power and influencing others, how to play organizational politics, network, and negotiate.
- The first major section (H1) heading was changed to **INFLUENCING AND SOURCES OF POWER** that now includes influencing ethically at the organizational and individual levels and how thought affects leadership.
- The second major section **TYPES OF POWER AND INFLUENCING TACTICS** was reorganized with three new (H2) subheadings to separated power, discussed first, then influencing, then putting them together: (1) **Types of Power**, which now includes a new Table 6.1 moving the appropriate use and how to increase each of the seven types of power from the text to the table; (2) **Influencing Tactics**, which now includes a new Table 6.2 defining the nine tactics and listing which types of power they are commonly used with; (3) **Combining Power and Influencing Tactics**, illustrates their relationship using the prior Exhibit 6.1 as Table 6.3.
- There are two new Work Applications, 6.5 and 6.6.
- You Make the Ethics Call 6.1 was deleted.
- A new Skill-Building exercise 6.5 was added.
- The end-of-chapter cases were updated or changed.

## Chapter 7

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- References were updated. There is a total of 132 references, with 20 retained, so 85% of the references are new.
- The following sections were eliminated:
  - From Vertical Dyadic Theory to Leader–Member Exchange Theory.
  - Developmental Stages and Followership Role Clarification
  - Applying the Concepts 7.2
  - A Follower’s Influencing Potential. Replace with new content (The Follower’s Influencing Ability)
- Major content changes include:
  - Replaced Opening case with a new case
  - Added new content to Introduction
  - Added two (H3) subheadings to the sections on High-Quality LMX Relationships and Low-Quality LMX Relationships.
  - The section on Factors That Influence the Quality of LMX Relationships was replaced with a new section DETERMINING FACTORS OF A LEADER’S INFLUENCING ABILITY.
  - With the new section DETERMINING FACTORS OF A LEADER’S INFLUENCING ABILITY has come:
    - Two new (H2) subheadings.
    - Four new (H3) subheadings.
    - A new Opening Case Application.
    - A new Work Application question.
  - Three new (H3) subheadings were added to DETERMINING FACTORS OF A LEADER’S INFLUENCING ABILITY.
  - The section on A FOLLOWER’S INFLUENCING ABILITY was moved to the section of the chapter focusing on The Art of Followership.
  - With the addition of the new section A FOLLOWER’S INFLUENCING ABILITY has come:
    - A new Learning Competency (7.5)
    - Two new (H2) subheadings
    - A new Work Application
  - Replaced outdated You Make the Ethical Call 7.2 with a new one.
  - The Guidelines to Becoming an Effective Follower box was modified from nine to six guidelines.
- Minor content changes include:
  - Throughout the chapter, there were updates to the narrative from minor to significant rewrites.

## Chapter 8

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- References were updated. There is a total of 89 references, with 12 retained, so 87% of the references are new).
- The following items were eliminated:

- The opening case was replaced by a new case.
- Self-Managed Teams is part of the discussion on Common Team Types. This change eliminates redundancy in the narrative.
- Two of the Learning Competencies were replaced and one modified.
- Major content changes include:
  - Much of Chapter 8 was reorganized for a better flow and coherency in the narrative. Also, this reorganization gives our primary headings greater depth and support.
  - Update on Introduction.
  - **FROM HIERARCHICAL TO COLLABORATIVE TEAM-BASED MODELS** now anchors:
    - Distinction Between Groups and Teams.
    - Benefits and Limitations of Teamwork.
  - The **Team Effectiveness Model** is now anchor to the following topics:
    - Components of Team Effectiveness
    - Characteristics of Effective Teams
    - The Role Of The Team Leader Conducting Effective Team Meetings
- Minor content changes include:
  - Retitled the chapter from **TEAM LEADERSHIP AND SELF-MANAGED TEAMS** to just **TEAM LEADERSHIP**. No compelling reason to highlight one team over the other types discussed in the chapter.
  - Changed the title of **The Shift from Functional Hierarchies to Team-Structure Models** to **FROM HIERARCHICAL TO COLLABORATIVE TEAM-BASED MODELS**.
  - Changed the title of **Defining Team Effectiveness** to **Components of Team Effectiveness**.
  - The heading **What is an Effective Team?** is now retitled to **TEAM EFFECTIVENESS**. This umbrella heading will now anchor many related subheadings.
  - Under **FROM HIERARCHICAL TO COLLABORATIVE TEAM-BASED MODELS**, we have created two new subheadings with existing content:
    - Distinction Between Groups and Teams
  - Added a new subheading **A Team Leader Wears Different Hats** in the section on **THE ROLE OF THE TEAM LEADER**.

## Chapter 9

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- References were updated. There is a total of 120 references, with 30 retained, so 75% of the references are new.
- The following items were eliminated:
  - Eliminated the following headings: Asynchronous Top-Down, Bottom-Up Approach, and Synchronous Collaborative Approach. Incorporated contents of these sections into the primary heading **CHANGE PLANNING & IMPLEMENTATION PROCESS**.
  - The section **What is Crisis Leadership and Why is it Important** was eliminated. The scaled-back content is now part of the discussion in new subheading **Definition of a Crisis**.

- Eliminated the following subheading: Plan of Action, Crisis Resource Allocation, Advance Communications Plan and External/Media Interface. Content from these sections was scaled back and discussed as part of the presentation in the CrisisRisk Identification, Assessment, & Mitigation Model.
- The You Make the Ethical Call 9.2 - Truth in Business Dealings and 9.3 - Truth, Honesty and Integrity were deleted.
- Major Content Changes
  - The chapter has some new contents, and many of the changes in the prior contents were structural, that is, realignment of sections and subheadings.
    - Combined **Resistance to Change** and **Minimizing Resistance to Change** into one title – **RESISTANCE TO CHANGE AND WAYS TO MINIMIZE IT**.
    - Under **RESISTANCE TO CHANGE AND WAYS TO MINIMIZE IT**, we now have two subheadings – **Why People Resist Change** and **Minimizing Resistance to Change**.
    - Each of the subheadings discussing the reasons why people resist change is now an (H3) subheading under (H2) heading **Why People Resist Change**.
    - Under **The Role of Strong Top Leaders**, we now have the following (H3) subheadings – *Lead from the Front*, *Pay Attention to Bedrock Principles*, *Total Enterprise Focus*, *Empowerment*, as well as *Training and Development*. These used to be standalone (H2) subheadings.
    - Changed the (H1) heading **CRISIS PLANNING AND IMPLEMENTATION** to **THE THREE-STAGE CRISIS PLANNING AND EXECUTION MODEL**.
- There are title changes in the **THE THREE-STAGE CRISIS PLANNING & EXECUTION MODEL**:
  - 1. Before – Precrisis Planning
  - 2. During – Managing an Actual Crisis
  - 3. After – Postcrisis Assessment and Analysis
    - Under Stage 1 **Before – Precrisis Planning**, we now have two (H2) subheadings – **Crisis Response Team Formation** and **CrisisRisk Identification, Assessment and Mitigation Model**.
    - Added content to **Kurt Lewin’s Force-Field Model of Planned Change**. Students come away with a better understanding of the theory and why he described it as a “force-field.”
    - Each of the five steps of the **Crisis Risk Identification, Assessment, and Mitigation Model** is now an (H3) subheading under this title.
    - Under Stage 2 – **During – Managing an Actual Crisis**, we now have the following (H3) subheadings: *Define the Crisis and Root Cause(s)*; *Focus on Goals, People and Resources*; *Strike Balance Between Micromanaging and Total Abdication*; *Communicate Effectively*; *Engage Other Members*; and *Treatment of Victims and Other Affected Parties*. They used to be standalone (H2) subheadings.
    - Under the heading **Timely and Effective Crisis Communication**, we now list the following (H3) subheadings: *Key Questions*, *Who Is Leading the Public Response*, *Do Not Ignore Other Employees*, and *Media and Disclosure Tools*. These used to be standalone (H2) subheadings.
    - We have gone from five to seven Learning Competencies.
    - The end-of-chapter case was updated or changed.

- Minor content changes include:
  - The opening case is updated.
  - Changed The Need for Organizational Change to External and Internal Triggers of Change.
  - The Precrisis Risk Assessment and Reduction Model was changed to Risk Identification, Assessment, and Mitigation Model.

## Chapter 10

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- References were updated. There is a total of 114 references, so 80% of the references are new.
- The following items were eliminated:
  - The You Make the Ethical Call 10.1 – Obesity and Charismatic Ads was deleted. I deleted it.
  - Compare and Contrast Charismatic and Transformational Leadership – It was somewhat redundant given the discussion on the traits commonly shared by both.
  - Servant Leader Effects on Follower Outcomes.
- Major content changes include:
  - The chapter has some new contents, and many of the changes in the prior contents were structural (i.e., reorganizing content) to allow for better flow in the narrative.
    - The section **How Does One Acquire Charismatic Qualities** was moved forward to come right after the presentation on the **Locus of Charisma**. It is a better fit here than the previous location.
    - A new (H3) subheading *Follower Perceptions* was added to **CHARISMATIC LEADER EFFECTS ON FOLLOWERS**, bringing the total number to ten.
    - Added a new Learning Competency to go with the **CHARISMATIC LEADER EFFECTS ON FOLLOWERS**.
    - Collapsed two sections into one **CHARISMATIC AND TRANSFORMATIONAL LEADER EFFECTS**. This avoided unnecessary repetition.
    - We have gone from five to six Learning Competencies. A new Learning Competency on charismatic leader influence on followers' behaviors and perceptions was added.
    - There are four new Critical-Thinking Questions.
    - There is a new Skill Building Exercise 10-2, Your Leadership Point of View VI.
  - Minor content changes include:
    - The opening case was updated.
    - The end-of-chapter cases were updated or changed.
    - Charismatic Leader Effects on Followers is now an (H1) heading and the 10 Influences of Charismatic Leaders on Followers are discussed as (H2) subheadings under it.
    - Under the title How One Acquires Charismatic Qualities, the four suggested strategies for achieving this are now presented as (H3) subheadings rather than as bullet points.
    - Added a new (H2) subheading under TRANSFORMATIONAL LEADERSHIP – The Transformation Process – to existing content.

## Chapter 11

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- References were updated. There is a total of 134 references, with 23 retained, so 83% of the references are new.
- The following items were eliminated:
  - The You Make the Ethical Call 11.1 – Is it the Cost of Doing Business or a Bribe? was deleted.
  - The You Make the Ethical Call 11.3 – Discrimination was deleted.
  - Spotlight on DE&I in Action.
  - Personality Profile of Authentic Leaders.
- Major content changes include:
  - The chapter has some new contents, and many of the changes in the prior contents were structural (i.e., reorganizing content) to allow for better flow in the narrative or presentation. The section on Ethical Organizational Culture and Authentic Leadership was reorganized and moved to the beginning of the chapter under Leadership and the Power of Culture.
  - The reorganization of this section is as follows:
    - The (H2) subheading **Authentic Leadership** is now **What is Authentic Leadership?**
    - Personality Profile of Authentic Leaders was eliminated.
  - Created a new (H2) subheading The Strong versus Weak Culture. This is content brought in from the section on Strong High-Performance and Weak Low-Performance Cultures. This change simplifies the title and puts the focus on culture, the main topic of the chapter.
  - A new (H2) subheading was added to the section on Diversity, Equity and Inclusion (DE&I). The section is The State of the DE&I Debate Today. This is a timely debate that needs to be added to the discussion on DE&I. We also continue this critical review of DE&I with another subheading Is DE&I Still a Leadership and Organizational Imperative?
- Minor content changes include:
  - The opening case is new.
  - The end-of-chapter cases were updated or changed.
  - Changed the title to the opening section from LEADERSHIP AND ORGANIZATIONAL CULTURE to LEADERSHIP AND THE POWER OF CULTURE.
  - The section CULTURE CREATION is now TWO PATHS TO CULTURE CREATION. The two paths are Culture Creation by Intentional Design and Culture Formation by Default. The content is unchanged.
  - A new (H2) subheading A Leader's Intentional Actions was added to anchor the suggested actions leaders can take to transform an existing culture or create a new culture.
  - Retitled some of the items in Figure 11.1 to match titles in the narrative on Substantive Actions leaders take to transform or create culture.
  - Changed MANAGING AND SUSTAINING A STRONG CULTURE to SUSTAINING A STRONG CULTURE.

- Added an (H2) subheading Leadership Actions to Sustain a Strong Culture. The content was unchanged.
- Simplified some headings. For example, changed STRONG HIGH-PERFORMANCE AND WEAK LOW-PERFORMANCE CULTURES to ATTRIBUTES OF STRONG AND WEAK CULTURES. Following this change, the (H2) subheadings Characteristics of Strong High-Performance Cultures was changed to Attributes of Strong Cultures. The same with Characteristics of Weak Low-Performance Cultures to Attributes of Weak Cultures.
- Made the change from GLOBAL LEADERSHIP (H1) to an (H2) subheading and changed the title to Organizational Culture in the Age of Globalization. It is now part of the discussion on TYPES OF ORGANIZATIONAL CULTURE.
- Re-structured DE&I. The section is now titled EQUITY AND INCLUSION IN THE AGE OF GLOBALIZATION. Added four new (H2) subheadings: Why Equity and Inclusion Matter, Why a Global Mindset Is Warranted, The Complexity of Equity and Inclusion in a Global Environment, and Leadership Implications for Managing Equity and Inclusion Globally.

## Chapter 12

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- References were updated. There is a total of 156 references, with 25 retained, so 84% of the references are new.
- The following items were eliminated:
  - YOU MAKE THE ETHICAL CALL: STUDENT-FOCUSED VERSUS DEPARTMENT FOCUSED
  - Eliminated the expanded discussion on the Strategy Execution stage of the Strategy-Making, Strategy-Execution Process.
  - EXHIBIT 12.2 Characteristics of a High-Performing Organization Culture. No need for this Exhibit as the content is already part of the discussion on the Salient Features of High-Performing Organizations.
  - High-Performing Organization Culture. Redundant content. Covered as part of the presentation on the Salient Features of High-Performing Organizations.
  - Integrating Leadership and Strategy. This is now part of the presentation on Thinking Strategically.
- Major content changes include:
  - Added three new questions to Applying the Concepts 12.1.
  - The chapter has some new contents, and many of the changes in the prior edition involve scaling down and reorganizing content. This has led to the elimination of the following content:
    - Situation Analysis
    - Strong Leadership and Competent Managers
    - Appropriate Policies and Procedure
    - Adequate Organizational Capabilities
    - Having the Right Corporate Culture
    - Appropriate Rewards and Incentives
  - Made changes to box A Framework for Formulating and Executing Strategy – Went from a five-step to a six-step Strategy Formulation and Execution Process. This

change highlights the importance of conducting an analysis of an organization's internal and external environment, also known as a Situation or SWOT Analysis, prior to formulating a strategy. This is the foundation of any sound strategy and needs to be highlighted.

- Created Figure 12.1 to demonstrate the flow in the six-step Strategy Formulation and Execution Process.
- Minor Content Changes:
  - The opening case is new.
  - The end-of-chapter cases were updated or changed.
  - Changed the title to the opening section from GLOBALIZATION AND ENVIRONMENTAL SUSTAINABILITY to GLOBALIZATION, ARTIFICIAL INTELLIGENCE, AND ENVIRONMENTAL SUSTAINABILITY. The addition of AI to the discussion is relevant given the increasing rate of AI adoption among organizations (for-profit and not-for-profit).
  - Changed Key Success Factors of High-Performing Organizations to Salient Features of High-Performing Organizations.

## Reviewers

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Michael Fields, Eastern Oregon University

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## About the Authors

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**Dr. Robert N. Lussier** has taught management courses at Springfield College for more than 35 years. He is a bestselling author, with more than 500 publications to his credit with 14,000+ Google Scholar Citations, and is ranked in the top 0.5% of all scholars worldwide by *ScholarGPS*. His articles have been published in *Business Horizons*, *Entrepreneurship Theory and Practice*, *Family Business Review*, *Journal of Management Education*, *Journal of Small Business Management*, *Journal of Small Business Strategy*, and several others. He also has other textbooks, including management fundamentals and human resources management textbooks (with John Hendon) published by SAGE and human relations (McGraw Hill).

More than three million people globally have used his textbooks, earning him an unsurpassed national and international reputation as an author and keynote speaker. Dr. Lussier is the founder of *Publish Don't Perish* ([www.publishdonotperish.com](http://www.publishdonotperish.com)), and his *Publish Don't Perish: The Top Secrets to Get Published* book and workshops have helped hundreds of institutions and individuals in more than eighty countries get published. His presentations inspire comments such as “Bob explains complex business topics in an easy-to-understand language while keeping his audience engaged and spellbound” (Dr. Raj V. Mahto, professor, University of New Mexico).

Dr. Lussier also consults with a wide array of commercial and nonprofit organizations. In fact, some of the material in this book was developed for such clients as Baystate Medical Center, Coca-Cola, Friendly's Ice Cream, National Institute of Financial Education, Mead, Monsanto, Smith & Wesson, the Social Security Administration, the Visiting Nurse Association, and YMCAs.

Dr. Lussier holds a bachelor of science in business administration from Salem State College, master's degrees in business and education from Suffolk University (AACSB accredited), and a doctorate in management from the University of New Haven (prior to AACSB accrediting PhD programs).

On the personal side, Dr. Lussier enjoys spending time with Marie, his wife of 50 years, as well as six adult children and four granddaughters. He is a bodybuilder who lifts weights five days a week. To relax after a day of writing and working out, he watches comedy and action movies and series.

**Dr. Christopher F. Achua** is a full professor in the Department of Business and Economics at the University of Virginia's College at Wise. In his more than thirty-year teaching career, Dr. Achua has and continues to impact the lives of his students through his course offerings in strategic management, marketing, and organizational leadership. Dr. Achua has consistently adapted his teaching methodologies to student needs and adopted the latest classroom and virtual teaching technologies to enhance student learning.

Dr. Achua's interest in engaging his students in real-life learning opportunities led him to create and direct programs such as the Center for Entrepreneurship, Leadership, and Service (CELS) and the Small Business Institute at his university. These programs focused on developing students' leadership and entrepreneurial skills by applying theory to real-world situations.

Dr. Achua has presented his research on small and family business-management issues and microenterprise developmental challenges in developing economies at regional and national academic conferences. His research has been published in many refereed proceedings, the Small Business Institute Journal, and the Journal of Small Business Strategy. When not involved in academic pursuits, he lends his expertise to community development programs and initiatives. He has served on the boards of organizations in his local community.

Dr. Achua received his undergraduate degree in business administration and accounting from the University of Sioux Falls, South Dakota, his MBA from the University of South Dakota, and his DBA from United States International University (USIU), now, Alliant International University in San Diego, California.

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# Individuals as Leaders

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# Chapter 1

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## Who Is a Leader and What Skills Do Leaders Need?



Nathan Stirk/Getty Images

### Learning Objectives

- 1.1 Describe the importance of leadership development personally and professionally.
- 1.2 Identify the five leadership paradigm shifts.
- 1.3 Describe the five key elements of leadership.
- 1.4 Identify three leadership skills.
- 1.5 List the ten managerial roles based on their three categories.
- 1.6 Explain the interrelationships among the levels of leadership analysis.
- 1.7 Compare and contrast the following leadership theories: trait, behavioral, and contingency theories.
- 1.8 Describe the three objectives of the book and how it is organized.

## Jeff Bezos, Amazon

*Forbes* ranks Jeff Bezos as the top innovative visionary leader in America. Jeff Bezos has changed the way we live and work. First, Bezos changed the way we buy books and then the way we read them with *Kindle* and *Fire Tablet* e-book readers and popularized tablets like the iPad, and how we shop (*Amazon Store*), and buy groceries (*Whole Foods* and *Amazon Go Grocery* stores). Amazon is also a leader in *logistics and delivering* packages. It also has best-selling virtual assistants (*Alexa* and *Echo*), digital entertainment (*Amazon Originals*, *Prime Video*, *Fire TV*, *Twitch*, *Audible*, *Amazon Music*), was an early leader in cloud computing (*Amazon Web Services*) and space travel (*Blue Origin*). In addition, *Bezos Expeditions* invests in startups, such as Twitter, Airbnb, and Uber. Amazon Web Services will spend \$100 billion over the next decade on data centers for cloud computing and artificial intelligence (AI) infrastructure, more than on e-commerce warehouses.

Under Jeff Bezos' leadership, Amazon has grown in revenues to around \$575 billion with more than 1.5 million employees. Amazon was ranked 2<sup>nd</sup> on the *Fortune* "World's Most Admired Companies," and 2<sup>nd</sup> on the "*Fortune 500*" ranking. Jeff Bezos is one of the world's richest people with a net worth of \$194 billion.

## Opening Case Questions

1. Why is Amazon so successful?
2. Does Amazon use our definition of leadership?
3. What managerial leadership skills does CEO Jeff Bezos use at Amazon?
4. What managerial leadership roles does CEO Jeff Bezos perform at Amazon?
5. Which level of analysis is the primary focus of CEO Jeff Bezos at Amazon?

Can you answer any of these questions? You'll find answers to these questions about Amazon and its leadership throughout the chapter.

To learn more about Amazon, visit the company's website at <http://www.aboutamazon.com>.

*Sources of case and answers to case questions:* Staff, "America's Most Innovative Leaders," <https://www.forbes.com/lists/innovative-leaders/#20034c7a26aa> accessed July 16, 2024; Amazon, About <https://www.aboutamazon.com/> accessed July 15, 2024; E. Tucker, Amazon, *The Wall Street Journal* email edition July 5, 2024; *Fortune*, "The World's Most Admired Companies," *Fortune* (February/March 2024): 91; *Fortune*, "Fortune 500," Index, 2024: F38; Staff, "The \$100 Billion Club," *Forbes* (April/May): 1719; Amazon 16 leadership principles, <https://www.aboutamazon.com/about-us/leadership-principles>, accessed July 18, 2024; S. Herrera, "Amazon to Invest Billions to Pursue AI Future," *The Wall Street Journal* (July 1, 2024): B1–B2.

Throughout this book, leadership is referred to in the context of formal organizational settings in business corporations (**Amazon**, **Google**), government agencies (**Securities and Exchange Commission—SEC**), and nonprofit organizations (**Red Cross**). Organizations have two major classifications of employees: managers, who have subordinates and formal authority to tell them what to do; and employees, who do not. The focus of this chapter is on helping you understand what leadership is and what this book is all about.

## Leadership Questions

Leadership is everyone's business, so let's begin by answering five key questions about leadership.

### Why is Leadership Important?

Here are just a few reasons why leadership is so important. Leadership is central to organizational success.<sup>1</sup> Top-level managers develop the direction (vision, mission, and strategic plans) for the entire organization, and these decisions affect success or failure. Would **Apple** be the company it is today without its founder **Steve Jobs**, **Tesla** without **Elon Musk**, or the **Missionaries of Charity** without **Mother Teresa**? Lower-level managers and employees implement the strategic plans. So, leadership at every level impacts organizational success.

Unfortunately, many managers make poor decisions that lead to failure.<sup>2</sup> The bank failure of **SVB** was clearly a case of mismanagement.<sup>3</sup> Ever had a boss with poor leadership skills? Clearly, individual, team, and organizational success is based on good leadership,<sup>4</sup> so managers need to develop their leadership skills and those of all employees.<sup>5</sup>

### Are Leaders Born or Made?

Are leaders born or made, or what determines leadership? You may think this is a trick question because most researchers say the answer is both. Effective leaders are not simply born or made. They are born with some leadership ability and develop it. Researchers estimate that 30% of leadership is heritable, whereas 70% is developed.<sup>6</sup> Some say leaders are made, not born, and that everyone has equal potential to develop leadership skills. **NFL** Green Bay Packers legendary football coach **Vince Lombardi** said, "Leaders are made, they are not born. They are made by hard effort." Whatever your leadership ability is now, you can invest in developing your leadership skills. We'll talk more about how throughout this book.

### Can Leadership Skills be Developed?

The answer is yes.<sup>7</sup> If not, why would colleges teach leadership, and why would companies spend millions on leadership skills development? The global leadership development industry is estimated to be \$140 billion.<sup>8</sup> The **AACSB (Association of Advance Collegiate Schools of Business)** standards include leadership skills.<sup>9</sup> The **National Association of Colleges and Employers (NACE)** lists leadership as a career competency.<sup>10</sup>

### Why is There a Need for Self-Awareness in Leadership Development?

Self-awareness is part of leadership development. Career management is a core competency—the ability to identify and articulate your knowledge, skills, and areas necessary for professional growth.<sup>11</sup> Self-awareness is the first step to leadership development. Why? We experience everything through how we know ourselves.<sup>12</sup>

Know Thyself—what are your strengths and weaknesses?<sup>13</sup> What do you have to offer employers, coworkers, and friends? What are your leadership competencies? To help you develop your self-awareness, every chapter offers Self-Assessment exercises that have resulted in developing leadership skills.<sup>14</sup> In addition, we have Skill Building Exercises to develop your leadership skills.

## Why Study Leadership?

It's natural at this point to be thinking, "What can I get from this book?" or "What's in it for me?" These common questions are seldom asked or answered directly. The short answer is the better you can work with people—and this is what most of this book is about—the more successful you will be in your personal and your professional lives.

The study of leadership also applies directly to your personal life. You communicate with, and interact with, people every day; you make personal plans and decisions, set goals, prioritize what you will do, and get others to do things for you. Are you ever in conflict with family and friends? This book can help you develop leadership skills you can apply in all of those areas on and off the job.

If you are a manager, or want to be a manager someday, you need good leadership skills to be successful. Even if you are not interested in being a manager, you still need leadership skills to succeed in today's workplace, and employers are recruiting candidates with leadership skills.<sup>15</sup> Unfortunately, business leaders say college graduates are not well prepared to succeed on the job;<sup>16</sup> students are ill prepared to lead.<sup>17</sup> This book is all about developing your leadership skills.

### Opening Case Application

#### 1. Why is Amazon so successful?

Jeff Bezos' leadership is the key to Amazon's success. *Forbes* ranked Jeff Bezos as the top innovative visionary leader in America who has changed the way we live and work. To ensure effective leadership throughout Amazon at all levels, Amazon has 16 leadership principles to be implemented by all employees. The principles can be found on its website <https://www.aboutamazon.com/about-us/leadership-principles>. Bezos, who is now executive chairman, rarely gets involved in daily activities, his work focuses on innovation for two to three years from now. To move further from day-to-day operations, he stepped down as CEO, becoming executive chair. His senior executive team, with **CEO Andy Jassy**, is responsible for the day-to-day operations of Amazon. However, Bezos will still be in charge and make or be involved in all major decisions, such as investing more than \$100 billion in AI over the next decade.

Former VP of global customer fulfillment **Alicia Boler Davis** (one of the few Black women to advance to the executive suite in a *Fortune* 500 company) managed the day-to-day operations side of the business. She is given much of the credit for helping Amazon maintain a record pace of business growth globally, moving millions of packages a day. Davis has advanced in her career to become the CEO of Alto Pharmacy in 2022.

### Work Application 1.1

Do you believe that you are a born leader? Do you believe that you can develop your leadership skills? Was leadership important where you work(ed)?

## Leadership Paradigm Shifts

Let's discuss how management and leadership are not the same, and the shift from autocratic to participative leadership with a stakeholder view using servant leadership from a global mindset. But first, a **leadership paradigm** is a shared mind-set that represents a way of thinking about, studying, researching, and understanding leadership. We tend to stereotype leaders. What leadership styles do you believe are leaderlike?<sup>18</sup> Leadership paradigms have shifted over the years resulting in different leadership styles, which we describe here, that are being used by successful firms.<sup>19</sup>

### From Management to Leadership

People tend to use the terms *manager* and *leader* interchangeably. However, that usage is not correct. Management and leadership are related but different concepts. Organizations form a hierarchy of management positions giving them authority to make decisions. Managers perform five major functions: planning, organizing, staffing, leading, and controlling. Note that leadership is just one of the managers' responsibilities. Keeping it simple for now, **leading** is the ability to influence others.

In this book, we do not use the terms *manager* and *leader* interchangeably. When we use the word *manager*, we mean a person who has a formal title and authority. When we use the term *leader*, we mean a person who may be either a manager or a nonmanager. Leaders have the ability to influence others; a manager may not. Thus, a leader is not necessarily a person who holds some formal position such as manager.

There are managers (coaches)—you may know of some—who are not leaders because they do not have the ability to influence others. Some good leaders are not managers. The emergent informal leader, a group member who takes charge, voices issues, and initiates change, is a case in point. You may have worked in a situation where one of your peers had more influence in the department than the manager (coach). Anyone can be a leader within any group or department, and everyone in a team is expected to be a leader. Thus, regardless of your position, you are expected to share leadership. So leadership is not a position, it's a personal quality and skill set, and we all have opportunities to lead.

Although we have made a comparison between managers and leaders, you should realize that successful organizations need managers and leaders. **Apple's** founding CEO **Steve Jobs** was viewed as a leader in his ability to influence others to make great products, but he was not viewed as a good manager. Chief Operating Officer **Tim Cook** did most of the management at Apple, and as CEO today, he is viewed as a good manager and a good leader. The focus is on how to integrate management and leadership, or on developing leadership skills of managers and employees, which we do in this book.

To simplistically stereotype people as either managers or leaders does little to advance our understanding of leadership. Also, because the term *manager* is an occupational title, to foster an inaccurate, negative stereotype of managers is certainly not our intent.

### The Paradigm Shift

The shift is away from being the tough guy,<sup>20</sup> being in control telling employees what to do (command and control).<sup>21</sup> The shift is away from the control function of management to the leadership function giving employees more autonomy over their work;<sup>22</sup> or allowing employees to be self-managed.<sup>23</sup> Successful organizations are developing leadership skills at all levels of the organization.<sup>24</sup>

## From Autocratic to Participative Management

In the bureaucratic hierarchy of management autocratic model, managers are in control telling employees what to do (command and control).<sup>25</sup> With the shift to flattening of organizations by eliminating layers of management, with more employees reporting to one manager, it becomes too difficult to manage autocratically. Today managers have knowledge employees that know more about their jobs than the manager, they may have employees they rarely or never see in person, and they may work with people from several countries (**Global View**). Managers cannot control everyone, so they need to empower people using a participative shared leadership style.<sup>26</sup>

Today, leadership is a serial emergence of official and unofficial leaders as part of a simultaneous, ongoing, mutual influence process. Leadership is being shared today through empowering everyone, so everyone is expected to lead when the need arises. Successful managers know when to lead and when to get out of employees' way. In Chapter 4, you will learn what level of participation to use in a given situation.

### The Paradigm Shift

There has been a shift from the traditional autocratic hierarchy management control structure to participative leadership with everyone sharing the management functions, and especially the leadership function.<sup>27</sup>

## From the Shareholder to the Stakeholder View

The old approach to managing major corporations was to only focus on making a profit to increase the value of the stock for the owners of the corporation and shareholders. Conversely, today's corporate managers are focusing on making a profit while addressing societal needs, by taking a stakeholder view. From the stakeholder view, when making decisions, managers try to create a win-win situation for all relevant stakeholders, so everyone benefits from the decision. It is often referred to as stakeholder capitalism.<sup>28</sup>

Stakeholders include any group or individual who can affect or is affected by business decisions;<sup>29</sup> such as employees, customers, suppliers, the local community, governments, and greater society. The **Business Roundtable**, made up of CEOs of major corporations, made the statement that corporate leaders should take into account "all stakeholders."<sup>30</sup> Today, many companies make a concerted effort to integrate social and financial mission while balancing the needs of multiple stakeholders.<sup>31</sup> Some companies get a certification to show they take a stakeholder view by using the term **B Corp** through **B Lab**,<sup>32</sup> which is a nonprofit network transforming the global economy to benefit all people, communities, and the planet.<sup>33</sup>

Unfortunately, it is difficult to balance the competing demands of different stakeholders, and there may be unintended consequences. You cannot always create a win-win situation, such as when a company has a layoff. Clearly, employees don't win when they lose their jobs, and the local community also suffers when several employees have less income to spend at local businesses and pay fewer taxes to the government.

### The Paradigm Shift

Companies continue to focus on making a profit, but they have shifted to looking out for the interest of all stakeholders when making decisions so that everyone benefits from their business activities.

## From the Local to Global View

Historically, most businesses, especially small companies, conducted business locally. They bought, manufactured, sold, and employed locally. But today, we live in a global world—integration and interdependence of nations.<sup>34</sup> Large multinational corporations (MNCs) have operations in multiple countries.<sup>35</sup> Businesses search nationally and globally for purchases, manufacturing, sales, and employees. With the Internet, many small firms now conduct business in multiple countries. Almost every business has competition from foreign companies.<sup>36</sup>

You have most likely bought goods made by foreign companies. But do you know which products are made by which companies globally? Check your knowledge of global products in Self-Assessment 1.1. Do you now have a better understanding of the nature of and the complexity of global MNC business?

You most likely have or will work with people from other countries, may work for a business that is owned by a company in another country, and may go abroad to work. **Satya Nadella** was born and received his B.S. in India. He came to America and worked his way up to becoming a highly successful CEO of **Microsoft** turning it into the world's most valuable company.<sup>37</sup>

### The Paradigm Shift

Companies today compete with global businesses and many conduct international business. CEO of Australian **Macquarie Shemar Wikramanayake** lead the firm to record profits, as she focuses on investments that improve infrastructure and drive better communities globally.<sup>38</sup>

#### Self-Assessment 1.1

#### Country of Origin Ownership of Products

For each item, determine the country of origin. If your answer is the United States, place a check in the center column in Table 1.1. If it's another country, write the name of the country in the right-hand column.

Table 1.1 ■ A Country of Origin Ownership of Products

Product	United States	Other (list country)
1. TikTok		
2. Nestlé candy and hot cocoa		
3. Dove soap		
4. Pep Boys auto centers		
5. L'Oréal cosmetics		
6. Mars Snickers candy		
7. Burger King fast food		
8. Samsung televisions		
9. Bayer aspirin		

(Continued)

Table 1.1 ■ A Country of Origin Ownership of Products (continued)

Product	United States	Other (list country)
10. Bud Light beer		
11. Volvo cars		
12. Alibaba online store		
13. Spotify music		
14. Adidas sneakers		
15. Tide detergent		

1. TikTok major owner is the Chinese company ByteDance. 2. Nestlé is headquartered in Switzerland. 3. Dove is a brand of Unilever, which is British. 4. Pep Boys is now owned by American Icahn Automotive Group LLC. 5. L'Oréal is French. 6. Mars is a privately owned U.S. company. 7. Burger King is a brand (ownership) of Restaurants International, which has headquarters in Toronto, Canada but has its Burger King headquarters in Miami, FL, USA. 8. Samsung is South Korean. 9. Bayer is German. 10. Bud is owned by Anheuser-Busch InBev and is Belgian owned. 11. Volvo (Geely Automobile) and 12. Alibaba (a subsidiary of Ant Group) are both Chinese owned. 13. Spotify is a Swedish company, and its major shareholders are Swedish. 14. Adidas is German owned. 15. Tide is a brand of Procter & Gamble and is U.S. owned.

How many did you get correct?

## From the Self-Serving to the Servant Leadership View

According to best-selling leadership author and consultant **Ken Blanchard**, there are two types of leaders—self-serving and serving.<sup>39</sup>

**Self-serving leaders** think leading is all about them and having others serve them to get what they want and what they want to get done. They focus on their own self-interest, rather than what is best for the organization and its employees. Sustained superior firm performance is based on strategic team leadership, without self-serving leadership misaligned with owner and other stakeholders' interests.<sup>40</sup>

**Servant leaders** help others rather than being served by others. They realize that “leadership is not about being in charge, but about taking care of the people in your charge.”<sup>41</sup> They help all stakeholders accomplish goals and complete tasks.<sup>42</sup> Servant leadership is the engine that drives high-performance organizations.<sup>43</sup> **C.S. Lewis** said that good leaders are humble and summed up servant leadership: leadership is not thinking less of yourself, it's thinking of yourself less, and thinking about others and doing things to help them. If you focus on serving others and relationships, you will be surprised at how successful you can be.<sup>44</sup> You will learn more about servant leadership in Chapter 10.

One of the first, and most influential servant leader was Jesus,<sup>45</sup> with the title Christ. Jesus stated, I came to serve others, not to be served, more than 2,000 years ago. The disciples of Jesus founded a global diverse Christian religion. Today, there are more than 2.6 billion Christians globally.<sup>46</sup> They consider themselves followers of **Jesus Christ**.<sup>47</sup> **Mother Teresa** (1910–1997)

was a true servant leader and had no interest in wealth, power, or status. Mother Teresa did not ask for money or help, yet her ministry received financial backing to help all the “poorest among the poor.” She founded the **Missionaries of Charity** in India and grew globally.<sup>48</sup> (**Global View**). **Martin Luther King, JR.** and **Susan B. Anthony** were more recent great servant leaders.

Today many managers focus on serving others and call themselves servant leaders, such as **Nike CEO John Donahoe**.<sup>49</sup> **Juana Bordas**, Nicaraguan, Latino–American community activist said, “Serving people means growing their capacity and implies that everyone can contribute.”<sup>50</sup> Also, there are very few people that are always one or the other, so a good way to think about it is on a continuum going from Self to Servant leadership, say on a scale of 1–10. Do you prefer to be led by and work with self-serving or servant leaders? Think about the managers you have had, where on the scale of 1–10 are they? How about your coworkers and friends? Are you a self or servant leader? What score would you give yourself? Every day we can choose to be self-serving or serving. All of us can be servant leaders at home, at work, and in our communities. You will learn more about servant leadership in Chapter 10.



In October 2012, Malala Yousafzai was shot on her way home from school in retaliation for publicly advocating for education for girls in Pakistan. The assassination attempt inspired protests and garnered support for her cause. Malala was motivated to continue to promote her cause and founded the Malala Fund which raises money to assist girls with achieving their educational objectives. For more information visit [Malala.org](http://Malala.org).

Arif Ali/AFP via Getty Images

## Work Application 1.2

Assess managements' progress in shifting its management practices in each of the five paradigm shifts where you work(ed).

## Defining Leadership With Five Key Elements

There is no universal definition of leadership because leadership is complex, and because leadership is studied in different ways that require different definitions. Here, we define leadership based on the leadership paradigm and discuss its five elements.

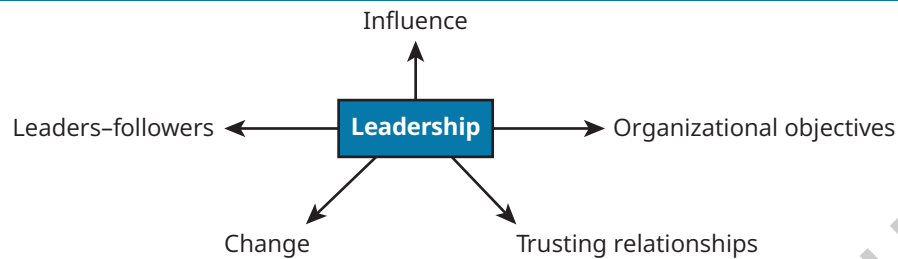
**Leadership** is the influencing process between leaders and followers to achieve organizational objectives through change. Let's discuss the five key elements of our definition; see Figure 1.1 for a list.

### Leaders–Followers

Leadership is typically understood to take place where leaders and followers share a formal group membership with formal managers and informal leaders. Managers have followers as groups and individuals.<sup>51</sup> People want leadership, but they don't follow titles or authority, and when they perceive a leader as self-serving, they reject them.<sup>52</sup>

Leadership is plural, not singular, as leadership is shared. Good followers don't simply follow orders, they direct their own behavior (what they say and do-action) and influence others, including the manager.<sup>53</sup> They don't sit back and wait for others to take action, they take the lead.

Figure 1.1 ■ Five Key Elements of Leadership



Thus, in our definition of leadership, the influencing process is *between* leaders and followers, not just a leader influencing followers; it's a two-way street. Leadership shifts between them based on the tasks that need to be done and who has the competency and commitment to get the job done. In today's collaborative teams, people need to lead and to follow.<sup>54</sup> Thus, good leaders know when to lead and when to follow. Knowing how to lead and developing leadership skills will make you a better leader and follower.<sup>55</sup> So, whether you want to be a leader or a follower, you will benefit from this book.

## Influence

**Influencing** is the process of a leader communicating ideas, gaining acceptance of them, and motivating followers to support and implement the ideas through change. The essence of leadership is influencing. Anytime you influence the thoughts or behavior of others toward goal accomplishment in your personal or professional life, you are engaging in leadership. Let's face it; we all want to get our way, which is being influential.

**Peter Drucker** said leadership is influencing others to raise their level of performance to a higher standard. When you have a management position, you have more power to influence others. But effective followers also influence others. How good are you at influencing others to get your way or what you want? Your ability to influence others can be developed.<sup>56</sup> Influencing includes power, politics, and negotiating; you will learn more about how to influence others in Chapter 6.

## Organizational Objectives

Effective leaders influence followers, but to do what—to accomplish shared objectives. Organizations pursue multiple goals,<sup>57</sup> and objectives should be set at all three levels in organizations—individual, group, organization.<sup>58</sup>

You need to be really good at the part of your job that matters.<sup>59</sup> What is the major difference between highly successful people and the average person? Successful people have better habits, and dominant habits include having priorities, setting objectives, and perseverance. Successful leaders focus on what is important and work hard to achieve their objectives.<sup>60</sup> Do you have these habits?

All good performances start with a clear goal. It is important for students to learn to set objectives;<sup>61</sup> it is a core competency for career success.<sup>62</sup> You will develop your skill at setting objectives in Chapter 3.

## Change

Influencing and new objectives brings about change. Technology improvements continue to change how we work and live. It creates new business opportunities and requires us to change

how we think and behave.<sup>63</sup> A major challenge is to learn from the past, maintain what is currently working, and make changes for future success.<sup>64</sup>

People naturally resist change. So as a leader, you need to overcome resistance to change, and providing a reasoned argument to support what you are asking others to do, and how they benefit, helps. So, to be an effective leader and follower you must be open to continuous learning and change. When was the last time you did something new and different? You will learn more about leading change in Chapter 11.

## Trusting Relationships

Today, successful leaders take a follower-centered approach based on their relationships that emphasize collaboration.<sup>65</sup> Servant leaders are often also referred to as relational leaders because they focus on their relationships with people and looking out for their best interest,<sup>66</sup> and collaborative relationships are increasing.<sup>67</sup> Leadership trust is built on mutual respect, honesty, and reliability. Think about your best boss, coach, teacher—did you trust that person? Did the person care about you as an individual and help you succeed?

Why are good relationships so important? Don't we all want to be happy?<sup>68</sup> Well, happiness and success in our personal and professional lives is based on relationships.<sup>69</sup> Relationships also have a direct effect on our health, self-confidence, and motivation.<sup>70</sup> The ability to work well with a diversity of people is a career competence.<sup>71</sup> So, your most important job as a leader is developing relationships, and relationships are built on trust because trust is the foundation of all good relationships.<sup>72</sup>

To be effective at work, we need to rely on others to help us do our jobs and that takes trust that others will be honest, do their job, and come through for you.<sup>73</sup> It can take months to develop trust, and one violation of trust, such as lying, can destroy trust. Once trust has been broken, it is difficult to repair.<sup>74</sup>

Do, or did, you trust your boss? Does, or did, your boss trust you? If not, your chance of getting raises and promotions are limited. Who do you trust and not trust in your personal and professional lives? What have these people done and not done to earn and violate your trust? Trusting relationships can be developed, and you will learn how to develop trusting relationships throughout this book.

With the move to remote working, people have less personal contact, which makes it harder to develop relationships. Feeling lonely at work? You are not alone. Going to the workplace, even on a hybrid basis, tends to result in a 20-30% increase in connections.<sup>75</sup> Making friends helps bring us happiness, and the good news is that you can develop friendships by following the guidelines throughout the book.

### Opening Case Application

#### 2. Does Amazon use our definition of leadership?

Jeff Bezos is clearly the leader at Amazon, but he also gets ideas from his followers. Bezos is also very influential. He didn't personally invent all of Amazon products/services and processes. He also convinces investors to give him money to grow Amazon, gets other businesses to offer products and services through his Web site, and gets customers to buy those products. Bezos has a clear shared vision and objectives for the company. Amazon is fundamentally changing the way people live and work. Amazon leadership is based on trusting relationships with employees, suppliers, and customers. Amazon has 16 Principles of Leadership that implement our five elements of leadership.

## Work Application 1.3

Assess how effective the managers where you work(ed) are at implementing each of the five key elements of leadership.

## Leadership Skills

Having knowledge, skills, and abilities (KSA) give you opportunities for career advancement,<sup>76</sup> and mastering leadership skills can result in being happier and more productive.<sup>77</sup> In this section, let's start by discussing the three skills you need to succeed, with additional focus on interpersonal skills, and ending with your leadership profile.

### The Skills Approach

The trend is to skills development.<sup>78</sup> The *skills approach* takes a leader-center perspective on developing individual leadership skills, which serves as the foundation for the first two parts of the book: Individuals as Leaders (Chapters 1–4) and Leadership Skills (Chapters 5–6). Thus, this book provides leadership skill development.

### Three Leadership Skills

They are listed in Table 1.2 and discussed here. We also point out the differences in the skills needed based on the level of management.

Three Skills	Primary focus on
Technical Skills	Things
Interpersonal Skills	People
Decision-Making Skills	Conceptual ideas

#### Technical Skills

**Technical skills** involve the ability to use methods and techniques to perform a task. This includes knowledge about methods, processes, procedures, and techniques, and the ability to use tools and equipment to perform a task. When managers are working on budgets, for example, they may need computer skills to use spreadsheet software such as **Microsoft® Excel®**. Most employees are promoted to their first management position primarily because of their technical skills. Technical skills vary widely from job to job and are the easiest of the three management skills to develop. Therefore, we do not focus on developing technical skills.

## Interpersonal Skills

*Interpersonal skills* involve the ability to understand, communicate, and work well with individuals and groups through developing effective relationships. Interpersonal skills are also called human relations, people skills, and soft skills. As we interact with others, we are using our interpersonal skills. Interpersonal skills are your ability to work with people based on trusting relationships.<sup>79</sup> Effective interpersonal skills involve an understanding of why people react the way they do, and the ability to influence them to achieve objectives.<sup>80</sup> We will expand our discussion shortly.

## Decision-Making Skills

It is a critical life skill because who we are is based on the decisions we made in the past, and the decisions we make in the future will determine who we become, as well as how happy and successful we become.<sup>81</sup> **Decision-making skills** involve the ability to conceptualize situations and select alternatives to solve problems and take advantage of opportunities. Problem solving and decision making are an important part of effective leadership.<sup>82</sup>

Education should teach practical ethical judgement<sup>83</sup> and critical thinking,<sup>84</sup> and decisions should be made using *critical thinking*.<sup>85</sup> Decisions are commonly made to solve problems, which is the keystone in the skills approach, so leaders need to have problem-solving skills. It is a career competency.<sup>86</sup> *Conceptual ability* is also important in decision making to see the big picture and how the alternatives will solve the problem.

Recall from our shift to participative management that leaders let others make decisions, seek input when making decisions, and that decisions are often made by groups.<sup>87</sup> We will discuss decision-making skills throughout the book, and you will have the opportunity to develop your decision-making skills through this course.

### Applying the Concept 1.1

#### Leadership Skills

Identify each activity as being one of the following types of management skills:

- a. technical
  - b. interpersonal
  - c. decision making
- \_\_\_ 1. A manager is determining the priority of orders to be filled next week.
  - \_\_\_ 2. A manager is filling out a loan application form.
  - \_\_\_ 3. A manager is trying to figure out why a delivery hasn't been shipped out yet.
  - \_\_\_ 4. A manager is sending a text message from her smartphone.
  - \_\_\_ 5. A manager is making copies of a report he just finished at the copy machine.
  - \_\_\_ 6. A manager is praising an employee for a job well done.

#### Skills Needed are Based on Management Level

Although managers need all three skills, the need for each skill does vary based on the level of management. Top-level managers have a greater need for interpersonal and decision-making skills than technical skills. Middle-level managers have a balanced need for all three skills. First-level managers have a greater need for technical and interpersonal skills than decision-making skills.

## Opening Case Application

### 3. What leadership skills does CEO Jeff Bezos use at Amazon?

Jeff Bezos has technical skills as he developed the first online bookstore as a high-tech pioneer. He continues to challenge his employees' technical operations that expand the company's performance and customer service. Bezos is a demanding boss who challenges employees and has been known to make harsh comments. But his criticism is almost always on target and that leads to improvements. Bezos does have interpersonal skills as he motivates employees to continually grow the business. He clearly has decision-making skills as he is the one who has the conceptual ability to develop a successful business model and to continually change it to grow the company with new products and processes.



The ability to build relationships and trust and communicate effectively are highly valued in today's business world.

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### Interpersonal Skills Focus

We stated that leaders need three skills. In this book, we focus primarily on interpersonal, people, or soft skills. Why? As we have been discussing, effective leadership is based on interpersonal skills.

Although interpersonal skills are all about working well with people, many skills can be classified as interpersonal rather than technical or decision making. Thus, Part II of the book titled *Leadership Skills*. In Chapters 5 and 6 you can develop your leadership skills to *Communicate* effectively, *Coach* others to high levels of performance, and *Network* to get a job and to get others to help you meet your objectives. You will learn about *Power* and how to increase it ethically, and how to work within the *Organizational Politics* environment. You will also develop your skills at *Negotiating*

such things as salary and raises, and how to resolve *Conflicts* without hurting relationships. These seven leadership skills will help you succeed in your personal and professional lives.

### Your Leadership Point of View

Leadership actually starts within you as a self-leader—your thoughts, attitudes, beliefs, and perception about leadership.<sup>88</sup> Effective leaders have a clear leadership point of view—a vision of the type of leader they strive to be. Career decisions are among the most important choices you have to make.<sup>89</sup> Important types of questions related to leadership include: What is leadership to you? How would you describe a leader? Do you consider yourself a leader? What is your view of servant leadership?

Developing a leadership point of view takes self-assessment, time, and reflection and should be based on knowledge of leadership. Based on the type of leader you strive to be, you should develop your leadership skills. Developing Your Leadership Skills exercises 1.1–1.3 will help get you started developing your leadership point of view. As you progress through the book, especially Chapter 2 because your leadership style is reflected in your personality, you should refine your leadership point of view. So, developing your leadership point of view can be considered “a course on you.”<sup>90</sup>

## Work Application 1.4

Select a manager, preferably one who is or was your boss, and assess the manager's technical, interpersonal, and decision-making skills.

## Leadership Managerial Roles

In this section, we discuss what leaders do on the job—the management roles they play. Skills are transferable, or we use them, often without even realizing it, whenever we do anything, whereas roles are clearly defined. We play multiple roles.<sup>91</sup> How well people play the ten roles discussed here is based on their skills—or their ability to perform technical tasks, their interpersonal relationships, and their ability to make decisions while playing each role. However, effective leaders go beyond their formal roles.<sup>92</sup>

Leadership roles are identified to be measures of success.<sup>93</sup> **Henry Mintzberg** identified ten managerial roles that leaders perform to accomplish organizational objectives.<sup>94</sup> He grouped these roles into three categories. The **managerial role categories** are interpersonal, informational, and decisional. Table 1.3 shows the ten managerial roles, based on the three categories.

**Table 1.3** ■ Managerial Roles and Categories

Interpersonal roles	Informational roles	Decisional roles
Leader	Monitor	Entrepreneur
Figurehead	Disseminator	Disturbance handler
Liaison	Spokesperson	Resource allocator
		Negotiator

### Interpersonal Roles

The **interpersonal leadership roles** include figurehead, leader, and liaison. Interpersonal skills are needed to successfully play interpersonal roles.

- The *leader role* is that of performing the *management functions* (planning, organizing, staffing, leading, and controlling) to effectively operate the managers' unit to accomplish organizational objectives. Therefore, the leader role influences how the leader performs the other roles. You will learn more about the leadership role throughout this book.
- Leaders perform the *figurehead role* when they represent the organization or department in legal, social, ceremonial, and symbolic activities. Here are some of the figurehead activities: signing official documents, entertaining clients or customers as official and ceremonial events, informally talking to people and attending outside meetings as a firm representative, presiding at meetings.

- Leaders perform the *liaison role* when they interact with people outside their organizational unit. Liaison behavior includes networking to develop and maintain relationships, serving on committees with members from outside the organizational unit, and attending professional/trade association meetings.

## Informational Roles

The **informational leadership roles** include monitor, disseminator, and spokesperson. Informational role success is also based on interpersonal skills.

- Leaders perform the *monitor role* when they gather information by talking to others, reading (memos, reports, professional/trade publications, newspapers, etc.), attending meetings, visiting competitor facilities, and so forth.
- Leaders perform the *disseminator role* when they send information to others within the organizational unit. Using information translated into skills that advance the organization is now often being referred to as *knowledge management*.
- Leaders perform the *spokesperson role* when they provide information to people outside the organizational unit. People must report information to their boss and other departments, customers, suppliers, and so forth.

## Decisional Roles

The **decisional leadership roles** include entrepreneur, disturbance handler, resource allocator, and negotiator. Decision-making skills are important and are needed to be successful in decisional roles.

- Leaders perform the *entrepreneur role* when they innovate new or improved products and services and initiate improvements in business processes.
- Leaders perform the *disturbance-handler role* when they take corrective action during a crisis that interrupts business, such as a natural disaster, or emergencies like a breakdown of important machines/equipment or needed material not arriving as scheduled. Leaders typically give this role priority over all other roles during the disruption.
- Leaders perform the *resource-allocator role* when they schedule, request authorization, and perform budgeting activities. Deciding who gets the limited resources is important as people may seek self-interest that may not be in the best interest of the organization.
- Leaders perform the *negotiator role* when they represent their organizational unit during transactions that do not include set boundaries, such as only one price and term of a sale or purchase for a product/service, the pay of an employee, or a raise for themselves.

Although managers are responsible for all ten roles, which roles are most important—and which roles the manager performs and which are performed by other leaders—will vary based on the manager's job and the organizational environment.<sup>95</sup> You should now begin to realize we perform the leadership roles regardless of management title.

## Opening Case Application

### 4. What managerial leadership roles does CEO Jeff Bezos perform at Amazon?

Like all managers who are good leaders, Jeff Bezos plays all ten roles and delegates these roles to his followers. His interpersonal roles include signing documents, entertaining customers, running and attending meetings, leadership development and evaluation of followers, and serving on committees and boards.

His informational roles include extensive communications. Bezos is consistently analyzing information in the monitoring role and sending information in his disseminator role and is clearly the spokesperson for the company in the decisional role category. Bezos is an entrepreneur. His other roles include developing new products to keep ahead of the competition and dealing with disturbances created by local and foreign government business laws and regulations.

### Applying the Concept 1.2

#### Leadership Managerial Roles

Identify each of the following 17 behaviors by its leadership role. Write the appropriate letter on the blank before each item.

##### Interpersonal Roles

- a. leader
- b. figurehead
- c. liaison

##### Informational Roles

- d. monitor
- e. disseminator
- f. spokesperson

##### Decisional Roles

- g. entrepreneur
- h. disturbance handler
- i. resource manager
- j. negotiator

- \_\_\_\_ 7. The supervisor is being promoted to middle management and is discussing her pay for the new job.
- \_\_\_\_ 8. The supervisor is disciplining an employee for smoking on the job.
- \_\_\_\_ 9. The leader is visiting a competitor's Web site to find out its prices.
- \_\_\_\_ 10. The leader is getting the maintenance crew to come fix a broken pipe and clean up a flood of water in the work area.
- \_\_\_\_ 11. The manager has decided to stop having customers sign credit card receipts for less than \$50 to speed up the checkout line.
- \_\_\_\_ 12. The manager is breaking up a fight between two employees and getting the other employees to get back to work.

- \_\_\_\_\_ 13. The manager is e-mailing the employees to inform them of their work hours for next week.
- \_\_\_\_\_ 14. The manager in productions is talking to the manager in facilities about performing routine maintenance for the department equipment.
- \_\_\_\_\_ 15. An employee quit and the manager is in the process of replacing the person.
- \_\_\_\_\_ 16. The manager is signing a purchase order for new equipment.
- \_\_\_\_\_ 17. The public relations leader is sending a press release to the local newspaper.
- \_\_\_\_\_ 18. The manager has been given \$1,000 to split and give to two of his 20 employees as bonuses.
- \_\_\_\_\_ 19. The purchasing manager is discussing the price of an expensive new machine, and its installation and maintenance contract deal.
- \_\_\_\_\_ 20. At the company annual employee meeting, the CEO is passing out awards for excellent performance.
- \_\_\_\_\_ 21. The manager is reading the monthly trade journal.
- \_\_\_\_\_ 22. The manager is selecting the employees who will be given overtime work and pay.
- \_\_\_\_\_ 23. The manager is telling the employees who will be getting the overtime work and pay.

### Work Application 1.5

For each of the three categories give one job example of the specific behavior you or some other leader performed when fulfilling one of the ten managerial roles within each category. For each of the roles you have chosen, be sure to identify the leader as you or another, the role by its name, and the specific behavior.

## Levels of Analysis of Leadership

One useful way to classify leadership and research is by the levels of analysis.<sup>96</sup> The three **levels of analysis of leadership theory** are individual, group, and organizational. Most leadership theories are formulated in terms of processes at only one of these three levels. You will briefly learn about each level, and their interrelationship, in this section, and the details throughout the book.

### Three Levels of Analysis

- The *individual level of analysis* of leadership focuses on the *individual process* of influencing others to achieve objectives through change. In Parts I and II, “Individuals as Leaders” (Chapters 1–4) and “Leadership Skills,” (Chapters 5–6) our focus is on the individual level of analysis.
- The *group or team level of analysis* of leadership focuses on the relationship between two or more individuals. This second level is a *group process*. Group leaders need to coordinate team members’ activities and get them to work collaboratively using teamwork skills. You will learn about and develop team leadership skills in Part III,

“Team Leadership” (Chapters 7–8). An important part of the group process is meetings. In Chapter 8, you will learn how to conduct productive meetings.

- The *organizational level of analysis* focuses on the organization’s performance, such as profits. You will learn more about determinants of organizational performance in Part IV, “Organizational Leadership” (Chapters 9 through 12).

Aligning individual and organizational goals can improve performance.<sup>97</sup>

## You Make the Ethical Call

### 1.1 Executive Compensation

The **AFL-CIO Executive Paywatch** reported CEOs of S&P 500 companies received, on average, \$16.7 million in total compensation—a CEO-to-worker pay ratio of 272 (CEOs) to 1 (employees). Some say top executives are being overpaid. Especially because some of the best-performing CEOs aren’t the highest paid. **Warner Brothers, Discovery CEO David Zaslav** received a pay increase of 27%, valued at \$49.7 million, which is more than three times as much as the \$15.6 million median pay of S&P 500 CEOs. Meanwhile, workers’ pay is falling behind inflation, so their real income is declining.

However, not everyone agrees that top executives are overpaid. In capitalist countries, talented CEOs, like athletes in pro sports, are entitled to fetch their price, as most compensation is geared toward results. Top executives should be paid multimillion-dollar compensation packages; after all, if it weren’t for effective CEOs, companies would not be making the millions of dollars of profits they make each year. CEOs deserve a piece of the pie they helped bake.

1. Do executives deserve to make 272 times more than the average worker?
2. Is it ethical for managers to take pay increases while real wages of workers are decreasing?
3. Is it ethical for managers to take pay increases when laying off employees?
4. Is it ethical for managers to get pay raises when their companies lose money?
5. Are companies being socially responsible when paying executives premium compensation?

*Sources:* Information taken from the AFL-CIO’s website at <https://aflcio.org/paywatch>, accessed July 2, 2024. Staff, “Warner Bros. Discovery,” *The Wall Street Journal* (April 20-21, 2024).

## Opening Case Application

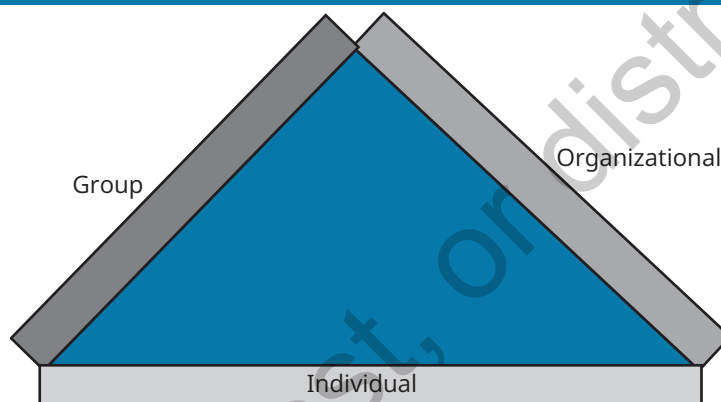
5. Which level of analysis is the primary focus of CEO Jeff Bezos at Amazon?

Being the CEO, Bezos is responsible for the performance of the entire organization and for the well-being of around 800,000 people that Amazon employs globally. Therefore, he focuses primarily on the organizational level of analysis. But Bezos has lots of teams working on innovative products and processes that he oversees, as well as individuals that report directly to him (**Global View**).

## Interrelationships Among the Levels of Analysis

It has been said that an organization is the sum of all of its individual transactions. Depending on the size of the group and organization you work for, your individual performance may influence positively or negatively the performance of the group and organization. Figure 1.2 illustrates the interrelationships among the levels of analysis of leadership. Note the individual is placed at the bottom of the triangle because group and organizational performance are based on individual performance.

**Figure 1.2** ■ Interrelationships Among the Levels of Analysis of Leadership Theory



If individual performance is low throughout the organization, the triangle will fall because it will not have a firm foundation, or performance will be low. The group part of the triangle supports the organizational side. So, if the groups are not effective, the triangle will fall, or organizational performance will be low. At the same time, group and organizational performance affect the performance of the individual. If groups are highly motivated and productive (or not productive), chances are the individual will be productive (or not) as well. However, an organization and its performance are more than the simple sum of its individuals and groups.

### Work Application 1.6

Assess the leaders where you work(ed) at each of the three levels of analysis.

## Leadership Theory Paradigms

The first thing we need to do is define the important concepts of this section. “Theory is explanation of reality and how it works—a causal account of observations.”<sup>98</sup> A **leadership theory** is an explanation of some aspect of leadership; theories have practical value because they are used to better understand, predict, and control successful leadership. So, the main purpose of a theory is to use it to improve performance in the real world. There are four major classifications of

leadership theory, also called research approaches, used to explain leadership. **Leadership theory classifications** include trait, behavioral, contingency, and integrative theories. In this section, we discuss each classification and indicate where it is covered in more detail later in this book.

The leadership paradigm has changed in the 60+ years during which it has been studied.<sup>99</sup> The four major classifications of leadership theory all represent a change in the leadership paradigm.

### The Trait Theory Paradigm

In the early 1900s, leadership studies were based on the assumption that leaders are born, not made. Researchers wanted to identify a set of characteristics or traits that distinguished leaders from followers, or effective leaders from ineffective leaders. **Leadership trait theories** attempt to explain distinctive characteristics accounting for leadership effectiveness. Researchers analyzed physical and psychological traits, or qualities, such as high energy level, appearance, aggressiveness, self-reliance, persuasiveness, and dominance, in an effort to identify a set of traits that all successful leaders possessed.

The list of traits was to be used as a prerequisite for promoting candidates to leadership positions. Only candidates possessing all the identified traits would be given leadership positions. You will learn more about trait theory in Chapter 2.

### The Behavioral Leadership Theory Paradigm

By the 1940s, most of the leadership research had changed its paradigm, going from trait theory to focusing on what the leader said and did on the job (behavior). In the continuing quest to find the one best leadership style in all situations, researchers attempted to identify differences in the behavior of effective leaders versus ineffective leaders. Another subcategory of behavioral leadership focuses on the nature of management work. Thus, **behavioral leadership theories** attempt to explain distinctive styles used by effective leaders, or to define the nature of their work. **Mintzberg's** ten managerial roles are an example of behavioral leadership theory.<sup>100</sup> Behavioral research focuses on finding ways to classify behavior that will facilitate our understanding of leadership. You will learn about some of the most popular behavioral leadership theories in Chapter 3.

### The Contingency Leadership Theory Paradigm

Both the trait and behavioral leadership theories were attempts to find the one best leadership style in all situations; so they are called *universal theories*. However, the right answer often depends on the situation. It calls for using different leadership styles, based on the situation.<sup>101</sup> Thus, the leadership paradigm shifted to contingency theory in the 1960s. **Contingency leadership theories** attempt to explain the appropriate leadership style based on the leader, followers, and situation. In other words, which traits and/or behaviors will result in leadership success given the situational variables. You will learn about the major contingency leadership theories in Chapter 4.

### The Integrative Leadership Theory Paradigm

In the mid-to-late 1970s, the paradigm began to shift to the integrative, to tie the theories together, or neo-charismatic theory. As the name implies, **integrative leadership theories** attempt to combine the trait, behavioral, and contingency theories to explain successful, influencing

leader–follower relationships. Theories identify behaviors and traits that facilitate the leader’s effectiveness and explore why the same behavior by the leader may have a different effect on followers, depending on the situation. Current research is studying charismatic, transformational, and servant leadership, which are discussed in Chapter 10. There is also a shift from the tough guy to the authentic leadership style, which is being yourself and a better leader.<sup>102</sup> The integrative leadership theory paradigm is emphasized in our definition of leadership and thus influences this entire book, especially Chapters 7 through 12.

### Applying the Concept 1.3

#### Leadership Theories

Identify each research approach by its leadership theory paradigm. Write the appropriate letter in the blank before each item.

- a. trait
  - b. behavioral
  - c. contingency
  - d. integrative
- \_\_\_\_ 24. A researcher is giving a job applicant a personality test.
- \_\_\_\_ 25. A researcher is determining which leadership style is most appropriate.
- \_\_\_\_ 26. A researcher is observing managers’ actions as they interact with employees.
- \_\_\_\_ 27. A researcher is attempting to understand how managers influence employees to achieve high levels of performance.
- \_\_\_\_ 28. A researcher is attempting to determine if the way managers dress influences their effectiveness.

### Work Application 1.7

Give examples of traits and behaviors that helped make your past or present manager a successful leader.

## Objectives and Organization of the Book

In this section, we discuss the three objectives of the book and describe the two ways it is organized.

### The Three-Pronged Approach Objectives

Let’s start with a rationale for the three objectives of the book. Employers recruit students with leadership skills, so leadership is a core competency for career readiness.<sup>103</sup> Colleges are accused of not preparing students to enter the workforce.<sup>104</sup> Unfortunately, close to 40% of college grads say their colleges did not develop their interpersonal skills.<sup>105</sup>

The overarching objectives of this book are reflected in its subtitle: *Theory, Application, and Skill Development*. We call it a three-pronged approach, with these objectives:

- To teach you the theory and concepts of leadership *knowledge*
- To develop your *ability* to apply leadership theory through critical thinking
- To develop your leadership *skills* in your personal and professional life

There is a need to bridge the gap between research and practice (knowing and doing)<sup>106</sup> to teach students how to apply the concepts, and for students to develop leadership skills required in the business world.<sup>107</sup> There is also a call to develop skills while keeping it simple, but not simplistic.<sup>108</sup> To meet these calls, unlike most other books, ever since our first edition, we don't simply teach you leadership theory; we develop your ability to apply the theory and develop skills.

Books can change our lives.<sup>109</sup> You can improve your interpersonal skills through this book and, of course, if you work at it. One of the great benefits of this book is that you can start developing your interpersonal skills immediately. This book offers some unique features relating to each of the three objectives (see Table 1.4). We encourage you to turn back to the preface and read our goals in writing this book, and the descriptions of the features so you can get the most from this book.

## Leadership Theory

A theory answers the questions of how, when, and particularly why of leadership.<sup>110</sup> Conceptual knowledge is the foundation for its application and skill development. Today, many students have short attention spans and can't and don't want to listen to long lectures. Thus, the trend is to the "flipped classroom" where students learn the material outside of class, like reading, and apply and develop skills in class.<sup>111</sup> Unfortunately, many students don't read the textbook, or practice the applications and skills, which limits engagement in learning, application, and skill development.<sup>112</sup> Or, if you don't know or understand something, how can you apply it and develop skills?

Throughout this book, you will learn about several leadership theories and the concepts on which they are based. As shown in Table 1.4, this book offers six features to help you learn the

**Table 1.4 ■ The Three-Pronged Approach: Features of the Book**

Theory	Application	Skill Development
Research	Opening cases	Self-Assessments
References	Business examples	Case role-playing exercises
Learning Competencies	Work Applications (in the reading and online)	Step-by-step behavior models
Key terms	Concept applications	Developing your leadership skills exercises
Summary	Critical-Thinking Questions	Behavior modeling training
Review questions	Cases	
	Videos (online only)	
	You Make the Ethical Call	

leadership theory. The theories and concepts you will learn are based on evidence-based management (EBM) and are considered important (AACSB), as discussed here.

### Evidence-Based Management

Research-based knowledge is relevant and useful to practice, and evidence-based management translates theory into workplace behavior.<sup>113</sup> **Evidence-based management (EBM)** means that decisions and organizational practices are based on the best available scientific evidence. The theories and concepts you will learn in this book are based on scientific research (not opinions, outdated research, or myths). If you look at the references at the end of this book, you will see that a majority of the journal articles are published by the premier professional association, the **Academy of Management (AoM)**, and what it publishes is relevant to practicing leaders. However, unlike the AoM journals, we write about the theory and concepts at a level that is easy to read and understand.

Our objective is to move you away from making decisions based on feeling, personal preference, and unsystematic experience toward EBM. So, the question isn't can you develop your leadership skills through this book, the question is "Will you do the work to improve your leadership competencies?" If you go to the next level and apply EBM theory and concepts, you can develop your leadership skills.

### AACSB Business Accreditation Standards

It is important to develop leadership competencies.<sup>114</sup> So how do we know what leadership competencies are important to your career success? For the answer, we turned to the **Association to Advance Collegiate Schools of Business (AACSB)**. To attain AACSB accreditation, the college must validate assurance of learner success and must identify competency standards. AACSB competencies throughout this standard are understood to broadly encompass knowledge (we provide text theory), skills (we have skills activities), and abilities (we include application activities of theory).<sup>115</sup>

AACSB advocates for skills that effective leaders have, such as communication skills, analytical thinking, ethical reasoning, interpersonal relations and teamwork, and application of knowledge. Two growing areas of importance include working with a diversity of people including multicultural skills and having a global mindset,<sup>116</sup> which we discuss in Chapter 11 (**Global View**).

### Application of Leadership Theory

AACSB stresses the application of knowledge, and the application of knowledge requires critical-thinking skills. Critical-thinking skills are in high demand in the workplace as they are often considered more important than technical skills and will continue to grow in importance in the next five years.<sup>117</sup>

Students can understand the application of concepts through real-world examples. We provide business applications throughout the book referencing popular press such as *BusinessWeek*, *Forbes*, *Fortune*, and *The Wall Street Journal*, providing a balance of academic research and business practice. However, reading is only one way to apply concepts. The book and online resources offer you eight features (see Table 1.4, the Application column) to practice applying the concepts and theory.

## Leadership Skill Development

Developing your skill can improve your confidence and ability to succeed in an employment interview and on the job.<sup>118</sup> You can have “real-world” impact.<sup>119</sup> Employers want graduates with leadership skills.<sup>120</sup> Thus, students need to be given the opportunity to practice their leadership skills.<sup>121</sup> All of the Developing Your Leadership Skills exercises state AACSB Skills Areas developed through completing the exercise.

To this end, this book offers you six features (see Table 1.3, the Skill Development column) to help you develop your leadership skills. We also discuss next a model versus an exhibit, behavior modeling, and the need to practice the skills.

### Models Versus Exhibits

All of the behavioral “models” in this book provide specific, step-by-step instructions and are labeled as models. They are “prescriptive models” that provide actionable decisions and principles that guide your behavior to succeed in your personal and professional lives.<sup>122</sup> When we offer general advice without specific instruction, we label the guidelines either tables or figures. However, the purpose of models and exhibits is to help you improve your performance.

### Behavior Modeling Leadership Skills Training

In some of the chapters, the features listed in Table 1.4 are combined in behavior modeling skills training. For these exercises, you may do a self-assessment, read the step-by-step models, and practice using the model through a skill-development exercise.

### Practice

As with just about everything in life, you cannot become skilled by simply reading or trying something once. **Vince Lombardi** said that leaders are made by effort and hard work.<sup>123</sup> If we want to develop our leadership skills, we need to learn the leadership concepts, apply the concepts, and do the preparation and skill-development exercises.

But most importantly, you need to be disciplined to practice using your leadership skills in your personal and professional lives. Think of leadership development as a sport. It has an input–output relationship. The more time and effort you put into developing your skills, the more you will get out of it. If you don’t practice, you will not be good at it, and you will lose the skill you do have over time. Are you committed to developing your leadership skills?

### Flexibility

This book has so many features they most likely cannot all be covered during a one-semester course. Your instructor will select the features to be covered that best meet the course objectives and the amount of class time available. You may do some or all of the features not covered in the course on your own or do some exercises with the assistance of others outside of class.

## Organization of the Book

This book is organized by level of leadership analysis and leadership theory paradigm.

Table 1.5 illustrates the organization of this book.

**Table 1.5 ■ Organization of the Book, Including Level of Analysis and Leadership Paradigm****Part I: Individuals as Leaders**

(Individual-level analysis of leadership theory—Trait, Behavioral, and Contingency Leadership Theories)

1. Who Is a Leader and What Skills Do Leaders Need?
2. Leadership Traits and Ethics
3. Leadership Behavior and Motivation
4. Contingency Leadership Theories

**Part II: Leadership Skills**

(Individual-level analysis of leadership theory—Trait, Behavioral, and Contingency Leadership Theories)

5. Communication, Coaching, and Conflict Skills
6. Influencing: Power, Politics, Networking, and Negotiation

**Part III: Team Leadership**

(Group-level analysis of leadership theory—Integrative Leadership Theory Applications)

7. Leader–Member Exchange and the Art of Followership
8. Team Leadership

**Part IV: Organizational Leadership**

(Organizational-level analysis—Integrative Leadership Theory Applications)

9. Managing Change and Crisis Leadership
10. Charismatic, Transformational, and Servant Leadership
11. Leadership of Culture, Diversity, and Inclusion
12. Strategic Leadership and High Performing Organizations

**Work Application 1.8**

What do you want to get out of this course—what are your objectives? Is there any specific leadership skill that you want to develop?

**Chapter Summary**

The chapter summary is organized to answer the seven learning objectives for Chapter 1.

**1.1 Describe the importance of leadership development personally and professionally.**

Leaders within organizations develop the tone and direction of the organization, make key decisions, and create strategic plans. Success or failure is based largely upon these factors.

The better you can work with people, the more successful you will be in your personal and professional lives.

**1.2 Identify the five leadership paradigm shifts.**

The management focus has shifted to a leadership focus. Management has shifted from autocratic leadership to participative leadership. Management has shifted its focus from a shareholder perspective to a stakeholder view. Leadership focus has shifted from a local perspective to a global view. Leadership has shifted away from a self-service perspective to a servant leadership view.

**1.3 Describe the five key elements of leadership.**

*Leader–Follower*—leaders influence the behavior of followers and vice versa.  
*Influencing*—the relationship between leaders and followers who change roles.  
*Organizational objectives*—outcomes that leaders and followers want to accomplish.  
*Change*—needed to achieve objectives. *Trusting relationships*—leadership built on mutual respect, honesty, and reliability.

**1.4 Identify three leadership skills.**

*Technical skills* involve the ability to use methods and techniques to perform a task.  
*Interpersonal skills* involve the ability to understand, communicate, and work well with individuals and groups through developing effective relationships. *Decision-making skills* are based on the ability to conceptualize situations and select alternatives to solve problems and take advantage of opportunities.

**1.5 List the ten managerial roles based on their three categories.**

Leaders perform the interpersonal role when they act as figurehead, leader, and liaison. Leaders perform the informational role when they act as monitor, disseminator, and spokesperson. Leaders perform the decisional role when they act as entrepreneur, disturbance handler, resource allocator, and negotiator.

**1.6 Explain the interrelationships among the levels of leadership analysis.**

The three levels of leadership analysis are individual, group, and organizational. Individual performance affects group and organizational performance. Group performance affects organizational performance. The group and organization affect individual performance.

**1.7 Compare and contrast the following leadership theories: trait, behavioral, and contingency theories.**

The similarity between the trait and behavioral leadership theories is that they are universal theories or are seeking one best leadership style for all situations. The difference is the approach to determining leadership effectiveness. Trait theory attempts to explain personal characteristics of effective leaders, whereas behavioral theory attempts to explain what leaders actually do on the job.

The contingency theory is interrelated with the trait and behavioral leadership theories because it uses these two theories as the foundation for determining which leadership style is most appropriate—based on the leader, followers, and situation.

Integrative theory attempts to make connections between each of these theories.

**1.8 Describe the three objectives of the book and how it is organized.**

The three objectives are (1) to teach the theory and concepts of leadership, (2) to develop the ability to apply leadership theory through critical thinking, and (3) to develop personal and professional leadership skills.

The book is organized in two ways: (1) It is organized by the level of leadership analysis going from the individual to the group to the organizational level. (2) The first two parts,

Individuals as Leaders and Leadership Skills, are based primarily on the trait, behavioral, and contingency leadership paradigms. Parts III and IV, Team Leadership and Organizational Leadership, are based primarily on the integrative leadership theory paradigm.

## Key Terms

Behavioral leadership theories	Leadership paradigm
Contingency leadership theories	Leadership theory
Decisional leadership roles	Leadership theory classifications
Decision-making skills	Leadership trait theories
Evidence-based management (EBM)	Leading
Influencing	Levels of analysis of leadership theory
Informational leadership roles	Managerial role categories
Integrative leadership theories	Self-serving leader
Interpersonal leadership roles	Servant leader
Interpersonal skills	Technical skills
Leadership	

## Review Questions

1. Why is leadership important?
2. What are the five key elements in our leadership definition? How do the elements interrelate to form this definition?
3. Are leaders born or made, and can leadership skills be developed?
4. List and define the interpersonal managerial leadership roles.
5. List and define the informational managerial leadership roles.
6. List and define the decisional managerial leadership roles.
7. List and define the levels of analysis of leadership theory.
8. List and define the leadership theory paradigms.
9. How can the shift in paradigm from management to leadership possibly help—and hurt—the management profession?
10. What are the three-pronged approach objectives to this book?

## Critical-Thinking Questions

The following critical-thinking questions can be used for class discussion and/or as written assignments to develop communication skills. Be sure to give complete explanations for all questions.

1. Should leadership books and courses focus on teaching students about leadership or on teaching students to be leaders?
2. Is leadership really all that important? Why or why not?
3. Should leadership be the manager's job, or should leadership be a shared process?

4. Are you interested in sharing leadership, or do you prefer to be a follower?
5. The text discusses five paradigm shifts. Are most major corporations really shifting or not?
6. Some people say the hard skills (e.g., finance, quantitative analysis) are more important for managers than soft skills (e.g., interpersonal skills), and some say the opposite is true. What is your view?
7. Are there any managerial leadership roles that should be added to the 30-year-old list of roles? If so, what should be added to the list?
8. You interact as an individual. Do you really care about being effective at interacting at the group and organization level? Why or why not?
9. Is it helpful to know the history of the four leadership theory paradigms? Why or why not?
10. Is leadership ability universal, or is a good leader in one environment also effective in another? For example, can a leader in one industry (e.g., a hospital) be successful in another industry (e.g., a bank)?
11. What is your view of the three-pronged approach to this book?
12. Do you believe that you can improve your leadership skills and be happier and more successful by implementing the theory and concepts in your daily life and at work?

## Case Study

### Kim Ng – Who is a Leader and what Skills do Leaders Need?

#### Leadership as Influence and a Skill Set

As introduced in this first chapter, leadership influence is the ability to affect the ideas, decisions, behaviors, choices, and attitudes of others. By skillfully combining technical, interpersonal, and decision-making knowledge, skills, and abilities, leaders can increase the likelihood of effectively navigating complex situations and inspire others in a team or organization.

#### Making History in Major League Baseball

Kim Ng has shown exceptional leadership throughout a 30-year career in Major League Baseball (MLB). A former college athlete with a passion for sports and business, Ng has developed an extensive portfolio of technical, interpersonal, and decision-making skills as she rose through the ranks in professional sports management and leadership.

Ng's softball coach at the University of Chicago described her as a "real natural leader." She earned a bachelor's degree in public policy in 1990 before starting her career as an unpaid intern with professional baseball's Chicago White Sox.<sup>124</sup> Through hard work, determination, and a growing leadership skill set, Ng soon was counted among the most influential women and people of color in the world of sports.<sup>125, 126</sup>

In 2020, Ng was named general manager (GM) of the Miami Marlins, making history as the first person of Asian American or Pacific Islander (AAPI) descent to lead an MLB team and the first woman to serve as GM for any men's professional league in North America. Ng spent some 21 years in the front offices of the Chicago White Sox, New York Yankees, and Los Angeles Dodgers, winning three World Series rings, as well as nine years as an MLB senior vice president before joining the Marlins.<sup>127</sup> Ng continues to break barriers and redefine leadership in professional sports. Let's look at Ng's technical, interpersonal, and decision-making skills.

### Technical Skills

Technical skills involve the ability to use and apply methods, tools, processes, or techniques to perform specific tasks. Typically, first-line employees in an organization are either expected or trained to be proficient in the technical skills and competencies required to successfully perform their job duties.

Ng's exposure to business-related technical skills in professional baseball began when she volunteered as an unpaid intern for the Chicago White Sox, where she drew charts, compiled scouting reports, and recorded performance statistics using a sophisticated computer program. After her internship, she was promoted to special project analyst and then to the White Sox's director of baseball operations. Throughout this time, she became more skilled in using scouting software and data capture analytics.

Subsequently, as director of waivers and records for MLB's American League Office, Ng further developed her research and technical writing skills, which were essential for issuing reports and recommendations. As she progressed to become assistant general manager for the New York Yankees and later the Los Angeles Dodgers, she learned and honed additional technical skills related to player contracts, the annual prospect draft, free agency, and immigration protocols for international talent. Additionally, she implemented a video system with the Dodgers to review player at-bats. The variety of experiences she amassed in different roles significantly expanded Ng's expertise in sports management.

### Interpersonal Skills

Interpersonal skills, often referred to as relational or "people" skills, are based on the ability to effectively communicate, understand, and interact with a diverse range of individuals and groups. Solid interpersonal skills allow leaders to build relationships that are crucial for influencing significant or complex decisions or for finding agreement or compromise among individuals with opposing viewpoints. These skills encompass various personal traits, including self-awareness, empathy, social awareness, intercultural competence, and the ability to support the success of others.

Strong interpersonal skills also are vital for effective negotiations. Throughout her career with the Los Angeles Dodgers and New York Yankees, Ng was heavily involved in overseeing salary arbitration cases. To achieve favorable outcomes in such negotiations—for example, in representing owners during player arbitration or in contracting with third-party vendors—successful leaders like Ng rely on their interpersonal skills to clearly communicate the rationale behind specific terms of an agreement and to reconcile divergent interests.

Those who have worked for and with Ng praise her interpersonal savvy and her talent for making others feel comfortable, along with her inclusive approach to dialogue. As a former supervisor remarked, "She was probably the smartest person in the room, and never had to make everybody feel that way."<sup>128, 129</sup> Ng also is recognized for being able to shift gears when necessary and command a room, as she often did as a senior vice president for MLB.<sup>130</sup> This includes her many interactions with senior officials in China, India, the Dominican Republic, and other Latin American countries, where she oversaw international talent scouting and player development.

### Decision-Making Skills

Decision-making skills involve the ability to analyze situations, select the best alternatives to solve problems, and capitalize on opportunities. Key leadership skills that inform effective

decision making include recognizing trends, interpreting data, anticipating changes, setting goals, and implementing strategies.

Ng's decision-making skills were apparent during her time with the White Sox, Yankees, and Dodgers, when she influenced player contracts and became the youngest person to present and win a salary arbitration case. While in the American League office, she approved team transactions. At MLB headquarters, she developed and enforced policies associated with international signing rules. She also played a significant role in enhancing MLB's international popularity by transforming the Caribbean Winter League.<sup>131</sup> Additionally, she chaired the MLB Diversity, Equity, and Inclusion Committee,<sup>132</sup> addressing the evolving image and needs of a sport with a diverse player roster and changing fan-base in North America and around the world.

### Conclusion

Kim Ng is a pathbreaker and a proven leader. After three years as GM of the Miami Marlins, during which the team reached the MLB playoffs in her final year, she is heading in a new direction to uplift women's sports as a senior advisor to the new Athletes Unlimited Softball League. With women's sports reaching new heights, Ng was ready to bring her executive skills to the sport in advance of the 2028 Los Angeles Olympics. "We're in a moment here," Ng said. "And maybe it's not a moment. Maybe it's more of a movement. I just wanted to be a part of it."<sup>133</sup>

Her success stems from a combination of her extensive knowledge of baseball, as a sport and a business with a global reach, her intellectual acumen and "can-do" sensibility, and her capacity for making sound decisions. Her strong interpersonal and intercultural skills and her ability to make others feel comfortable or to command the room when necessary further elevate Ng's authentic passion for athletics and make her the leader she is today.

—Case originally contributed by Bonnie Tiell, Tiffin University  
[Revised and updated case and new case study questions by Steve Light, William S. Boyd  
School of Law, University of Nevada, Las Vegas]

### Case Study Questions

1. How does Kim Ng's successful development as a professional sports manager and leader illustrate the book's central argument that leadership skills can be learned and acquired?
2. Our book identifies three essential categories of leadership skill sets: technical, interpersonal, and decision making. In your opinion, which skill set does Kim Ng exemplify the most, and why?
3. When Kim Ng was named General Manager of a Major League Baseball team, she achieved several notable "firsts." What leadership traits do you think are necessary to be a trailblazer in a professional environment?

## Developing Your Leadership Skills 1.1

### Getting to Know You by Name

#### Preparing for This Exercise

Complete the *Self-Assessment: Recalling Names* and read the accompanying information before class.

### Objectives

- To get acquainted with some of your classmates
- To get to know your instructor
- To develop your skill at remembering and calling people by their name

### AACSB General Skills Area

The primary AACSB skill developed through this exercise is communication ability with application of knowledge.

In this chapter, you learned about the importance of leader–follower relationships. An important part of leadership relations is making people feel important. Being able to call people by name will improve your leadership effectiveness.

### *Tips for remembering people's names*

- The first thing you need to do is make a conscious effort to improve your skill at calling people by name. If you say you are no good at remembering names, you won't be. If you say, "I can be good at it," and work at it, you can.
- When you are introduced to a person, consciously greet them by name. For example, say, "Hi, Juan, glad to meet you." Then, during your conversation, say the name a few more times until it sticks with you. Use the person's name when you ask and answer questions.
- When you meet a person whom you will see again, without being introduced by someone else, introduce yourself by name—and get the other person to say their name. Then, as before, call them by name during your conversation. For example, if you get to class early and want to talk, introduce yourself to someone rather than just talking without learning the person's name. If someone you don't know just starts talking to you, introduce yourself.
- When you are in a small group being introduced to people, don't just say "hi" and ignore the names. Depending on the number of people, you can say "hello" and repeat each name as you look at the person. If you don't remember a name, ask. Just say, "I'm sorry, I didn't get your name." You may also want to mentally repeat the person's name several times. As you talk to the people in the group, use their names. If you forget a name, listen for others to say it as the discussion continues.
- If you have been introduced to a person and forget their name the next time you meet them, you have two choices. You can apologetically ask them their name. Or, before talking to the person, you can ask someone else for the person's name, and then greet them by name. Again, use the person's name during the conversation.
- Use association to help you remember. For example, if you meet John Higby, you could picture him hugging a bee. If the person's name is Ted, picture him with the body of a teddy bear. If you know the person likes something, say tennis, picture them with a tennis ball on their head. Think of other people you know who have the same name and make an association.
- Ask for a business card or ask for the person's telephone number so you can write it down; this will help you remember the name.

- Write down people's name and some information about them after you meet them. Sales representatives use this technique very effectively to recall personal information they may forget. If you are on a committee with people you don't know and don't see very often, use the membership list of names (or write them yourself). Then write an association for each person, so you can identify all members (this may be done during the meeting without drawing attention). Your notes might include personal characteristics (tall, thin, dark hair) or something about their work (marketing, engineer). Then, before the next meeting, review the list of names and characteristics so you can make the association and greet each person by name.

### Doing This Exercise

**In-class procedure 1 (in person or online with breakout groups)** (5–8 minutes) Break into groups of five or six, preferably with people you do not know. In the group, have each member give his or her name and two or three significant things about themselves. After all the members have finished, ask each other questions to get to know each other better.

**Procedure 2** (2–4 minutes) Can anyone in the group call the others by name? If so, he or she should do so. If not, have each member repeat their name. Follow with each member calling all members by name. Be sure each person has a turn to call everyone by name.

**Procedure 3** (5–8 minutes) Select a person to play the spokesperson role for your group. Remember, this is a leadership course. The spokesperson writes down questions in the following two areas:

- Course: Is there anything more you want to know about the course, such as any expectations or concerns that you have?
- Instructor: Make a list of questions for the instructor to get to know them better.

**NOTE:** for online classes, each student may submit questions.

**Procedure 4** (10–20 minutes) Each spokesperson asks the instructor one question at a time until all questions are asked in class. If time permits in class, people who are not the spokesperson may ask questions.

**Online** Individual students post questions for the instructor to answer for all to read and make comments or ask more questions.

### Conclusion

The instructor may make concluding remarks.

**Apply It** (2–4 minutes) What did I learn from this experience? How will I use this knowledge in the future? Specifically state which tip for remembering names you will use in the future. Identify precisely when you will practice this skill: for example, on “x” day/date when I go to class—or to work, or to a party—I will introduce myself to someone I don't know.

### Sharing

In the group, or to the entire class, volunteers may give their answers to the “Apply It” questions.

### Self-Assessment: Recalling Names

On the line before each statement, write *Y* for yes, or *N* for no.

1. I enjoy meeting new people.
2. I'm good at remembering people's names.

3. When I meet new people, I learn their names and call them by name.
4. I'm interested in and willing to improve my ability to remember and use names.

If you answered yes to Questions 1–3, you have developed some skill in this area. Your answer to Question 4 indicates whether you intend to further develop your skill. The choice is yours.

## Developing Your Leadership Skills 1.2

### Identifying Leadership Traits and Behaviors

#### Objective

To gain a better understanding of leadership traits and behavior

#### AACSB Skills Area

The primary AACSB skill developed through this exercise is analytic skills and application of knowledge.

Read and understand the trait and behavioral leadership theories. Make lists of specific traits and corresponding behaviors you believe effective leaders have or should have. Your answers may or may not be based on your observation of successful leaders.

#### Doing This Exercise

**Option 1 in class or online** (5–15 minutes) Students give their answers to the instructor in class or post them online, displaying them under the heading of Traits or Behaviors. During or after the answers are listed, the class may discuss them.

**Option 2 in class (in person or online with breakout groups)** (10–20 minutes) Break into groups of five or six and select a leader to perform the spokesperson role (remember, this is a leadership class). The spokesperson records the answers of the group and then writes them on the board (5–10 minutes). The instructor leads a class discussion (5–10 minutes).

## Developing Your Leadership Skills 1.3

### Your Leadership Point of View

#### Objective

To begin developing your leadership point of view.

#### AACSB General Skills Area

The primary AACSB skill developed through this exercise is analytic and reflective thinking skills and application of knowledge.

#### Preparing for This Exercise

Write a description of your leader point of view. Review the section Your Leadership Point of View and consider these questions when writing your point of view reflecting on the people you consider leaders, such as parents, friends, teachers, coaches, managers, coworkers.

What traits, characteristics, values do effective leaders have? What do effective leaders do and say (behavior) to motivate others to achieve common goals? How would you describe a leader? Do you consider yourself a leader? What type of leader do you want to be?

### Doing This Exercise

**Option 1 in class** (10–20 minutes) Students tell their leadership point of view to the class, and the instructor may make comments or lead a discussion.

**Option 2 in class (in person or online with breakout groups)** (15–30 minutes) Break into groups of five or six and select a leader to perform the spokesperson role (remember, this is a leadership class). Each person states their leadership point of view. Then the group discusses the common answers, as the spokesperson takes some notes. Each spokesperson tells the class the common answers of its group. The instructor may lead a class discussion (5–10 minutes).

**Option 3 online** (0–15 minutes) Students post their leadership point of view online for everyone to read. The instructor may make comments or lead a discussion.

**Apply It** (3–5 minutes) Reflect on others' leadership points of view and revise your written statement to include good ideas for your own leadership point of view. Create a document such as Word that you can revise as you progress through the book.

**Ongoing application** Every chapter includes concepts you may want to incorporate in your leadership point of view. In the next five chapters, we will give you the opportunity to refine your leadership point of view.

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# Chapter 2

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## Leadership Traits and Ethics



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### Learning Objectives

- 2.1 Identify your personality profile ranking the five dimensions from highest to lowest score.
- 2.2 Explain the universality of traits of effective leaders.
- 2.3 Describe the Big Five personality dimensions.
- 2.4 Compare and contrast the Achievement Motivation Theory and the Leader Motive Profile Theory.
- 2.5 Describe how attitudes are used to develop four leadership styles.
- 2.6 Explain three factors that influence ethical behavior, and how people justify unethical behavior.
- 2.7 Identify seven guides to ethical behavior.

## Deepa Narayan, International Advisor

**Deepa Narayan**, PhD, spent 25 years as senior advisor at the **World Bank** and with the **UN** system and civil society promoting the eradication of poverty and equality for women. She has been listed as one of the top 100 Global Thinkers by *Foreign Policy* magazine. Today, Deepa is a social scientist, independent international advisor, author, and TED Talks speaker. Deepa focuses on “people first” and local community-driven approaches to change. She provides strategic advice in the implementation and redesign of poverty-oriented programs and social enterprises. She also conducts experiential workshops using the creative arts for the empowerment of youth and women.

Deepa has written 17 books including the groundbreaking *Chup: Breaking the Silence About India’s Women*. The book demonstrates why current global approaches to women’s empowerment, entrepreneurship, and leadership have little impact and are unlikely to succeed. Despite our intellectual beliefs about gender equality, inequality still exists in the United States and more so globally, and it will take a global collective effort to have gender equality. The book is organized around seven habits that men and women use (often unknowingly with good intentions) that stifle girls and women today. Deepa says sexism affects everything we do, and educated people must come together to unlearn and change these seven everyday habits that perpetuate gender inequality.

*Sources:* Deepa Narayan at the World Bank website bio and video <https://live.worldbank.org/en/experts/d/deepa-narayan>; Interview about gender equality <https://spp.ceu.edu/files/interview-deepa-narayan-widespread-gender-inequality>; Ted Talks “7 beliefs that can silence women — and how to unlearn them” [https://www.ted.com/speakers/deepa\\_narayan](https://www.ted.com/speakers/deepa_narayan); [https://www.ted.com/speakers/deepa\\_narayan](https://www.ted.com/speakers/deepa_narayan) Videos of Ted Talks, and other talks on Instagram <https://www.instagram.com/deepavop/?hl=en>; The Well Being Project <https://wellbeing-project.org/dr-deepa-narayan/> Accessed August 9, 2024.

### Opening Case Questions

1. What Big Five personality traits does Deepa Narayan possess?
2. Does Deepa Narayan have the personality profile of an effective leader?
3. How does “attitude” affect our gender-equality behavior?
4. How does Deepa Narayan’s self-concept affect her leadership?
5. Is sexism ethical globally?

Can you answer any of these questions? You’ll find answers to these questions and learn more about Deepa Narayan and her leadership throughout the chapter.

## Your Personality Profile

Recall that trait theory of leadership was the foundation for the field of leadership studies. Research continues to support the importance of specific traits of effective leaders,<sup>1</sup> and the need for self-awareness.<sup>2</sup> Before you learn about personality traits, complete Self-Assessment 2.1, which will help you identify your preferences in the Big Five personality profile.

Throughout this chapter, you will increase your knowledge of personality traits, which help explain why people say and do the things they do (behavior). Successful leaders do have different

styles,<sup>3</sup> but they do include the Big Five traits to varying degrees. You will reference your results from Self-Assessment 2.1 throughout the chapter discussions.

### Self-Assessment 2.1

#### Big Five Personality Profile

There are no right or wrong answers, so be honest and you will increase your self-awareness. We suggest doing this exercise in pencil or making a copy before you write on it. We will explain why later.

Using the scale below in Table 2.1, rate each of the 25 statements according to how accurately it describes you. Place a number from 1 to 7 on the line before each statement.

\_\_\_\_ 1. I step forward and take charge in leaderless situations.

**Table 2.1** ■ Personality Profile Scale

Like me	Somewhat like me	Not like me
7	6 5 4 3	2 1

- \_\_\_\_ 2. I am concerned about getting along well with others.
- \_\_\_\_ 3. I have good self-control; I don't get emotional, angry, or yell.
- \_\_\_\_ 4. I'm dependable; when I say I will do something, it's done well and on time.
- \_\_\_\_ 5. I try to do things differently to improve my performance.
- \_\_\_\_ 6. I don't give up very easily, and I push myself to achieve my objectives.
- \_\_\_\_ 7. I enjoy having lots of friends.
- \_\_\_\_ 8. I think positively about the outcomes of situations and perform well under pressure.
- \_\_\_\_ 9. I work hard to be successful.
- \_\_\_\_ 10. I'm flexible and go with the flow when things change.
- \_\_\_\_ 11. I am outgoing and willing to be assertive when in conflict.
- \_\_\_\_ 12. I try to see things from other people's points of view.
- \_\_\_\_ 13. I have confidence in my judgments, decision making, ideas, and capabilities.
- \_\_\_\_ 14. I am loyal to my boss, coworkers, and the organization.
- \_\_\_\_ 15. I'm good at problem solving and making decisions.
- \_\_\_\_ 16. I want to climb the corporate ladder to as high a level of management as I can.
- \_\_\_\_ 17. I want other people to like me and to view me as very friendly.
- \_\_\_\_ 18. I give people lots of praise and encouragement; I don't put people down and criticize.
- \_\_\_\_ 19. I follow the policies and rules of an organization.
- \_\_\_\_ 20. I volunteer to be the first to learn and do new tasks at work.
- \_\_\_\_ 21. I try to influence other people to get my way.
- \_\_\_\_ 22. I enjoy working with others more than working alone.
- \_\_\_\_ 23. I am relaxed and secure, rather than nervous and insecure.
- \_\_\_\_ 24. I am considered to be trustworthy because I do a good job and support others.
- \_\_\_\_ 25. I believe that my successful performance depends on me, not others or good luck.

To determine your Big Five personality profile: (1) For the blanks below in Table 2.2, write down the numbers from 1 to 7 that represent your score for each statement. (2) Add up each column; your total should be a number from 5 to 35. (3) On the number scale, note the number that is closest to your total score. Each column in the chart represents a specific personality dimension.

**Table 2.2 • Number Scale**

Surgency			Agreeableness			Adjustment			Conscientiousness			Openness to Experience		
		35			35			35			35			35
___	1.	30	___	2.	30	___	3.	30	___	4.	30	___	5.	30
___	6.	25	___	7.	25	___	8.	25	___	9.	25	___	10.	25
___	11.	20	___	12.	20	___	13.	20	___	14.	20	___	15.	20
___	16.	15	___	17.	15	___	18.	15	___	19.	15	___	20.	15
___	21.	10	___	22.	10	___	23.	10	___	24.	10	___	25.	10
	Total	5	___	Total	5	___	Total	5	___	Total	5		Total	5
___		Scale		Scale		___		Scale	___		Scale	___		Scale

The higher the total number, the stronger is the personality dimension that describes your personality. What is your strongest dimension? Your weakest dimension? Continue reading the chapter for specifics about your personality in each of the five dimensions.

**Work Application 2.1**

How do you feel about your Big Five personality profile? Did your scores surprise you, and if so, how?

## Personality and Traits

Why are some people outgoing and others shy, loud and quiet, warm and cold, aggressive and passive? This list of behaviors is made up of individual traits.

### Think Like a Leader

Leadership actually starts within you—your thoughts, personality, attitudes, beliefs, and perception about yourself and leadership.<sup>4</sup> We are responsible for thinking and behaving the way we do.<sup>5</sup> We need to be aware of our habits of our mind, and we can make it a habit to be more positive.<sup>6</sup>

If you want to be a leader, you need to think of yourself as a leader. Why? Our behavior comes from our thoughts. The most important conversation we have every day is with ourselves.

It is more important than what other people tell us because we always believe ourselves, even when we are wrong.<sup>7</sup> Know any people with negative thoughts and attitudes, or attractive or thin people who don't believe they are attractive or believe they are overweight?

What we tell ourselves affects who we become. Are you thinking positively about yourself with a winning I can do it attitude or are you telling yourself you can't do it you are a loser?<sup>8</sup> Having positive thoughts helps make us happy.<sup>9</sup> So, we need to think positively about ourselves and tell ourselves positive affirmations.<sup>10</sup>

Here are some negative: positive affirmations: "I can't do it: I'm improving on doing it; this is easy; I got this; I can beat this deadline"; "I've never done it before: I'll enjoy doing this"; "I'm no good at doing this: Every time I try doing this I improve—I'm getting better"; "I don't have enough time: There is time to do what is really important, so I will focus on that."<sup>11</sup>

Telling ourselves positive affirmations is not natural to us, especially when we are stressed and disappointed. So we need to be constantly mindful of our thoughts and keep telling ourselves positive affirmations, and we need to quickly turn any negative thoughts into positive affirmations. With practice, you can improve your positive thoughts and your life.<sup>12</sup> Tell yourself a few positive affirmations right now—such as I enjoy reading this book.

## Personality and Traits are Different but Related

**Traits** are distinguishing personal characteristics. The image we project is based largely on our character traits. See Table 2.3 for a list of positive character traits that employers want in recruits identified by **Indeed**.<sup>13</sup> Use Table 2.3 to complete Self-Assessment 2.2.

Table 2.3 • Positive Character Traits

Positive Character Traits				
Ambitious	Patient	Honest	Loyal	Resilient
Creative	Courageous	Humble	Conscientious	Disciplined
Compassionate	Flexible	Integrity	Persistent	

### Self-Assessment 2.2

#### Your Character Traits

There are no right or wrong answers, so be honest and you will increase your self-awareness.

List at least five positive character traits that describe you in priority order that you try to live by. You can use the list in Table 2.3 or any other traits that you have that are not listed in the table.

1. Write some examples of how you have used each trait to the right of the trait.
2. Do you have any negative traits that are holding you back? What are they?
3. Which positive and negative traits would your boss, coworkers, family, and friends use to describe your character?
4. Which one trait would you like to improve, and what will you do to improve it?

**Personality** is a combination of traits that classifies an individual's behavior. Positive traits tend to lead to positive results and vice versa.

Personality is developed based on genetics and environmental factors. The genes you received before you were born influence your personality traits today. Your thoughts and attitudes, plus family, friends, school, and work also influence your personality. So our personality is partly innate, partly learned, and we can change, but it takes time and effort.<sup>14</sup>

## Why Understanding Traits and Personality is Important

Who you are and become is more important than what you do, accomplish, have, or buy.<sup>15</sup> If people ask you to tell them about yourself, you can use your personal characteristic traits and personality to get them to know your character. Understanding personalities helps us explain and predict others' behavior and job performance. Personality tests are used to find the right people for the right jobs, as they may be used to predict workplace performance.<sup>16</sup>

For a simple example, if you know Katina is very shy, you can better understand why she is quiet when meeting new people. You can also predict that Katina will be quiet when she is with people she doesn't know very well. You can also better understand why Katina would not seek a job as a salesperson, and if she did, you could predict that she might not be highly successful. Therefore, you should seek a job and career based on your personality.

## Personality Profiles and Tests

**Personality profiles** identify individual stronger and weaker traits. Completing a personality assessment like Self-Assessment 2.1 gives us our personality profile. Review your personality profile. Do you have higher scores (stronger traits) on some dimensions and lower scores (weaker traits) on others? There are many personality tests, such as the Minnesota Multiphasic Personality Inventory and the Myers-Briggs Type Indicator. You can take a free sixty-four-question personality self-assessment of the Jung, Briggs Myer Typology identifying sixteen personality types describing your strengths, preferences, and personality type, and you can discover careers and occupations most suitable for your personality type at **Human Metrics** ([www.humanmetrics.com](http://www.humanmetrics.com)) The website also contains other trait-based self-assessments.<sup>17</sup>

Recall the value of knowing yourself.<sup>18</sup> When we take personality tests, our self-awareness increases as we figure out our stronger and weaker traits. But we have to make a realistic assessment and acceptance of our strengths and weaknesses and work to improve our behavior.<sup>19</sup> We realize we are different from other people, and, as stated, we can change our behavior to improve our relationships and develop leadership skills.<sup>20</sup>

## The Big Five Correlates with Leadership

Researchers conducted a major meta-analysis combining seventy-three prior studies to correlate the Big Five personality dimensions with leadership. The highest correlation with leadership was surgency, followed by conscientiousness and openness to experience. Agreeableness was weakly correlated, and adjustment was negatively correlated with leadership.<sup>21</sup> In other words, people high in surgency are perceived as leaderlike—they work hard and bring about change. They are not too concerned about being well liked and trying to please everyone, and they are stable or not overly emotional.

## Derailed Leadership Traits

Let's identify traits that led to leadership failure. A study was conducted and the derailed executives had prior success and were expected to go far, but they were passed over for promotion,

were fired, or were forced to retire early. See a list of the six major reasons for derailment below.<sup>22</sup> Overall, the problem of derailed managers is poor interpersonal skills (Chapter 1).

## Why Executives Are Derailed

- They used a bullying style viewed as intimidating, insensitive, and abrasive.
- They were viewed as being cold, aloof, and arrogant.
- They betrayed personal trust.
- They were self centered and viewed as overly ambitious and thinking of the next job.
- They had specific performance problems with the business.
- They overmanaged and were unable to delegate or build a team.

## We Can Improve

As stated, we can change our behavior to be more effective. The key to success is to assess our personality strengths and weaknesses. Unfortunately, most of us are in denial of our weaknesses or do not work at improving them. So we need to plan how to change our behavior to improve our relationships and leadership skills. Once we determine the behavior we want to improve, it takes deliberate practice to succeed.<sup>23</sup> You are given the opportunity to apply what you learn throughout this book in your personal and professional lives, starting now.

## Leadership Trait Universality

From the late 1940s into the 2000s, there have been many studies investigating various (3, 5, 6, 8, 10, 13) traits validating the importance of leadership traits, or supporting the universality of leadership traits. However, there is no agreed-upon universal list of traits that leaders need to be successful. So traits are universal in the sense that there is agreement that traits are important, but they are not universal because there are many lists of traits. There are always exceptions to the traits. For example, successful leaders are commonly extroverts, but some CEOs describe themselves as introverts, including **Wendy Kopp (Teach for America)**, **Beyoncé (Parkwood Entertainment)**, **Melody Hobson (Ariel Investments)**, **Naomi Osaka (KINLÒ)**, **Viola Davis (JuVee Productions)**, **Bill Gates (Microsoft)**, **Larry Page (Google)**, **Mark Zuckerberg (Facebook)**, and **Elon Musk (Tesla/SpaceX, X)**.<sup>24</sup> Also, certain personality traits have been shown to be important in some settings but not in others.<sup>25</sup>

In applying trait theory, we need to remember there are traits that many successful leaders have, and we will discuss them in the next major section with the Big Five, but you don't need to have all of them to be a successful leader. However, positive leadership traits can be developed.<sup>26</sup>

## Work Application 2.2

Select a present or past manager and state whether they have any of the six traits of derailment. Give specific examples of weaknesses.

## The Big Five Including Traits of Effective Leaders

Personality is a dominant predictor of individual behavior.<sup>27</sup> So we discuss the Big Five Model of Personality traits in detail because it is the most widely accepted way to classify personalities because of its strong research support and reliability across age, sex, race, and language globally<sup>28</sup> (**Global View**).

The purpose of the Big Five is to reliably categorize, into one of five dimensions, most if not all of the traits you would use to describe someone. Thus, each dimension includes multiple traits. The **Big Five Model of Personality** categorizes traits into the dimensions of surgency, agreeableness, adjustment, conscientiousness, and openness to experience. To remember these categories, you could use the acronym “SAACO.” The dimensions are listed in Table 2.4 and described in this section.

Note that some researchers have slightly different names for the five dimensions, and not all will agree under which dimension each leadership trait should be classified; there is some overlap. We include traits of effective leaders under each dimension based on their strong research support, and our definitions of each of the Big Five include the effective leadership traits in that category. However, again we should realize not all effective leaders have all these traits and, like all of us, are higher and lower in some than others.

### Surgency

The **surgency personality dimension** includes dominance, extraversion, and high energy with determination.

- *Dominance.* Successful leaders assert themselves and want to be managers and to take charge. If you do not want to be a leader, chances are you will not be an effective manager. Thus, the dominance trait affects all the other traits related to effective leaders. Do you want to be a leader?
- *Extraversion.* It is on a continuum between extravert and introvert. Extraverts are outgoing, like to meet new people, and are assertive and willing to confront others, whereas introverts are shy. Extraverts are frequently selected for leadership positions. How outgoing are you?
- *High energy with determination.* Leaders tend to have high energy with a positive drive to work hard to achieve goals, and they create energy in others. Their positive attitude and optimism influence their high tolerance for frustration as they strive to overcome obstacles through being persistent; they don't give up easily. The late **Thomas Edison** has been described as America's greatest inventor. He had hundreds of failures along the way to successfully producing the groundbreaking technology of electric lights, photography, music, and the movies you enjoy today. Edison's attitude was now I know one more method that doesn't work. Do you have a high energy level with determination to keep trying until you succeed?

### Agreeableness

The **agreeableness personality dimension** includes traits of sociability and emotional intelligence. Agreeableness dimensions are based on interpersonal skills (Chapter 1) that employers seek in new hires.<sup>29</sup> Let's discuss the important dimensions of agreeableness next.

- *Sociability*. Sociable people have an inclination to seek out enjoyable social relationships. Strong sociability personality types are friendly, courteous, easy to get along with, and diplomatic. How important is having good social relationships to you?
- *Sensitivity*. Sensitivity is part of being sociable. It refers to being approachable and relatable, and understanding group members as individuals and treating them fairly.<sup>30</sup> Recall that being insensitive is one of the reasons why executives are derailed. If you are concerned only about yourself and don't understand others, you probably will not be very successful. Are you sensitive to others?
- *Emotional Intelligence*. An offshoot of intelligence quotient (IQ) is emotional quotient (EQ). The commonly used term *emotional intelligence* (EI) describes people who have good interpersonal skills, as they have “emotional competence”. Positive emotions lead to positive outcomes and vice versa. **Safra Catz** of **Oracle** places a high value on EI over technical skills.<sup>31</sup> There are multiple components of EQ:<sup>32</sup>

*Self-awareness* relates to being conscious of your emotions and how they affect your personal and professional life. Self-awareness is the cornerstone of all insight.

*Social awareness* relates to the ability to understand others. Empathy is the ability to put yourself in other people's situations, sense their emotions, and understand things from their perspective.

*Self-management* relates to the ability to control disruptive emotions, ours and others. Successful leaders are self motivated and don't let negative emotions (worry, anxiety, fear, anger) interfere with getting things done.

*Relationship management* relates to the ability to work well with others, which is dependent on the other three EI components. Most of this book focuses on developing relationship management skills. Do you have high EI skills? Go to the Global Leadership Foundation website <https://globalleadershipfoundation.com/>. Click on the link in the bottom banner of the site “Free Emotional Intelligence Test” and take the 40-item EI test, or go directly to <https://globalleadershipfoundation.com/geit/eitest.html>.<sup>33</sup> What is your score? What are your stronger and weaker traits?

## Adjustment

The **adjustment personality dimension** includes traits of emotional stability and self-confidence. Let's discuss the important dimensions of adjustment here.

- *Emotional stability/self-control*. We all have emotions. The question is how do we handle them? Adjustment is on a continuum between being emotionally stable and unstable. *Stable* refers to self-control, being calm—good under pressure, relaxed, secure, and positive. *Unstable* is out of control—poor under pressure, nervous, insecure, negative, and hostile. Being unstable is being stressed with decreased performance and leads to anxiety and depression.<sup>34</sup> Know anyone like that? How emotionally stable are you? By following the guidelines throughout this book, you can improve your stability.
- *Narcissism*. Narcissism is related to being unstable. Narcissists are preoccupied with themselves; ignoring the needs of others; have an exaggerated sense of their self-importance; take credit for others' work, criticize, lie to, and manipulate others, and bully them to get their way. Most narcissist jerks don't succeed.<sup>35</sup> Do you know any narcissists?



The key to leadership success is the ability to develop relationships.

360b/Alamy Stock Photo

- *Agreeableness/Emotionalism.* Agreeableness and emotionalism tend to go together, as agreeable people tend to be in control of their emotions and disagreeable people tend to be neurotics. **Apple's Steve Jobs** and **Microsoft's Bill Gates** were frenemies, as they helped each other while competing in business. Jobs could be a disagreeable neurotic, whereas Gates is considered to be agreeable with EI. When Jobs would get upset and yell insults at Gates, Gates would not get emotional and yell back; he would remain very calm and speak softly until Jobs calmed down to continue a rational conversation.
- *Self-Confidence.* It is on a continuum from strong to weak, indicating whether we are self-assured in our judgments, decision making, ideas, and competencies. How can we succeed at anything if we don't believe we can? Our self-confidence builds with our success at setting and achieving our goals. Effective self-confidence is based on an accurate awareness of our strengths and weaknesses, with an orientation to self-improvement. Do you have effective self-confidence?

## Conscientiousness

The **conscientiousness personality dimension** includes traits of dependability and integrity. **Dwayne “the Rock” Johnson** says success isn't about greatness; it's about consistency—consistent hard work. To realize your dreams, you need to work hard. Know anyone who is all talk, and no action to succeed, with excuses for not trying or failing? Conscientiousness is an overall good predictor of job success, and effective leaders are conscientious.

How strong is your desire to be successful?

- *Dependability.* It is on a continuum between responsible/dependable and irresponsible/undependable. Highly dependable people get the job done and are characterized as loyal, committed to their coworkers and the organization. Know anyone who is dependable and undependable? Are you dependable?
- *Integrity.* It is on a continuum between being honest and ethical or not. Integrity is the foundation for trustworthiness. Integrity is about being honest with people—no lying, cheating (manipulating), or stealing. We will discuss ethics in more detail in the last two sections of this chapter. Do you know anyone who has or lacks integrity? Do you have integrity?

## Openness

The **openness-to-experience personality dimension** includes traits of flexibility, intelligence, and internal locus of control.

- *Flexibility.* Employers are looking for fast learners who can quickly evolve and adjust to different situations.<sup>36</sup> Without flexibility, you will not be successful. How willing are you to change and try new things? Are you flexible?
- *Intelligence.* It refers to the cognitive ability to think critically, solve problems, and make decisions. It is also referred to as a general mental ability IQ. Intelligence is the best predictor of job performance in general, and for predicting leadership success.<sup>37</sup>
- *Cultural intelligence (CI).* An offshoot of IQ. CI combines aspects of IQ and EQ to understand different cultures and to behave according to different cultural practices and use appropriate verbal and nonverbal behavior. In the global economy of today, CI skills are an essential skill for graduates, especially those who want to take international internships and jobs or work on diverse teams in their home country<sup>38</sup> (**Global View**).
- *IQ, EQ, and I got a clue.* It has been said that to be successful a high IQ is important but not enough. We also need strong interpersonal skills or a high EQ. Plus, we have to have a clue regarding what we are trying to accomplish (objectives) and how we will get the job done. Can you think of any people who are intelligent but lack people skills or don't seem to have a clue about what to do or how to get things done?
- *Locus of control.* It is on a continuum between external and internal belief in control over one's destiny/performance. *Internalizers* believe they control their fate and their behavior directly affects their performance. Effective internalizer leaders take responsibility for who they are, for their behavior and performance, and for the performance of their organizational unit. Successful entrepreneurs, such as the founder of **Tesla** and **SpaceX**, **Elon Musk**, are internalizers. *Externalizers* believe they have no control over their fate and their behavior has little to do with their performance. So, they don't try hard to succeed. Do you know any internalizers and externalizers? Are you a person of hope or hopelessness;<sup>39</sup> more of an internalizer or an externalizer?

See Table 2.4 for a review of the Big Five personality dimensions with their twelve leadership traits. Table 2.4 includes the letters used as answers in Concept Application 2.2.

Table 2.4 ■ The Big Five Including Traits of Effective Leaders

The Big Five Model of Personality	Leadership Traits Within the Big Five
Surgency	<ul style="list-style-type: none"> <li>a. Dominance</li> <li>b. Extroversion</li> <li>c. Energy/Determination</li> </ul>
Agreeableness	<ul style="list-style-type: none"> <li>d. Sociability/Sensitivity</li> <li>e. Emotional intelligence</li> </ul>
Adjustment	<ul style="list-style-type: none"> <li>f. Emotional Stability and Narcissism</li> <li>g. Self-confidence</li> </ul>
Conscientiousness	<ul style="list-style-type: none"> <li>h. Dependability</li> <li>i. Integrity</li> </ul>
Openness	<ul style="list-style-type: none"> <li>j. Flexibility</li> <li>k. Intelligence</li> <li>l. Locus of control</li> </ul>

## Opening Case Application

### 1. What Big Five and leadership personality traits does Deepa Narayan possess?

To a large extent, Deepa Narayan is a successful leader because of her strong personality in the Big Five. She has a need for *surgency* that helped her climb the corporate ladder to become a senior advisor at the World Bank in Washington, D.C., which is dominated by men, and she started her own consulting business. Deepa has *agreeableness* as she focuses on “people first,” and local community-driven approaches to change. She gets along well with people having strong interpersonal skills with EI. She is also sociable and sensitive to others. She is *conscientious* about getting the job done. Being very dependable by achieving great success is a cornerstone of her success. Plus, Deepa is viewed as having a high level of integrity. Deepa is well adjusted (*adjustment*). She has self-control and self-confidence, is calm, good under pressure, relaxed, secure, and positive. Deepa works well with women and men to reduce sexism. Deepa is open to new experiences because of her innovating and bringing the challenge of overcoming sexism together on a global scale. She is highly intelligent earning a PhD from Iowa State University, has an internal locus of control as she takes charge to bring changes globally at home, in communities, and at work.

## Applying the Concept 2.1

### Big Five Personality Dimensions

Identify each of these five traits/behaviors by its personality dimension. Write the appropriate letter in the blank before each item.

- a. surgency
- b. agreeableness

- c. adjustment
  - d. conscientiousness
  - e. openness to experience
- \_\_\_ 1. A leader is not very talkative when meeting unexpected customers.
  - \_\_\_ 2. A leader is letting a follower do the job their own way to avoid a conflict.
  - \_\_\_ 3. A leader is giving detailed instructions to a follower to do the job.
  - \_\_\_ 4. A purchasing agent submitted the monthly report on time as usual.
  - \_\_\_ 5. A sales rep avoided the temptation to lie to a customer to make a sale.
  - \_\_\_ 6. An employee came up with a brilliant way to increase the power of the generator.
  - \_\_\_ 7. A leader is saying a warm, friendly hello to followers as they arrive at the meeting.
  - \_\_\_ 8. A leader is brainstorming ideas with followers on new products.
  - \_\_\_ 9. A follower is yelling about a problem, a leader calmly explains how to solve it.

### Applying the Concept 2.2

#### Personality Traits of Effective Leaders

Identify each of the following nine behaviors by its trait. The leader may be behaving effectively, or the behavior may be the opposite of the effective trait behavior. Refer to Exhibit 2.2 and use the “leadership traits within the Big Five.” Write the appropriate letter a–l in the blank before each item.

- \_\_\_ 10. A leader assigned a task to one follower, giving very specific instructions, and another task telling that follower to complete the task any way they want to.
- \_\_\_ 11. A leader is fixing a broken machine.
- \_\_\_ 12. A leader is acting very nervous while giving the follower a new task.
- \_\_\_ 13. A leader tells a follower that he can have lunch at noon. But 15 minutes later, the leader tells the follower to have lunch at 1:00.
- \_\_\_ 14. A leader listens to the follower complain and then paraphrases the complaint back to the follower.
- \_\_\_ 15. A leader in situation 10 above is/has been working to fix the machine for three hours now.
- \_\_\_ 16. A leader is giving excuses as to why performance is low and that nothing can be done to improve.
- \_\_\_ 17. An outgoing leader is doing all the talking at the department meeting.
- \_\_\_ 18. A leader telling his boss that he is right on schedule to finish the job, planning to catch up before the boss finds out.

#### Work Application 2.3

Select a present or past manager and assess their traits of effective leaders (surgency, agreeableness, adjustment, conscientiousness, and openness). Give an example of the manager’s strong or weak dominance, extroversion, and energy/determination in a typical specific situation.

## The Personality Profile of Effective Leaders

Effective leaders have a common personality profile. **David McClelland's** trait theories of Achievement Motivation Theory and Leader Motive Profile Theory have strong research support and a great deal of relevance to the practice of leadership. Achievement Motivation Theory identifies three major traits, which McClelland calls *needs*. Leader Motive Profile Theory identifies the personality profile of effective leaders.<sup>40</sup> You will learn about both of these theories in this section.

### Achievement Motivation Theory

**Achievement Motivation Theory** attempts to explain and predict behavior and performance based on a person's need for achievement, power, and affiliation. Through an unconscious process, our behavior is motivated by our desire to satisfy our needs. **McClelland** stated that needs are based on personality and are developed as we interact with the environment. Leadership success is based on traits, and leadership traits influence performance. All people possess these three needs but to varying degrees.

#### The Need for Achievement (n Ach)

The need for achievement is the concern for excellence in accomplishments through individual efforts. High n Ach is categorized as the Big Five dimension of conscientiousness with dependability, but the person is not necessarily high in integrity. People with high n Ach tend to be characterized as wanting to take personal responsibility for solving problems. They are goal oriented and set moderate, realistic, and attainable goals. They seek challenge, excellence, and individuality; take calculated, moderate risks; desire concrete feedback on their performance; and work hard. **McClelland's** research showed that only about 10 percent of the U.S. population has a very "strong" dominant need for achievement. There is evidence of a correlation between high achievement need and high performance in the general population.

#### The Need for Power (n Pow)

The need for power is the concern for influencing others and seeking positions of authority. High n Pow is categorized as the Big Five dimension of surgency. People with a high need for power tend to be characterized as wanting to control the situation, wanting influence or control over others, enjoying competition in which they can win (they don't like to lose), being willing to confront others, and seeking positions of authority and status. They tend to be ambitious and have a lower need for affiliation and agreeableness. They are attuned to power and politics as essential for successful leadership and tend to seek management positions.

#### The Need for Affiliation (n Aff)

The need for affiliation is the concern for developing, maintaining, and restoring close personal relationships. High n Aff is categorized as the Big Five dimension of agreeableness. People with strong n Aff have the trait of sociability/sensitivity and often high EI. People with high n Aff tend to be characterized as seeking close relationships with others, wanting to be liked by others, enjoying lots of social activities, and seeking to belong; so they join groups and organizations. People with high n Aff are more concerned about what others think of them than about getting their own way (influencing others). N Aff is negatively related to leadership. Those with a high n Aff tend to have a low n Pow; they tend to avoid management because they like to be one of the group rather than its leader.

### Applying the Concept 2.3

#### Achievement Motivation Theory

Identify each of the behaviors below by its need, writing the appropriate letter in the blank before each item. The person may be behaving based on a strong need, or the behavior may be the opposite, indicating a weak need. Also state how the behavior meets the need and predict the performance.

- a. achievement
  - b. power
  - c. affiliation
- \_\_\_\_ 19. A person who is asked to select between working on an individual project or on a team project chooses to work alone.
- \_\_\_\_ 20. A person is refusing to be the chairperson of the committee.
- \_\_\_\_ 21. A person is going to talk to a coworker to resolve a conflict they have.
- \_\_\_\_ 22. The other coworker above will not be the first one to make a move to resolve the conflict; but when the other party comes to him, he will be receptive.
- \_\_\_\_ 23. A finance major has offered to calculate the financial analysis for the group's simulation game and to make the presentation to the class.
- \_\_\_\_ 24. A management major is studying hard for many hours to maintain his A average.

#### Your Motive Profile

According to **McClelland**, adjustment and openness-to-experience Big Five personality dimensions are not needs. A person can have a high or low need for achievement, power, and affiliation and be either well adjusted or not, and either open or closed to new experiences. So these two dimensions of personality are ignored in determining the Achievement Motivation Theory personality profile. Complete Self-Assessment 2.3 to apply what you learned from your Big Five personality assessment to how it relates to your motive profile.

### Self-Assessment 2.3

#### Motive Profile

From Self-Assessment 2.1, write down your Big Five scores for conscientiousness, surgency, and agreeableness to the corresponding needs category based on Table 2.5. That is also your needs score.

Table 2.5 ■ Scores

Need for Achievement	Need for Power	Need for Affiliation
(This is equivalent to your conscientiousness score.)	(This is equivalent to your surgency score.)	(This is equivalent to your agreeableness score.)

There is no right or wrong score for this profile. To interpret your score, check to see if there is much difference between the three need scores. If all three are about the same, one need is not stronger than the others are. If scores vary, one need is higher than the others and is called the stronger or dominant need, and the lower score is the weaker need. You can also have other combinations, such as two stronger and one weaker, or vice versa. Do you have stronger and weaker needs?

Knowing a motive profile is useful because it can explain and predict behavior and performance. Read on to determine if you have the motive profile of an effective leader.

## Leader Motive Profile Theory

**Leader Motive Profile Theory** attempts to explain and predict leadership success based on a person's need for achievement, power, and affiliation. **McClelland** found that effective leaders consistently have the same motive profile and that Leader Motive Profile is a reliable predictor of leader effectiveness.<sup>41</sup> Let's first define the profile of effective leaders and then discuss why it results in success. The **Leader Motive Profile (LMP)** includes a high need for power, which is socialized, that is greater than the need for affiliation and with a moderate need for achievement. The achievement score is usually somewhere between the power and affiliation score, and the reason is described below.

- *Power.* Power is essential to leaders because it is a means of influencing followers. Without power, there is no leadership. To be successful, leaders need to want to be in charge and enjoy dominance in the leadership role, with high energy and determination to succeed. We will need power to influence our followers, peers, and higher-level managers. We will discuss how to gain power and be successful in organizational politics in Chapter 5.
- *Socialized Power.* **McClelland** further identified power as neither good nor bad. It can be used for personal gain at the expense of others (personalized power), or it can be used to help oneself and others (socialized power).<sup>42</sup> Social power is discussed again later, with ethics. Effective leaders use socialized power, which includes the traits of sensitivity to others and stability with good EI relationships and is the Big Five *adjustment* dimension. **Reshma Saujani**, founder and CEO of **Girls Who Code**, identified and sought to narrow the gender gap for women in technological fields through the use of socialized power.<sup>43</sup> Thus, a person with a low need for affiliation can have a high sensitivity to others. **McClelland's** research supports the reasons for executive derailment because these negative traits are personalized power. Complete Self-Assessment 2.4 to determine your motive profile with socialized power.

### Self-Assessment 2.4

#### Motive Profile with Socialized Power

Record your answers from Self-Assessment 2.2, using Table 2.6 as a guide. From Self-Assessment 2.1 record your adjustment score under socialized power.

Table 2.6 ■ Additional Scores

Need for Achievement	Need for Power	Socialized Power	Need for Affiliation
(This is equivalent to your conscientiousness score.)	(This is equivalent to your surgency score.)	(This is equivalent to your adjustment score.)	(This is equivalent to your agreeableness score.)

Again, there is no right or wrong score. The adjustment score will give you an idea if your power is more social or personal. Also realize that the questions in Self-Assessment 2.1 (3, 8, 13, 18, and 23) are not totally focused on social power. Thus, if you believe you have a higher sensitivity to others, your score on McClelland's LMP socialized power could be higher.

The LMP is included in the definition of leadership. Our definition of leadership includes the five key elements of leadership (see Figure 1.1) in the LMP. Our definition of leadership includes influencing and leaders–followers (power) and getting along with people (social power with EI). It also includes organizational objectives (which achievers set and accomplish well) and change (which achievers are open to).

- *Achievement.* To be effective, leaders generally need to have a moderate need for achievement. They have high energy, self-confidence, and openness-to-experience traits, and they are dependable—*conscientious* (Big Five dimension). The reason for a moderate, rather than a high, need for achievement, which would include a lower need for power, is the danger of personalized power. People with a high need for achievement tend to seek individual achievement, and when they are not interested in being a leader, there is the chance for personalized power and derailment.
- *Affiliation.* Effective leaders have a lower need for affiliation than for power so that relationships don't get in the way of influencing followers. If the achievement score is lower than that for affiliation, the probability of the following problems occurring may be increased. Leaders with high n Aff tend to have a lower need for power and are thus reluctant to play the bad-guy role, such as disciplining and influencing followers to do things they would rather not do—like change. However, recall that effective leaders do have concern for followers—socialized power.

## Opening Case Application

### 2. Does Deepa have the personality profile of an effective leader?

It is hard to be precise without an LMP score. However, her need for power is illustrated through climbing the corporate ladder to become a senior advisor at World Bank. She has a socialized need for power because she relies more on relationships than simply her

power. Deepa has a need for achievement, such as earning a PhD, that leads to continued success. She also has a need for affiliation as she works with people globally to work toward gender equality.

Before we go on to discuss leadership attitudes, let's review what we've covered so far in Table 2.7 by putting together the Big Five Model of Personality, the nine traits of effective leaders, and Achievement Motivation Theory and LMP.

**Table 2.7 ■ Combining the Big Five with Traits and Needs**

The Big Five Model of Personality	Leadership Traits Within the Big Five	Achievement Motivation Theory and Leader Motive Profile (LMP)
Surgency	<ul style="list-style-type: none"> <li>a. Dominance</li> <li>b. Extroversion</li> <li>c. Energy/Determination</li> </ul>	Need for power
Agreeableness	<ul style="list-style-type: none"> <li>c. Sociability/Sensitivity</li> <li>d. e. Emotional intelligence</li> </ul>	Need for affiliation
Adjustment	<ul style="list-style-type: none"> <li>e. Emotional Stability and Narcissism</li> <li>f. Self-confidence</li> </ul>	Socialized power (LMP)
Conscientiousness	<ul style="list-style-type: none"> <li>g. Dependability</li> <li>h. Integrity</li> </ul>	Need for achievement
Openness	<ul style="list-style-type: none"> <li>i. Flexibility</li> <li>j. Intelligence</li> <li>k. Locus of control</li> </ul>	No separate need; it is included in the other needs

### Self-Assessment 2.5

#### Leadership Interest

Select the option that best describes your interest in leadership now.

- \_\_\_ **1.** I am, or want to become, a manager and a leader.
- \_\_\_ **2.** I am, or want to become, a leader without being a manager.
- \_\_\_ **3.** I am not interested in being a leader; I want to be a follower.

If you want to be a leader, recall that research has shown that you can develop your leadership skills.

If you selected option 1, do you have an LMP? If you answered *yes*, it does not guarantee you will climb the corporate ladder. However, having an LMP does increase your chances because it is a predictor of leadership success. On the other hand, an LMP is not enough;

you need leadership skills to be successful. If your Self-Assessment score doesn't indicate you have an LMP, go back to Self-Assessment 2.1 and review questions 1, 6, 11, 16, and 21. Did you score them accurately? The most important question is 16. If you believe you have an LMP, be aware that your profile could be different using McClelland's LMP questionnaire. Also recall that not all successful leaders have an LMP; you can still be successful. Developing your leadership skills, through effort, will increase your chances of leadership success.

If you selected option 2, don't be concerned about your LMP. Focus on developing your leadership skills. However, your personality profile can help you better understand your strengths and weaknesses to identify areas to improve upon. This also holds true for people who selected option 1.

If you selected option 3, that's fine. Most people in the general population probably would select this option. Many professionals who have great jobs and incomes are followers, and they have no interest in becoming managers. However, recall that research has shown that leaders and followers need the same skills, that organizations are looking for employees with leadership skills, and that organizations conduct leadership skills training with employees at all levels. To increase your chances of having a successful and satisfying career, you may want to develop your leadership skills. You may someday change your mind about becoming a leader and manager.

Your need for power and LMP can change over time, along with your interest in leadership and management and your skill level, regardless of which option you selected.

## Work Application 2.4

Explain how your need for achievement, power, and/or affiliation has affected your behavior and performance, or that of someone you work with or have worked with. Give an example of the behavior and performance and list your predicted motive need.

## Leadership Attitudes

In this section, we discuss how leader and follower behaviors are affected by attitudes. We start with discussing thoughts and attitudes, then how attitudes relate to Theory X and Theory Y, and how the Pygmalion effect influences followers' behavior and performance. Then we discuss self-concept and how it affects the leader's behavior and performance. Last, we consider how the leader's attitudes about followers, and about their self-concept, affect the leadership style of the leader.

### Attitudes and Thoughts

Recall that our thoughts lead to our behavior, well our thoughts also lead to our attitudes.<sup>44</sup>

**Attitudes** are positive or negative feelings about people, things, and issues. We all have favorable or positive attitudes and unfavorable or negative attitudes about life, work, school, leadership, and everything else.

In the majority of cases, the lack of happiness is related to our circumstances and our reaction to them. Ever notice how some people in the exact same situation are calm, whereas others get emotional and feel anxiety. In many situations, the lack of happiness can be overcome by changing how we respond to our circumstances. A change in one's thoughts and attitudes towards our circumstances and other people can be achieved by becoming aware of our personality traits and adjusting them to be more positive.<sup>45</sup>

We find what we are looking for. If you have a bad attitude and look for the negative you will find it, and vice versa.<sup>46</sup> Negative thoughts lead to anxiety. Don't engage in negative thoughts that lead to a negative attitude. If you start to become negative, change to be positive, using positive affirmations.<sup>47</sup> As **Zig Ziglar** say, "No stinking thinking."<sup>48</sup> Don't be bitter, be better.

Our workplace does have effects on our work attitude and behavior,<sup>49</sup> so work attitude is very important.<sup>50</sup> **J. W. Marriott, Jr.**, president of **Marriott Hotels and Resorts**, stated the company's success depends more upon employee attitudes than any other single factor. Legendary football coach **Lou Holtz** says attitude is the most important thing in this world and we each choose the attitude we have. So, being a positive or negative person is your choice, we can change our thoughts and attitudes.<sup>51</sup> Do you like people who are always negative and complaining? Successful leaders have positive, optimistic attitudes. Do you?

## Theory X and Theory Y

**Theory X and Theory Y** attempt to explain and predict leadership behavior and performance based on the leader's attitude about followers. **Douglas McGregor** classified attitudes or belief systems, which he called *assumptions*, as *Theory X* and *Theory Y*.<sup>52</sup> People with Theory X attitudes hold that employees dislike work and must be closely supervised to do their work. Theory Y attitudes hold that employees like to work and do not need to be closely supervised to do their work.

### Theory X and Y Leadership Style Affects Employees

Managers with Theory X attitudes tend to have a negative, pessimistic view of employees and display more coercive, autocratic leadership styles using external means of controls, such as threats and punishment. Managers with Theory Y attitudes tend to have a positive, optimistic view of employees and display more participative leadership styles using internal motivation and rewards.

It is widely accepted that managers with Theory Y attitudes are generally more productive than Theory X attitudes.<sup>53</sup> The six derailed executive traits reflect Theory X behaviors. However, there are some situations, such as large-scale production and unskilled workers, where a more autocratic style can work well. As with personality traits, we can change our attitudes and leadership style, with effort.

## The Pygmalion Effect

The **Pygmalion effect** proposes that leaders' attitudes toward and expectations of followers, and their treatment of them, explain and predict followers' behavior and performance. In business, expectations are stated as objectives and standards. **Lou Holtz** advises setting a higher standard; the worst disservice you can do as a coach, teacher, parent, or leader is to expect little and lower standards. **Wegmans** treats employees well, sets high standards, and uses its profits to open more grocery stores.<sup>54</sup>

Think about your best and worst boss/coach/teacher. Have you ever lived up to, or down to, their expectations of you based on their attitude and treatment of you? Do you like people who

have a negative attitude toward you, and treat you poorly? Do you project a positive or negative Pygmalion effect on others?

## Opening Case Application

### 3. How does “attitude” affect our gender equality behavior?

A major factor in Deepa’s working hard to improve gender equality globally is her positive attitude, Theory Y. Deepa believes she can have an impact on changing the world’s attitude and sexist behavior (internal locus of control), and she has. Sexism is an attitude or behavior based on traditional stereotypes of different gender roles, which leads to inequality for girls and women. Our attitude toward sexism does affect our behavior.

Giving women an education and good jobs is not enough because they still face sexism and fewer career opportunities at work, especially leadership roles and advancing to top-level management. Deepa says we need to change cultural values and all of us stop the negative sexist attitudes and behavior. Unfortunately, changing cultures is a lot harder than giving women better jobs, and it takes much longer.

We can create greater gender equality if we all work together beginning with changing our own sexist attitude and behavior that actually comes from societal learned norms that negatively stereotype girls and women (which may be unintentional with good motives). Think about your friends, parents, teachers, bosses, and others. Do they say and do things to indicate how a man versus a woman should behave? Have you ever seen or felt pressured to think and behave the way others believe you should?

Deepa says we need to change the definition of a good man and woman—stop stereotype differences and pressuring people to play societal gender roles. Watch Deepa’s 13-minute TED Talk (<http://deepanarayan.com>) if you haven’t yet, and review Deepa’s seven habits (1. she doesn’t have a body, 2. she should be quiet, 3. please others, 4. have no sexuality, 5. don’t trust women, 6. place duty over her desires, and 7. be dependent on others/men) and unlearn them and live by the correct habits.

## Self-Concept, Self-Esteem, Self-Efficacy, and Performance

So far, we have discussed the leaders’ attitudes about followers. Now we will examine the attitudes of leaders and followers about themselves.

### Self-Concept

**Self-concept** refers to the positive or negative attitudes people have about themselves. It answers the questions: Who am I?<sup>55</sup> Who am I in my career?<sup>56</sup>

### Self-Esteem

*Self-esteem* is how you feel about yourself,<sup>57</sup> and it is a function of your performance plus others’ attitudes toward you (Pygmalion effect), and the feedback you receive from others about yourself. Positive feedback about our ability can help build our self-esteem, and negative comments can hurt.<sup>58</sup> However, the most important factor in the development of our self-esteem is our self-talk because we believe what we tell ourselves more than any other source.<sup>59</sup> If you have a positive view of yourself using positive affirmations as being a capable person, you will tend to have the positive self-esteem, which leads to self-confidence. So, our thoughts and attitudes about ourselves affects our self-esteem and behavior.

## Self-Efficacy

*Self-efficacy* is the belief in your own capability to perform in a specific situation, which is based on your self-concept, self-esteem, which gives you the self-confidence trait to succeed. Have you been confident to do well in one task (maybe math/business class), but not in perform in another task (say English/history)?

## Thoughts

What we think determines what happens to us. As **Henry Ford** put it, “If you think you can, you can; if you think you can’t, you can’t.” Recall times when you had positive self-efficacy and were successful, or negative self-efficacy and failed. If you don’t believe you can be a leader, you probably won’t be successful. You also need to project a positive self-concept, so others perceive you to be a leader and follow you. Again, good leaders know when to lead and when to follow.

Note assessing self-concept is difficult for some people, especially narcissist personality types because they do not see themselves as others do. Narcissists have a good self-concept but tend to overexaggerate their capabilities, can use self-destructive behavior hurting themselves and others, and see no need to change their negative attitudes and behavior. Whereas, virtually everyone else knows they should change their attitudes and behavior to be more positive toward others. Know any one who is delusional about their ability?

## Thoughts, Eyes, and Performance

Our thoughts and eyes affect our performance.<sup>60</sup> Ever heard the sayings, “Keep your head in the game!” “Keep your eye on the ball,” and the importance of good eye–hand coordination? These sayings remind us that when we are working on a complex task, to keep our mind on the task, and to look at the task as we perform it. Why? Because if our mind wanders and we take our eyes off the task, we will most likely make errors and have lower performance. Many successful people, especially athletes, use positive self-talk and mental imagery to improve their self-efficacy to increase performance—because it works.<sup>61</sup> They close their eyes and mentally see themselves complete the task successfully as they say a positive affirmation, and you can use this technique for any task, or interpersonal exchange. Try it to improve your relationships with difficult people. See yourself communicating with a person doing something that bothers you and see yourself calmly ignore the behavior and reply positively.

## Opening Case Application

### 4. How does Deepa Narayan’s self-concept affect her leadership?

Without a positive self-concept, Deepa would not have had the confidence, especially being brought up in India with a male-dominated sexist society with men and women (fathers and mothers) stereotyping girls and women and pressuring them to conform to the seven bad habits. She had the self-efficacy to earn a PhD, move up to senior advisor at World Bank, and start her own business to change sexism globally.

## Developing a More Positive Attitude and Self-Concept

We are responsible for self-management,<sup>62</sup> which includes developing a positive self-concept. Yes, we can develop a more positive self-concept.<sup>63</sup> Our behavior and performance will be consistent with the way we see ourselves. Think and act like a winner, and you may become one.

Self-awareness and self-development help. Following are some ideas to help you change your attitudes and develop a more positive self-concept, self-esteem, and self-efficacy:

1. *Consciously try to have and maintain a positive, optimistic attitude.* If you don't have a positive attitude, it may be caused by your unconscious thoughts and behavior. Only with conscious effort can you improve your self-concept.
2. *Cultivate optimistic thoughts—self-talk.* All behavior starts with thoughts. Every time you think positive thoughts, your body, mind, and spirit respond. There is nothing more powerful than the way you speak to yourself. Use positive self-talk—I will do a good job; it will be done on time; and so on. Also use mental imagery—picture yourself achieving your goal. Thinking only positive thoughts about yourself helps you develop a more positive self-concept. So, again, as **Zig Ziglar** puts it: No stinking thinking.<sup>64</sup>
3. *If you catch yourself in negative self-talk, complaining, or being negative in any way, stop and change to a positive attitude.* With time, you will catch yourself less often as you become more positive about yourself.
4. *Look for the positive.* As **Lou Holtz** says, We choose to be happy/optimistic or sad/pessimistic—and we usually find what we are looking for. **Zig Ziglar** says if you look for the positive, you will be happier and get more out of life; why look for the negative and be unhappy?
5. *Avoid negative people, especially those who make you feel negative about yourself.* Associate with people who have a positive self-concept and use their positive behavior.
6. *Set and achieve goals.* Set short-term goals (daily, weekly, monthly) that you can achieve. Achieving specific goals will improve your self-concept.
7. *Focus on your success; don't dwell on failure.* We are all going to make mistakes and experience failure, but we need to bounce back. If you achieve five of six goals, dwell on the five and forget the one you missed. **Lou Holtz** says happiness is nothing more than a poor memory for the bad things that happen to you.
8. *Don't belittle accomplishments or compare yourself to others.* If you meet a goal and say it was easy anyway, you are being negative. If you compare yourself to someone else and say they are better, you are being negative. No matter how good you are, there is almost always someone better. So, focus on being the best that you can be, rather than putting yourself down for not being the best.
9. *Accept compliments.* When someone compliments you, say thank you; it builds self-concept. Don't say things like it was nothing, or anyone could have done it, because you lose the opportunity for a buildup.
10. *Realize that there are few, if any, benefits to negative, pessimistic attitudes about others and yourself.* Do holding a grudge, worrying, and fearing failure help you to succeed?
11. *Be a positive role model.* Your positive attitude can improve followers' attitudes. Having a Theory Y and positive Pygmalion attitude helps develop others' self-concept.
12. *When things go wrong and you're feeling down, do something to help someone worse off than you.* You will realize you don't have it so bad and the more you give, the more you get. Volunteering at a hospital, soup kitchen, or becoming a Big Brother or Big Sister can help change your attitude. This is also a great cure for loneliness.

Complete Self-Assessment 2.6 to assess and improve your self-concept.

### Self-Assessment 2.6

#### Self-Concept

Reflect on how often you have negative thoughts about yourself and your capabilities to succeed. Rate your self-concept on a scale of 1 (negative) to 10 (positive). It is also a good idea to have others who know you well rate your self-concept to find out if you view yourself as others do. Review the twelve suggestions presented for helping to improve your self-concept. Select a couple of the suggestions; write down the numbers. What is your action plan to implement the ideas for improvement, such as write a note/reminder of your action and review it as you start your day, and throughout the day, and assess how well you did at the end of the day?

### How Attitudes Develop Leadership Styles

We now put together the leader's attitudes toward others, using Theory X and Theory Y, and the leader's attitude toward self, using self-concept, to illustrate how these two sets of attitudes develop into four leadership styles. Combining attitudes with the LMP, an effective leader tends to have Theory Y attitudes with a positive self-concept. See Table 2.8 to understand how attitudes toward self and others affect leadership styles.

**Table 2.8 ■ Leadership Styles Based on Attitudes**

	Theory Y Attitudes	Theory X Attitudes
<b>Positive self-concept</b>	The leader typically gives and accepts positive feedback praising success, expects others to succeed, and uses a participative leadership style.	The leader typically is bossy, pushy, and impatient; does much criticizing with little praising; and uses an autocratic leadership style.
<b>Negative self-concept</b>	The leader typically is afraid to make decisions, is unassertive, and is self-blaming when things go wrong.	The leader typically blames others when things go wrong, is pessimistic about resolving personal or organizational problems, and promotes a feeling of hopelessness among followers.

### Work Application 2.5

Give an example of when a person (parent, friend, teacher, coach, manager) expected you either to perform well or to fail and treated you like you would, which resulted in your success or failure.

## Values and Ethical Leadership

The development of ethics goes back to at least **Plato** and **Aristotle**,<sup>65</sup> and interest in ethical leadership continues to grow because of the continuing business and government scandals globally<sup>66</sup> (**Global View**). Thus, Ethical and Moral Leadership are important issues today.<sup>67</sup> Before we discuss ethical leadership, complete Self-Assessment 2.7 to better understand how ethical your behavior is. In this section, we discuss how values influence ethical behavior, and reasons for unethical behavior.

### Self-Assessment 2.7

#### How Ethical Is Your Behavior?

For this exercise, you will be using the same set of statements twice. The first time you answer them, focus on your own behavior and the frequency with which you use it for each question. Write down a number from 1–4 that represents how often you “did do” the behavior in the past, if you “do the behavior now,” or if you “would do” the behavior if you had the chance (see Table 2.9).

These numbers will allow you to determine your level of ethics. You can be honest without fear of having to tell others your score in class. Sharing ethics scores is not part of the exercise.

Table 2.9 • Ethics Scores

Frequently		Never	
1	2	3	4

The second time you use the same statements (listed below), focus on other people in an organization that you work/worked for. Write down the letter “O” if you observed someone doing this behavior. Also write down the letter “R” if you reported (whistleblowing) this behavior within the organization or externally.

O—observed R—reported  
1–4 O–R

#### College

- \_\_\_ 1. Cheating on homework assignments.
- \_\_\_ 2. Including sources of answers on exams that you were instructed not to use, such as receiving answers from others, or online like ChatGPT.
- \_\_\_ 3. Passing in any assignments, like papers, as your own work that was partly or totally completed by someone else, ChatGPT, etc.

#### Workplace

- \_\_\_ 1. Lying to others to get what you want or stay out of trouble.
- \_\_\_ 2. Coming to work late, leaving work early, taking long breaks/lunches and getting paid for it.

- \_\_\_\_\_ 3. Socializing, goofing off, or doing personal work rather than doing the work that should be done and getting paid for it.
- \_\_\_\_\_ 4. Calling in sick to get a day off, when not sick.
- \_\_\_\_\_ 5. Using the organization's phone, computer, Internet, copier, mail, car, and so on for personal use.
- \_\_\_\_\_ 6. Taking home company tools/equipment for personal use without permission and then returning them/it.
- \_\_\_\_\_ 7. Taking home organizational supplies or merchandise and keeping it.
- \_\_\_\_\_ 8. Giving company supplies or merchandise to friends or allowing them to take them without saying anything.
- \_\_\_\_\_ 9. Putting in for reimbursement for meals and travel or other expenses that weren't actually eaten or taken.
- \_\_\_\_\_ 10. Taking spouse/friends out to eat or on business trips and charging it to the organizational expense account.
- \_\_\_\_\_ 11. Accepting gifts from customers/suppliers in exchange for giving them business.
- \_\_\_\_\_ 12. Cheating on your taxes.
- \_\_\_\_\_ 13. Misleading customers to make a sale, such as short delivery dates.
- \_\_\_\_\_ 14. Misleading competitors to get information to use to compete against them, such as saying/pretending to be a customer/supplier.
- \_\_\_\_\_ 15. Manipulating data to make you look good, or others bad.
- \_\_\_\_\_ 16. Selling more of the product than the customer needs, to get the commission.
- \_\_\_\_\_ 17. Spreading false rumors about coworkers or competitors to make yourself look better for advancement or to make more sales.
- \_\_\_\_\_ 18. Lying for your boss when asked/told to do so.
- \_\_\_\_\_ 19. Deleting information that makes you look bad or changing information to look better than actual results—false information.
- \_\_\_\_\_ 20. Being pressured, or pressuring others, to sign off on documents with false information.
- \_\_\_\_\_ 21. Being pressured, or pressuring others, to sign off on documents you haven't read, knowing they may contain information or decisions that might be considered inappropriate.
- \_\_\_\_\_ 22. If you were to give this assessment to a person you work with and with whom you do not get along very well, would they agree with your answers? Use a scale of yes 4–1 on the line before the number 25 and skip O or R.

### Other Unethical Behavior

Write down other unethical behaviors you observed. Identify if you reported the behavior.

Note: This self-assessment is not meant to be a precise measure of your ethical behavior. It is designed to get you thinking about ethics and your behavior and that of others from an ethical perspective. There is no right or wrong score; however, each of these actions is considered unethical behavior in most organizations. Another ethical issue of this exercise is your honesty when rating the frequencies of your behavior. How honest were you?

Scoring: To determine your ethics score, add the numbers 1–4. Your total will be between 25 and 100. Place the number here and on the continuum below that represents your score. The higher your score, the more ethical your behavior is, and vice versa for lower scores.

**Unethical** 25—30—40—50—60—70—80—90—100 **Ethical**

## Values

Here we define values and how values influence our behavior and the importance of living our values.

### Values Defined

*Values* are the fundamental beliefs and principles that guide our decision making and behavior. Values represent what we consider important in life. Thus, our values shape our interactions with others and our approach to various situations. Values can be personal, including personality traits, such as honesty and compassion, or shared within a community or culture.

### Thoughts, Eyes, and Values

We tend to have conscious and subconscious values, and our thoughts and eyes reveal our values. We have conscious and subconscious values, which our thoughts tell us, and our eyes show us.<sup>68</sup>

**Conscious values.** Self-Assessment 2.2 (personality traits) gave you a broad understanding of your traits that are influenced by your values.<sup>69</sup> Values describe how you think, behave, and feel.<sup>70</sup> Listing our values through self-examination helps to give us purpose and direction in our lives.<sup>71</sup> Think about it, and state your values now based on your priority traits. These are your conscious values.<sup>72</sup> How much time do you spend thinking about, looking at, and living these values?

**Subconscious values.** Our *thoughts* and *eyes* tell and show us our values that are often subconscious. What we *think* most about all day, and first thing when we wake up, are often our subconscious values. What do you think most about and when you wake up? God, family, friends, food, alcohol/drugs, sex, sports? Our *eyes* also show us our values when they are open and closed, and what we see affects our thoughts and behavior to achieve or distract us from our values. What do you spend most of your time looking at; phone social media/TikTok? What do you see in your mind's eyes when you close your eyes?<sup>73</sup>

Have any subconscious values become conscious values to you now that are not listed with your conscious value traits? Should you cut back or stop any of your subconscious thoughts and behaviors that don't help you live your conscious values?

### Relationships Are Based on Values

Happiness and success in life and at work is based on relationships. Why? Relationships at work often determine the jobs you get and pay, explain your pay raises, if you get promoted, and your ability to get your job done with the needed help of others in and outside the organizations you work for. Relationships are based on *values*.

When it comes to developing relationships, having shared values, which includes your interests like family or sports, is more helpful than your demographic group. Just because a person is a man/woman, white/black/brown like you are, doesn't mean that they will be any more interested in developing a relationship with you than people who are different from you.<sup>74</sup> Do your friends have the same values, including interests, as you?

What matters most for compatibility is a mutual understanding of each other's values. Letting people know your values, and knowing others' values, and respecting and not violating them helps develop good relationships. If the person, especially your boss, values something, live up to their values.<sup>75</sup> For example, punctuality. Be a little early, or at least on time for getting the work done, arriving at work, and attending meetings.

### Living Your Values

If you say God, family, friends, etc. are important, but you only spend a fraction of your time and effort on these values, and you spend much more time on your phone, social media/TikTok, etc. you are not living your values. Yes. We should relax and have some pleasure, but not at the expense of living our important values. We should make our values a high priority and cut back on or illuminate unnecessary activities that distract or prevent us from living our conscious values.<sup>76</sup>

### What Is Ethical Leadership?

**Ethics** are the standards of right and wrong that influence behavior. It is not always easy to distinguish between ethical and unethical behavior, such as accepting a gift (ethical) versus taking a bribe (unethical) especially when cultures vary on what they consider ethical and unethical (**Global View**). So ethics is about right and wrong behavior, knowing the difference, and thinking and behaving ethically as a person and a leader. Ethics is considered a skill that you can develop,<sup>77</sup> and being ethical is a career competency.<sup>78</sup>

### Decision Making and Virtues Ethics

How much influence do your thoughts and eyes have on the daily decisions you make?<sup>79</sup> Every decision builds or destroys character. *Virtue ethics* focuses on character traits and virtue.<sup>80</sup> *Virtue* is a habitual and firm disposition to do the right ethical thing. We are not born virtuous; it can be very tempting to use unethical behavior to get what we want.<sup>81</sup> We can become more virtuous and make better ethical decisions and live a virtues life.<sup>82</sup> **Indra Nooyi**, former CEO of **PepsiCo**, says that building a strong honest character is a key to personal and career success. Let your good virtues values guide your decisions,<sup>83</sup> and following the ethical guidelines presented in the next section helps develop your ethical skills.

### Views of Ethics

Here are three ways to view ethics. (1) *Utilitarian* view states that ethical decisions should be based on creating greater good for society (provide the greater good for the greatest number based on consequences/outcomes of actions), (2) *Rights* view states that ethical decisions should respect and protect individual privileges (right to privacy, free speech), (3) *Justice* view states that ethical decisions should be made to treat everyone fairly and impartially (don't discriminate, which we will discuss in Chapter 11). However, we should try to implement them all based on the situation.

### Relativism

We face ethical confusion with popular *relativism* saying there is no absolute truth or right or wrong—which contradicts itself by using an absolute. It's tempting to change the rules or truth and be unethical for personal gain, justifying the behavior. But lack of virtue tends to end with unethical behavior.<sup>84</sup> When was the last time you used relativism to get what you wanted?

## Does Ethical Behavior Pay?

Yes. It pays to be ethical in the long run,<sup>85</sup> and yes ethics can be taught.<sup>86</sup> Values help us navigate ethical dilemmas and align our behavior with our ideals. Ethics can focus on different levels.<sup>87</sup> Values and virtue help individuals, businesses, and government on a global level creating a framework for living harmoniously and achieving goals that align with our core beliefs.<sup>88</sup>

### Ethics at the Individual Level

It pays to be ethical because ethical people tend to be happier than unethical people, because doing the right thing, though often not easy, makes us happier. To live the Good Life, we need to be *virtuous* individuals.<sup>89</sup> Recall that many companies seek honesty in job applicants and even test for ethics.

Using unethical behavior might give you some type of short-term gain, but in the long run, you've sabotaged yourself. Why? Only looking out for yourself and using unethical behavior usually eventually leads to getting caught and facing disciplinary action, being fired, and even going to prison, like Hollywood's **Harvey Weinstein**. So there is a direct link between being ethical and being an effective person and leader.<sup>90</sup>

Honesty is the foundation of good relationships.<sup>91</sup> The dishonest betrayal of others starts by betraying ourselves by not being virtuous and using unethical behavior to get what we want.<sup>92</sup> Many highly successful people suggest speaking the truth all the time.<sup>93</sup> Lies hurt someone, especially gossip that slanders others and hurts their reputation.<sup>94</sup> Ever done it? Also, one lie tends to lead to more lies and the truth often comes out—ever been there? People will betray our trust, and we will betray others' trust—when was your last betrayal? When was the last time a boss, partner, friend, or coworker was dishonest with you (lied, stole, or cheated you)? How did it make you feel, affect your trust in the person, and your relationship?

### Ethics at the Business Level

There continue to be business ethics scandals around the world.<sup>95</sup> Having a good company reputation is good for business, and scandals lead to a bad reputation and the loss of customers. Businesses found guilty of breaking the law and ethical standards include **Airbnb**, **Uber**, **Napster**, and **Wells Fargo**.<sup>96</sup> Morality is considered an important and pervasive part of organizational life for employees, as ethical considerations help to avoid unethical behavior, and reduce organizational scandals.<sup>97</sup> Responsible leaders ask for a high level of ethics.<sup>98</sup>

Businesses that treat their employees with ethical fairness perform better than those that don't. Employees who believe their boss is unfair are less likely to be motivated to do a good job and to help their manager, and their performance drops.<sup>99</sup> Virtually all major corporations have codes of ethics that state their values and hire people who match their values.<sup>100</sup> Plus, they are teaching their managers how to lead ethically and how to serve their stakeholders. Why? Because spending time and money results in less unethical behavior that more than pays for itself, as the **World's Most Ethical Companies** outperform others financially.<sup>101</sup> The **Ethisphere Institute** has more than 100 companies listed as ethical leaders. Here are some of the company honorees illustrating the diversity of firms: **Aflac**, **Best Buy**, **Dell**, **GM**, **Hersey**, **John Deere**, **Kohl's**, **L'Oreal**, and **PepsiCo**.<sup>102</sup>

### Ethics at the Government Level

Although the government is supposed to make and enforce laws to keep businesses honest, like in business there are unethical government employees and scandals, such as accepting gifts that

are really a bribe to get something in return. The U.S. Congress passed the *Sarbanes-Oxley Act of 2002* to tighten the laws affecting business ethics, including helping to ensure that complaints about financial irregularities would surface and be swiftly acted upon, without retaliation against the person who exposed the unethical behavior (“whistle-blower”).

### Ethics at the Global Level

Corruption is one of the grand challenges facing global society. Corruption is estimated to increase international project costs by more than 10%. Furthermore, corruption can add up to 25% to the cost of procurement contracts in some countries. Global corruption costs more than \$1 trillion being paid in bribes each year, the **World Economic Forum** estimated, “that corruption reduces global GDP by more than 5%.” Instead of money being used to increase societal standards of living, products at lower costs, the money goes to corrupt individuals, increasing the price of products<sup>103</sup> (**Global View**).

To help stop global corruption, the United States has the *Foreign Corrupt Practices Act* law that bars U.S.-based or U.S.-listed companies from bribing foreign officials in exchange for business and requires them to keep accurate books and records. **GE** states it takes pride in not paying bribes to gain business globally (**Global View**).

### Why do Good People do Bad Things?

Most people understand right and wrong behavior and have a conscience. So why do good people do bad things? Usually, there is an incentive. Most of us will be unethical at times but just a little, and for good reasons—we have justification for doing so.

#### Incentives

We respond to “incentives” and can usually be manipulated to behave ethically or unethically if we find the right incentives.<sup>104</sup> Companies develop incentive systems that sometimes lead to unethical behavior,<sup>105</sup> such as the **Wells Fargo** bank financial incentive to increase customer accounts that led to employees signing customers up for accounts they did not authorize.

The incentive to be unethical usually starts in our thoughts, we ignore virtue and justify that it is OK to use unethical behavior in this situation. We usually are looking out for our own self-interest putting what we want ahead of others, and our behavior usually hurts others in some way. The incentive is often for personal gain to get what we want, to avoid a loss, or getting into trouble for doing something we shouldn’t have done. What incentives have tempted or led you to use unethical behavior?

### Factors Influencing Ethical Behavior

In this subsection, we discuss three reasons why people engage in ethical or unethical behavior.

#### Personality Traits and Attitudes

Our ethical behavior is related to our personality trait of integrity. Some people have higher ethical standards or virtues. But personality alone is not a good predictor of unethical behavior. Leaders with a dominance trait and surgency personality have two choices: to use unethical power for personal benefit (self-serving leaders) or to use socialized power to help others (servant leaders). Narcissists often use unethical behavior to increase their power.

An agreeableness personality trait that is sensitive to others can lead to following the crowd in either ethical or unethical behavior. People with an adjustment personality characterized by

being emotionally unstable and those with an external locus of control are more likely to use unethical behavior.

People with positive attitudes about ethics and virtue tend to be more ethical than those with negative or weak attitudes about ethics that are more willing to use unethical behavior.<sup>106</sup> Some people don't see anything wrong with being dishonest and consistently lie, even about irrelevant things. Do you know anyone with a personality type and traits and an attitude of it's all about me that uses unethical behavior for self-gain at the expense of others? Do you like them? What is your personality type and attitude toward ethics?

### Moral Development

A second factor affecting ethical behavior is *moral development*, which refers to understanding right from wrong and choosing to do the right thing with a moral identity—virtue. Our ability to make ethical choices is related to our level of moral development and judgments. There are three levels of personal moral development, as discussed in Figure 2.1, and we can improve our ethical decisions with self-awareness of morality.<sup>107</sup>

Most people are on the conventional level, and this is common for two reasons. We want to fit in and be accepted, and we can go along with being unethical due to peer pressure.<sup>108</sup> Although most of us have the ability to reach the third level of moral development, postconventional, not many of us do. Why? Tolerance.

Not many people are willing to try to prevent or stop unethical behavior.<sup>109</sup> Are you? **Martin Luther King, Jr.** did. King spoke up and protested discrimination, as he broke what he considered unjust laws and spent time in jail seeking universal dignity and justice for all. He also called for moral values and ethical decisions.<sup>110</sup> And we can improve our moral development by enhancing our virtue and ethical skills.<sup>111</sup> What level of moral development are you on? What can you do to improve your ethical moral development? We will discuss guides that will help you be an ethical leader.

Figure 2.1 ■ Levels of Moral Development

#### 3. Postconventional

Behavior is motivated by universal principles of right and wrong, regardless of the expectations of the leader or group. One seeks to do the right thing, even when it hurts the individual (get into trouble by telling the truth) or organization in some way.

*"I don't lie to customers because it is wrong."*

#### 2. Conventional

Living up to expectations of acceptable behavior defined by others motivates behavior to fulfill duties and obligations. It is common for followers to copy the behavior of the leaders and group members. If the group accepts lying, cheating stealing, and so on, when dealing with stakeholders, so will the individual. On the other hand, if these behaviors are not accepted, the individual will not do them either. Peer pressure is used to enforce group norms.

*"I lie to customers because the other sales reps do it too."*

#### 1. Preconventional

Self-interest motivates behavior to meet one's own needs to gain rewards while following rules and being obedient to authority to avoid punishment.

*"I lie to customers to sell more products and get higher commission checks."*

### The Situation

Our third factor affecting ethical behavior is the situation. People consider the situational forces in determining ethical behavior. Here are some of them:

- Highly competitive situations can provide incentives to use unethical behavior to beat the competition, such as athletes using performance-enhancing drugs.
- The impression (true or not) that competitors are engaging in unethical behavior can lead to pressure to copy the behavior to be competitive, such as taking the drugs.
- Unethical behavior is also more likely when performance falls below aspiration levels and is punished in some way. Some of **Wells Fargo** employees unethically signed up customers for new accounts they did not authorize out of fear of losing their job.
- Unsupervised situations increase the odds of unethical behavior because it increases the chances of not getting caught.
- Unethical behavior occurs more often when there is no organizational formal ethics policy or code of ethics.
- Unethical behavior is more common when it is not punished, and it is especially prevalent when it is rewarded.

In summary, people are more likely to be unethical when they are pressured to perform at high levels, are unsupervised, believe they will not get caught and punished, and especially when they are rewarded for being unethical.

### Whistle-blowing

People are also less likely to report unethical behavior (blow the whistle) when they perceive the violation as not being serious, when they are friends of the offender, or when they fear retaliation from bosses or peers. It takes high moral responsibility to be a *whistle-blower*, as is the post-conventional level of more development behavior and the whistle-blower usually has some negative consequence for doing the right thing. Have you ever blown the whistle, will you?

### Integration

To tie together the factors affecting ethical behavior together, we need to realize that people use unethical behavior for personal gain in some way and that, given the right incentive, almost all of us will use unethical behavior. Also, personality traits, attitudes, and moral development interact with the situation to determine if we will use ethical or unethical behavior at any given time and place.

### Opening Case Application

#### 5. Is sexism ethical globally?

Sexism is generally considered unethical in most countries, and some types of sexist behavior are illegal in some countries, including the United States, but some countries' cultures pressure women to behave in negative sexist roles more than others.

Unfortunately, sexism still exists in America and globally. A big part of the problem pointed out by Deepa is that sexism is embedded in cultures. People in society in general often unknowing with good intentions pressure people to think and behave in sexist stereotype behavior that creates inequality for girls and women. So again, unlearn Deepa's seven negative habits.

## How People Justify Unethical Behavior

As we seek our own self-interest, most of us give in to temptation and do the wrong thing sometimes. We all want to view ourselves positively. If we only lie, cheat, or steal a little, we can still feel good about our sense of integrity. Therefore, when we do behave unethically, we usually justify the behavior by *rationalizing* to ourselves that there was a good reason for the behavior so we don't have to feel bad. **Moral justification** is the thinking process of rationalizing why unethical behavior is used. Let's discuss several thinking processes used to justify unethical behavior.

- *Everyone does it* rationalization. “We all take bribes/kickbacks; it's the way we do business,” or “We all take merchandise home (steal).” If you hear others are doing something, you will tend to be tempted to be unethical too. But wrong is wrong, even if everyone is doing it.<sup>112</sup>
- *Higher purpose* is rationalizing immoral behavior in terms of a higher purpose. “It's for a greater good.” People lie, cheat, and steal, claiming it is for the good of the organization, department, or employees, such as writing false lies about competitors' products to hurt their reputation and sales.<sup>113</sup>
- *Displacement of responsibility* is the process of blaming one's unethical behavior on others. “I was only following orders; my boss told me to inflate the figures.”
- *Diffusion of responsibility* is the process of the group using unethical behavior with no one person being held responsible. “It isn't my decision.” “I wasn't the one who did it.”
- *Advantageous comparison* is the process of comparing oneself to others who are worse. “I call in sick when I'm not sick only a few times a year; Tom and Ellen do it all the time.” “We pollute less than our competitors do.”
- *Disregard or distortion of consequences* is the process of minimizing the harm caused by the unethical behavior. “If I inflate the figures, no one will be hurt and I will not get caught. And if I do, I'll just get a slap on the wrist anyway.”
- *Attribution of blame* is the process of claiming the unethical behavior was caused by someone else's behavior. “My peers made me do it—peer pressure.” “It's my coworker's fault that I hit him. He called me/did xxx, so I had to hit him.”
- *Euphemistic labeling* is the process of using “cosmetic” words to make the behavior sound acceptable. *Terrorist group* sounds bad, but *freedom fighter* sounds justifiable. Who says, “I'm having an *affair*, rather than I'm committing *adultery*.” *Misleading, covering up*, or a *little white lie* sounds better than admitting *lying* to others. When was the last time you heard someone say that what they did was *wrong* or a *sin*, or even thought it was wrong or a sin and apologized?

### Applying the Concept 2.4

#### Justifying Unethical Behavior

Identify each thinking process used to justify the unethical behavior below.

- a. moral justification
  - b. displacement of responsibility
  - c. diffusion of responsibility
  - d. advantageous comparison
  - e. disregard or distortion of consequences
  - f. attribution of blame
  - g. euphemistic labeling
- \_\_\_ 25. We all do it, so don't worry about it. Everyone takes candy without paying for it.
- \_\_\_ 26. It's not my fault. Kevin started breaking it, so I just joined in.
- \_\_\_ 27. Yes. I'm keeping it. I found it and the company will never miss it anyway.
- \_\_\_ 28. I lied to the customer because my boss told me to.
- \_\_\_ 29. Yes. Our boss is married, but that is not stopping her from having an affair with the president.
- \_\_\_ 30. Yes. We have to take the other team's playbook so that we can win the game.
- \_\_\_ 31. I only take candy once in a while. Jean takes one every day.

## You Make The Ethical Call: Ethics and Social Impact

### 2.1 SEX, VIOLENCE, AND SEXISM

The government has the power to regulate the media (online internet content, television broadcasts, music songs and videos, video games, etc.). Some argue we need more regulations. Others say that would be a mistake. Here are some of the arguments for and against regulations.

Advocates for more regulation (Parents Television Council, National Viewers and Listeners Association, and Mediawatch-UK) state that the media with violent acts, profanity, and sexual content should not be easily available to children 24/7.

Also, some advocates (male and female) would like to stop or limit the portrayal of girls and women as sex objects and violence against them in the media, such as the video game Grand Theft Auto. Advocates say research supports the claim that watching females portrayed as sex objects leads to a narrow view of the total person. Girls who aren't sexually attractive can have more negative self-concepts, and boys can view girls simply as sex objects. Also, listening to and watching violence against females can lead to more violence against them.

More recently, there is a call to keep children off, or limit their time in, the Metaverse citing safety concerns. Children spending hours upon hours in made-up virtual worlds can be detached from real-world relationships that are important to happiness and success, and virtual worlds can limit other interests.<sup>114</sup>

However, advocates against regulation (National Coalition Against Censorship) don't want censorship at all because it violates free speech. They claim it's up to the parents

and adults to restrict access to media they don't approve of children listening, watching, and interacting with. Keeping children away from adult content online is complicated. But artificial intelligence (AI) may offer some answers.<sup>115</sup>

1. How do the media impact society's values? (Consider that many children are engaged in media for hours per day and that it does influence their values and behavior.)
2. Does the media that includes sex, violence, and sexism reflect religious and societal values?
3. Is it ethical and socially responsible for the media with sexual content, profanity, violence, and sexism to be easily available to children 24/7?
4. Is it ethical and socially responsible to portray women as sex objects and violence against them in the media and video games?
5. Which of the seven justifications of unethical behavior do the media use to defend sex, violence, and sexism?
6. Should children spend more time playing on their own, or engaged in structured social activities like clubs and sports with other children, than online?
7. Should the government regulate the media, and if so, how far should it go? Should it make the media tone down the sex, violence, and sexism or have greater restrictions on content?

### Caution Against Escalation of Unethical Behavior

Did the people at **Enron**, **Wirecard**, and other companies start out planning to lie, cheat, and steal? Most didn't. What tends to happen is the company doesn't hit the target numbers, and the employees think "let's give inflated numbers this quarter, and we will make it up for it next quarter, and no one will know or get hurt in any way." The problem is, for several quarters the same thing happens so they get to the point of not being able or willing to admit their unethical/illegal behavior until they get caught.

Little white lies are not little. The first time we use unethical behavior is harder, but it gets easier, and one lie leads to others, so we repeat the behavior, and it can become a habit. Without getting caught and punished, people tend to get worse over time but eventually get caught and punished, such as **Bernie Madoff** going to prison for his investment Ponzi scheme and **Jordan Belfort** (illustrated in the film *The Wolf of Wall Street*). So, once you start down the road of unethical behavior, it is difficult to pull a U-turn.

It is important to understand the subtlety of how unethical behavior can take hold of you. When we rationalize and say that unethical behavior is justified, we tend to repeat the behavior, and are more accepting of others using unethical behavior.<sup>116</sup> The things we do repeatedly determine our ethical character. The moral of the story is don't take the first step that leads to escalation of unethical behavior. Which justification processes have you used? How can you improve your ethical behavior by not using justification?

### Work Application 2.6

Give an organizational example of behavior at each of the three levels of moral development. Also, give at least two organizational examples of unethical behavior and the process of justification.

## Guides to Ethical Behavior

In this last section, we discuss how to be ethical at the individual and organizational levels of analysis, and the application of ethical guides.

### Individual Guides to Ethics

Every day in your personal and professional lives, you face decisions in which you can make ethical or unethical choices. Doing the right things isn't always easy, and there are situations when it's not a clear right-versus-wrong choice. As discussed, you make these choices based on your personality traits and attitudes, level of moral development, and the situation.

### Business Ethics Begins with You

To make business more ethical, start with ourselves. As a formal or informal leader, you can take a moral stance on issues and lead by example.<sup>117</sup> Following these four guides can help us make ethical decisions:

1. *Golden Rule.* Most religions have some form of the biblical Golden Rule: "Do unto others as you want them to do unto you." Or, put other ways, "Don't do anything to other people that you would not want them to do to you." "Lead others as you want to be led." "You have to treat people the way you want to be treated." Do you like it when people lie to you, cheat you, or steal from you? The workplace and world could change overnight if we all followed this one simple guide to our behavior.
2. *Four-Way Test.* **Rotary International** is a global network of 1.2 million people working internationally to improve our communities globally<sup>118</sup> (**Global View**). Rotary developed the four-way test to guide the things we think, say, and do during business transactions. The four questions are (1) Is it the truth? (2) Is it fair to all concerned? (3) Will it build goodwill and better friendship? (4) Will it be beneficial to all concerned? When making your decision, if you can answer *yes* to these four questions, it is probably ethical. The Rotary motto is "Service Above Self." If you focus on servant leadership as servant first, rather than self-serving, and look out for others' best interest and help them meet their goals, you will be taking a form of Rotarian ethics.
3. *Stakeholder Approach to Ethics.* Under the **stakeholder approach to ethics**, one creates a win-win situation for relevant parties affected by the decision. A win-win situation meets the needs of the organization and employees as well as those of other stakeholders, so everyone benefits from the decision. Stakeholders include everyone affected by the decision. You can ask yourself one simple question to help you determine if your decision is ethical from a stakeholder approach: "*Am I proud to tell relevant stakeholders my decision?*" If you are proud to tell relevant stakeholders your decision, it is probably ethical. If you don't want others to know, you are not proud to tell others your decision, or you keep justifying it, the decision may not be ethical. Justifying is usually a cop-out. You can't always create a win for everyone, because multiple stakeholders often have conflicting interests, such as a layoff, but you can try.
4. *Discernment and Advice.* Making an immediate decision leads to increased odds of unethical behavior, whereas taking time to reflect and contemplate the decision and talking to others for advice leads to increased odds of ethical behavior.<sup>119</sup> If you are

unsure whether a decision is ethical, talk to your boss, higher-level managers, and other people with high ethical standards. What are you thinking? Are you considering the ethical dimensions of the behavior?<sup>120</sup> If you are reluctant to ask others for advice because you may not like their answers, and you keep justifying it, the decision may not be ethical. Seeking advice is especially important in the global economy because what is considered unethical in one country may be considered ethical in another country<sup>121</sup> (**Global View**). When making daily decisions, a good question to ask yourself is, *Why am I doing this, does it help me live my virtuous values?*<sup>122</sup>

## Organizational Guides to Ethics

It's management's job to ensure that everyone in the firm uses ethical behavior.<sup>123</sup> Virtually all major corporations have codes of ethics that state their values and hire people who match their values.<sup>124</sup> Most MNCs have a person in charge of ethics with a title such as *Ethics and Compliance Officer*. **Meta** has a V.P. of Integrity.<sup>125</sup> When **Google** started, it had the motto, "Don't be evil." Here are three more guides to ethics that help ensure employees use ethical behavior.

1. *Codes of Ethics*. Organizations develop codes of ethics to guide individual behavior to be ethical. Also called *codes of conduct*, codes state the importance of conducting business ethically and provide guidelines (do's and don'ts). Most large businesses provide ethics training for employees to understand their code of ethics.<sup>126</sup> For an example, go to your college or a business website and search for its code of ethics.



L'Oréal was named by Ethisphere in 2023 as one of the World's Most Ethical Companies for the 15th time. The ethical principles of transparency, courage, respect, and integrity are baked into their core values and code of ethics (<https://www.loreal.com/en/articles/commitments/code-of-ethics>).

Photo by Carlos Alvarez/Getty Images

2. *Lead by Example*. Managers are ultimately responsible for the behavior of their employees and need to lead by setting an ethical example because employees tend to copy their behavior.<sup>127</sup> *Servant leaders* with clear ethical values help ensure ethical behavior.

3. *Enforce Ethical Standards and Encourage Whistle-blowing.* Recall that when ethics violations are not punished, and especially if they are rewarded, they tend to be repeated.<sup>128</sup> When we do and say nothing to prevent or stop unethical behavior, we are essentially allowing it to happen.<sup>129</sup> As a means of enforcing ethical behavior, employees should be encouraged to become internal *whistle-blowers*. Some organizations have anonymous tip methods of reporting violations that help protect whistle-blowers from retaliation from employees at all levels. Employees who observe unethical behavior are more likely to leave their jobs, so you lose good employees.

### Applying the Concept 2.5

#### Guides to Ethical Behavior

Use the numbers 1–7 from the list of guides to ethical behavior above to identify each statement's guide to ethical behavior

- \_\_\_\_ 32. Husain's using ethical behavior is a good demonstration of how we should make ethical decisions.
- \_\_\_\_ 33. Hank, what decision should I make to handle this situation?
- \_\_\_\_ 34. Carla, yes. You are being disciplined for breaking the ethics rule.
- \_\_\_\_ 35. I try to make sure that everyone affected by my decisions gets a fair deal.
- \_\_\_\_ 36. I don't rush making important decisions. I take my time and think about it.
- \_\_\_\_ 37. I'm a Rotarian, so I use its approach when I make decisions.
- \_\_\_\_ 38. The company gave all of us these guidelines to use to make sure we are doing the right thing.
- \_\_\_\_ 39. I will not tell a lie for you. It's against my religion to lie.
- \_\_\_\_ 40. I try to treat people the way I want them to treat me.

#### Ethical Differences Globally

Different countries have different cultures and ethical standards. **GLOBE** identifies differences in values across cultures in 150 countries.<sup>130</sup> Thus, a difficult challenge to MNCs is to manage ethics globally, especially when some countries have corrupt business practices.<sup>131</sup> Think of the complexity of conducting business ethically in 100 to 200 countries based on their culture.

The increasing concern for global managerial ethics calls for a better understanding of cross-national differences. Understanding differences is a career readiness skill.<sup>132</sup> Getting back to justification of unethical behavior, researchers have found that the same justifications presented earlier are used globally. Plus, when dealing with corrupt people, the justification is that it is common business practice. Without the bribe, there is no business.<sup>133</sup>

#### Application of Ethical Guides

Making decisions without using an ethical guide leads to less ethical choices. Whereas using ethical guides at the point of making a decision helps keep you honest. So, if you want to develop, maintain, or improve your relationships, be ethical and get in the habit of using an ethical guide when making decisions. Are you willing to commit to doing so now? Which specific guides to ethical behavior do you and/or will you use to help you to be ethical?

## Playing by the Rules: Ethics at Work

A free video series was developed by **Public Media** highlighting the large damages and losses sustained by **Uber, Adidas, Wells Fargo, Citigroup, and Volkswagen** and the rise and historic fall of **Enron** businesses found guilty of breaking laws and violating ethical standards. Each episode challenges you to think about what you would do in these situations.<sup>134</sup> Your professor may require you to watch one or more episodes. If not, you can view them on your own at [wliw.org/ethics](http://wliw.org/ethics).

### Work Application 2.7

Briefly identify some of the major do's and don'ts of ethical and unethical behavior from an organizational code of ethics, preferably from one you work(ed) for.

## Chapter Summary

The chapter summary is organized to answer the seven Learning Objectives for Chapter 2.

### 2.1 Identify your personality profile ranking the five dimensions from highest to lowest score.

Answers will vary.

### 2.2 Explain the universality of traits of effective leaders.

Traits are universal in the sense that there are certain traits most effective leaders have. However, traits are not universal in the sense that there is no one list of traits that is accepted by all researchers, and not all effective leaders have all the traits. Thus, people do not need some of the traits of effective leaders but do not have to have a certain list of traits to be effective leaders.

### 2.3 Describe the Big Five personality dimensions.

The surgency personality dimension includes leadership and extraversion traits. The agreeableness personality dimension includes traits related to getting along with people. The adjustment personality dimension includes traits related to emotional stability. The conscientiousness personality dimension includes traits related to achievement. The openness-to-experience personality dimension includes traits related to being willing to change and try new things.

### 2.4 Compare and contrast the Achievement Motivation Theory and the Leader Motive Profile Theory.

Achievement Motivation and LMP theories are related because both are based on the need for achievement, power, and affiliation. They are different because the Achievement Motivation Theory is a general motive profile for explaining and predicting behavior and performance, whereas the LMP is the one profile that specifically explains and predicts leadership success.

### 2.5 Describe how attitudes are used to develop four leadership styles.

The concept of Theory X and Theory Y is similar to the Pygmalion effect because both theories focus on the leader's attitude about the followers. The

Pygmalion effect extends Theory X and Theory Y attitudes by including the leader's expectations and how they treat the followers, using this information to explain and predict followers' behavior and performance. In contrast, Theory X and Theory Y focus on the leader's behavior and performance. Both approaches are different from self-concept because they examine leaders' attitudes about others, whereas self-concept relates to leaders' attitude about themselves. Self-concept is also different because it focuses on how leaders' attitude about themselves affects their behavior and performance.

### 2.6 Explain three factors that influence ethical behavior, and how people justify unethical behavior.

People commonly use unethical behavior for personal gain or to avoid getting into trouble. The three factors that influence behavior are *personality traits and attitudes* (some people have more integrity), the *level of moral development* (preconventional, conventional, postconventional), and the *situations* (sometimes there is more incentive to be unethical). People justify their behavior to protect their self-concept by rationalizing that there is a good reason for using the unethical behavior.

### 2.7 Identify seven guides to ethical behavior.

The seven guidelines that help ensure ethical behavior are following the Golden Rule ("Don't do anything to anyone that you would not want someone to do to you"), answering the four questions of the *four-way test* (Is it the truth? Is it fair to all concerned? Will it build goodwill and friendship? Will it be beneficial to all concerned?), trying to create a win-win situation for all relevant stakeholders so that everyone benefits from the decision with the *stakeholder's approach*, and using *discernment and advice* to consider if the behavior is ethical and asking others if it is. Organizations also develop *codes of ethics* to help employees know how to behave ethically, and managers need to *lead by example* and *enforce ethical standards*.

## Key Terms

Achievement Motivation Theory	Openness-to-experience personality dimension
Adjustment personality dimension	Personality
Agreeableness personality dimension	Personality profiles
Attitudes	Pygmalion effect
Big Five Model of Personality	Self-concept
Conscientiousness personality dimension	Stakeholder approach to ethics
Ethics	Surgency personality dimension
Leader Motive Profile (LMP)	Theory X and Theory Y
Leader Motive Profile Theory	Traits
Moral justification	

## Review Questions

1. What are the Big Five dimensions of traits?
2. What is the primary use of personality profiles?
3. What are some of the traits that describe the high-energy trait?

4. Is locus of control important to leaders? Why?
5. What does intelligence have to do with leadership?
6. Does sensitivity to others mean the leader does what the followers want to do?
7. Does McClelland believe power is good or bad? Why?
8. Should a leader have a dominant need for achievement to be successful? Why or why not?
9. How do attitudes develop leadership styles?
10. Which personality traits are more closely related to ethical and unethical behavior?
11. Do people change their level of moral development based on the situation?
12. Why do people justify their unethical behavior?

### Critical-Thinking Questions

The following critical-thinking questions can be used for class discussion and/or as written assignments to develop communication skills. Be sure to give complete explanations for all questions.

1. What is the benefit of knowing one's personality type and others' personality profile?
2. Which personality trait do you believe is most important to an organization that is hiring a new employee? Would the trait change based on the job?
3. Would you predict that a person with a strong agreeableness personality dimension would be a successful computer programmer? Why or why not?
4. Does one need a leadership profile described to be a successful leader?
5. How much influence do our thoughts and attitudes affect our performance and that of others?
6. McGregor published Theory X and Theory Y over 30 years ago. Is this Theory still relevant today? Why or why not?
7. In text examples related to the Pygmalion effect, Lou Holtz calls for setting a higher standard. How would you rate the standards of your high school and college? Rate both as (too high, about right, too low) and explain how they should/could be changed to improve students' education.
8. Are our thoughts and self-talk really all that important to having a positive self-concept, self-esteem, and self-efficiency?
9. How would you rate the level of self-concept, self-esteem, and self-efficiency of the average person—good, OK, poor? Do you believe that we can really improve them?
10. Do you believe that if you use ethical behavior, it will pay off in the long run?
11. Can ethics be taught and learned?
12. Which justification do you think is used most often?
13. As related to the simple guide to ethical behavior, how do you want to be led? Are you, or do you want to be, an ethical lead?

## Case Study

### Ruth Porat—Leadership Traits and Ethics

The most common way to view “leadership” is through the lens of personality. We tend to see leaders—regardless of whether we are talking about “great” or “not-so-great” ones—as the sum of their observable characteristics, or traits. As we will see throughout our book, there is much more to leadership; however, understanding the power of personality is a useful and logical starting point.

As this chapter explains, the so-called Big Five personality traits, which include surgency (which we might more commonly call dominance or extraversion), agreeableness, adjustment, conscientiousness, and openness-to-experience, are frequently cited as keys to successful leadership.

This chapter also examines three key variables that influence the likelihood of a leader’s ethical or unethical behavior: personality traits and attitudes, moral development, and situations. When we describe a leader as being “ethical,” which also is frequently cited, along with trustworthiness and respectfulness, as a desired leadership trait, we also are evaluating their moral development and personal values, as when we say they consistently “display integrity” or “have a moral compass.” At times, the most successful business leaders are called upon to not only ensure the ethical pursuit of profit, but also to do so in a way that benefits society. We see such challenges today as artificial intelligence (AI) becomes increasingly prevalent in our daily lives.

#### From Wall Street to Silicon Valley

Ruth Porat is the president and chief investment officer of Alphabet, better known to most of us as Google’s parent company. Each time you use Google, whether to search for a definition or meaning, send a text or email, research an idea, collaborate with colleagues in the cloud, or watch a video on YouTube, you are indirectly in touch with Porat’s leadership over one of the world’s most powerful and influential corporations.

In 2024, *Fortune* named Porat sixth, and *Forbes* twelfth, on their annual lists of the “most powerful women” in business.<sup>135</sup> Porat served as Google’s chief financial officer from 2015 to 2024 before being promoted to president and chief investment officer of Google and Alphabet. With degrees from the London School of Economics, Stanford University, and the University of Pennsylvania’s Wharton School of Business, Porat came to Google after nearly three decades of business experience, including serving as the chief financial officer at Morgan Stanley.<sup>136</sup>

#### A Steady Hand at the Wheel

Porat is well known for maintaining a steady hand during challenging and uncertain times or organizational crises. While at Morgan Stanley, she was heralded for creating European debt financing that kept Amazon—at that time, merely an online bookseller—from going bankrupt during the dot-com bubble burst and market crash in 2000.<sup>137</sup> This was just one example of why, at the time, Porat was often called “the most powerful woman on Wall Street.”<sup>138</sup> During the 2008–2010 Great Recession, caused by another bubble, this one in housing and related investment derivatives, she led a key Morgan Stanley team advising the U.S. Department of the Treasury and the New York Federal Reserve Bank.<sup>139</sup>

Porat’s consistent approach to financial discipline and evidence-based decision making informs her leadership in times of success, too. First at Google, then at parent company Alphabet, she is

well known for keeping a steady hand on the wheel. At Google, she was credited with restructuring and reorganizing the company, implementing and enforcing financial discipline, and increasing shareholder value by helping to boost Google's stock price.<sup>140</sup> Her careful stewardship of a widely varied portfolio which, in addition to Google's finance division, also includes business operations, real estate, and workplace services, reflects the company's trust in her leadership, especially in bringing her background in banking and financial services to one of the world's biggest technology companies.

### The “Double Promotion” and “Other Bets”

Indeed, in 2023, Porat was rewarded with a “double promotion” to the newly created position of president and chief investment officer of Alphabet and Google.<sup>141</sup> She is now responsible for the company's well-known “Other Bets” ventures, as well as its private equity portfolios and investments in real estate, infrastructure, and data centers. Porat is cited for helping the company focus on its core mission, “reining in spending” on some of its varied “other bets” beyond internet search and ads, Android, Chrome, and YouTube (all of which are widely used platforms or services under the Alphabet umbrella), as, for example, when she put the brakes on the company's plan to deliver its own wireless service.<sup>142</sup> She is widely credited with increasing the company's share price as Wall Street praised Google for gradually rolling out and more widely integrating generative AI products for consumers.<sup>143</sup>

### AI Revolution Means Big Questions Ahead

As AI continues to reshape our relationship to knowledge and information as well as to the fundamentals of work, employment, and marketplace in a global economy, Alphabet will continue to make “big bets” on AI investments, cloud computing, and automation—all areas in which Ruth Porat's leadership already is seen as paying major dividends for the company and those it serves.<sup>144</sup> However, many challenges and opportunities will arise, especially in the area of AI safety and ethics.

Some of the most significant questions surrounding Alphabet's well-known “throw it at the wall and see what sticks” approach—including ventures in autonomous vehicles, drones, biotechnology, augmented reality (AR),<sup>145</sup> and other technologies that extend far beyond what most of us associate with Google—will depend on Ruth Porat as a key member of Alphabet's leadership team. Throughout her career, Porat has demonstrated strong leadership and a commitment to values such as personal and organizational integrity. These qualities will be crucial during this time of transformation, particularly as the global norms and practices surrounding AI and AI safety continue to evolve.

### Finding Meaning in the “Mix”

Porat is no stranger to understanding that there is more to life than work. As a two-time breast cancer survivor, she makes a point of writing and speaking about the importance of work–life balance (a phrase she hates), encouraging employees to find a satisfying “mix” of family and work that can shift over time.<sup>146</sup> When she experienced breast cancer and its treatment, she notes, Porat found structure and meaning in work. “For me, going to work meant that I was in control of my life. The disease [cancer] did not define me. And so in many respects work was a really important part of me being healthy.”<sup>147</sup> She might also exemplify the significance of resilience and grit, two personality traits that recent research has shown are critical to the success of many leaders like Porat. “My lesson from that awful experience,” she observes, “was that if you want to do something, then do it ... life doesn't know it's supposed to follow a schedule.”<sup>148</sup>

### Conclusion

Across the board, Ruth Porat has more-than-earned her plaudits as one of the most powerful and influential leaders on Wall Street and in Big Tech. As Hank Paulson, former U.S. Treasury Secretary and former CEO of Goldman Sachs, put it, “The biggest compliment I can give someone is to say they are a real difference maker—that’s Ruth.”<sup>149</sup>

—[*New case and new case study questions by Steve Light, William S. Boyd  
School of Law, University of Nevada, Las Vegas*]

### Case Study Questions

1. In this chapter, we explore the concept of “universality” regarding certain personality traits among effective leaders. Although the chapter notes that specific leadership traits are common among most successful leaders, it also emphasizes that there is no universally accepted list of traits. Not all effective leaders possess every characteristic on any given list, so individuals do not need to have all the traits associated with effective leadership to succeed. We learn about the “Big Five” personality traits. Which of the Big Five do you think contributes to Ruth Porat’s success as one of the most powerful leaders on Wall Street and in Big Tech, and why?
2. The chapter also discusses Achievement Motivation and Leader Motive Profile (LMP) theories, which are based on understanding people’s needs for three qualities in the workplace: achievement, power, and affiliation. Achievement Motivation Theory offers a general profile for explaining and predicting behavior and performance, whereas LMP specifically focuses on leadership success. Imagine you are working for Ruth Porat at Alphabet. Based on what you know about this case study and Google, Alphabet, or other “Big Tech” companies in Silicon Valley, how would you encourage Porat to apply either Achievement Motivation Theory or Leader Motivation Theory to enhance the performance of your co-workers and the leadership team?
3. Traditionally, leaders are expected to demonstrate consistent ethical behavior and cultivate an organizational culture that values ethics. As discussed in this chapter, three key factors significantly influence ethical behavior: personality traits and attitudes, moral development, and situational context. These variables can either encourage or discourage ethical leadership. The chapter identifies seven guidelines to assist in ensuring ethical leadership behavior, which include the Golden Rule, the Four-Way Test, and the development of ethics codes and standards. Alphabet and Google are at the forefront of what many regard as the most significant technological and societal development since the internet: artificial intelligence (AI). If, like Ruth Porat, you were part of Google’s (or Alphabet’s) leadership team, which of the seven guidelines for ethical behavior would you recommend your team adopt to encourage the responsible development, implementation, or marketing of AI technology, and why?

## Developing your Leadership Skills 2.1

### Improving Attitudes and Personality Traits

#### Preparing For This Exercise

You should have read and now understand attitudes and personality traits. Effective leaders know themselves and work to maximize their strengths and minimize their weaknesses. As the name of this exercise implies, you can improve your attitudes and personality traits through this exercise by following these steps.

1. **Identify strengths and weaknesses.** Review the self-assessment exercises in this chapter and online. List your three major strengths and three areas that can be improved.

We don't always see ourselves as others do. Research has shown that many people are not accurate in describing their own personalities, and others can describe them more objectively. Before going on with this exercise, you may want to ask someone you know well to complete your personality profile (see Self-Assessment 2.1) rate your attitude as positive or negative, and list your strengths and areas for improvement.

2. **Develop a plan for improving.** Start with your Number One area to improve on. Write down specific things you can do to improve. List specific times, dates, and places for when you will implement your plans. You may want to review the eleven tips for developing a more positive attitude and self-concept using positive thoughts and affirmations for ideas.
3. **Work on other areas for improvement.** After you see improvement in your first area, develop a new plan for your second area, and proceed through the steps again.

**Optional Way to Improve:** If you have negative thoughts and attitude toward yourself or others—or you would like to improve your behavior with others (family, coworkers), things, or issues (disliking school or work)—try following the late internationally known motivational speaker and trainer Zig Ziglar's system.<sup>150</sup> Thousands of people have used this system successfully. This system can also be used for changing personality traits as well.

Here are the steps to follow, with an example plan for a person who has a negative self-concept and also wants to be more sensitive to others. Use this example as a guide for developing your plan.

1. *Self-concept.* Write down everything you like about yourself. List all your strengths. Then go on and list all your weaknesses. Get a good friend to help you.
2. Make a clean new list, and using positive affirmations, write all your strengths. Example: "I am sensitive to others' needs."
3. *On another sheet of paper, again using positive affirmations, list all your weaknesses.* For example, don't write "I need to lose weight." Write "I'm losing weight," "I am a slim (whatever you realistically can weigh in 30 days) pounds." Don't write "I have to stop criticizing myself." Write "I positively praise myself often, every day." Write "I have good communications skills," not "I am a weak communicator." The following list gives example affirmations for improving sensitivity to others. Note the repetition; you can use a thesaurus to help.
  - I am sensitive to others.
  - My behavior with others conveys my warmth for them. I convey my concern for others.
  - My behavior conveys kindness toward others.
  - My behavior helps others build their self-esteem. People find me easy to talk to.
  - I give others my full attention. I patiently listen to others talk.
  - I answer others slowly and politely.
  - I answer questions and make comments with useful information.
  - My comments to others help them feel good about themselves.
  - I compliment others regularly.

4. *Practice.* Every morning and night for at least the next thirty days, look at yourself in the mirror and read your list of positive affirmations. Be sure to look at yourself between each affirmation as you read. Or, record the list on a tape recorder and listen to it while looking at yourself in the mirror. If you are really motivated, you can repeat this step at other times of the day. Start with your areas for improvement. If it takes five minutes or more, don't bother with the list of your strengths. Or stop at five minutes; this exercise is effective in short sessions. Although miracles won't happen overnight, you may become more aware of your behavior in the first week. In the second or third week, you may become aware of yourself using new behavior successfully. You may still see some negatives, but the number will decrease in time as the positive increases.

Psychological research has shown that if a person hears something believable repeated for thirty days, they will tend to believe it. Ziglar says you cannot consistently perform in a manner that is inconsistent with the way you see yourself. So, as you listen to your positive affirmations, you will believe them, and you will behave in a manner that is consistent with your belief. Put simply, your behavior will change with your thoughts without a lot of hard work. For example, if you listen to the affirmation, "I am an honest person" (not, "I have to stop lying"), in time—without having to work at it—you will tell the truth. At first you may feel uncomfortable reading or listening to positive affirmations that you don't really believe you have. But keep looking at yourself in the mirror and reading or listening, and with time you will feel comfortable and believe it and live it.

Are you thinking you don't need to improve, or that this method will not work? Yes, this system often does work. Zig Ziglar has trained thousands of satisfied people. One of this book's authors tried the system himself, and within two or three weeks, he could see improvement in his behavior. The question isn't will the system work for you, but rather will you work the system to improve?

5. *When you slip, and we all do, don't get down on yourself.* In the sensitivity-to-others example, if you are rude to someone and catch yourself, apologize and change to a positive tone. Effective leaders admit when they are wrong and apologize. If you have a hard time admitting you are wrong and saying you are sorry, at least be obviously nice so the other person realizes you are saying you are sorry indirectly. Then forget about it and keep trying. Focus on your successes, not your slips. Don't let ten good discussions be ruined by one insensitive comment. If you were an MLB player and got nine out of ten hits, you'd be the best in the world.
6. *Set another goal.* After 30 days, select a new topic, such as developing a positive attitude toward work, school, or trying a specific leadership style you want to develop. You can also include more than one area to work on.

### Doing This Exercise

#### Objective

To develop your skill at improving your attitudes and personality traits. As a leader, you can also use this skill to help your followers improve.

#### AACSB Skills Area

The primary AACSB skills developed through this exercise are analytic and reflective thinking skills and application of knowledge.

**Preparation** You should have identified at least one area for improvement and developed a plan to improve.

**In-class procedure 1 (in person or online with breakout groups)** (1–2 minutes) Break into groups of two or preferably three; try to be in a group with others you feel comfortable sharing with.

**Procedure 2** (4–6 minutes) Have one of the group members volunteer to go first. The first volunteer states the attitude or personality trait they want to work on and describes the plan. The other group members give feedback on how to improve the plan. Try to give other plan ideas that can be helpful and/or provide some specific help. You can also make an agreement to ask each other how you are progressing at set class intervals. Don't change roles until you're asked to do so.

**Procedure 3** (4–6 minutes) A second group member volunteers to go next. Follow the same procedure as above.

**Procedure 4** (4–6 minutes) The third group member goes last. Follow the same procedure as above.

**Online** Students send their attitude or personality trait they want to work on and describe the plan to the professor, or students post their answers online for comments from the professor and students.

### Conclusion

The instructor may lead a class discussion and/or make concluding remarks.

**Apply It** (2–4 minutes) What did I learn from this exercise? Will I really try to improve my attitude and personality by implementing my plan?

### Sharing

In the group, or to the entire class, volunteers may give their answers to the “Apply It” questions.

## Developing Your Leadership Skills 2.2

### Personality Perceptions

#### Preparing for This Exercise

Read the section on “Personality Traits and Leadership,” and complete Self-Assessment 2.1. From that exercise, rank yourself from the highest score (1) to the lowest (5) for each of the Big Five traits. Do not tell anyone your ranking until asked to do so.

1. surgency
2. adjustment
3. openness to experience
4. agreeableness
5. conscientiousness

#### Doing This Exercise

#### Objective

To develop your skill at perceiving personality traits of other people. With this skill, you can better understand and predict people's behavior, which is helpful to leaders in influencing followers.

#### AACSB General Skills Area

The primary AACSB skills developed through this exercise are analytic and reflective thinking skills and application of knowledge.

**In-class procedure 1 (in person or online with breakout groups)** (2–4 minutes) Break into groups of three. This group should be with people you know the best in the class. You may need some groups of two. If you don't know people in the class, and you did Skill-Development Exercise 1 in Chapter 1, "Getting to Know You by Name," get in a group with those people.

**Procedure 2** (4–6 minutes) Each person in the group writes down their perception of each of the other two group members. Write down the following:

- The person's name
- Ranking of which trait you believe to be the highest for this person
- Ranking of which trait you believe to be the lowest for this person
- A short reason for your perception, including some behavior you observed that leads you to your perception

**Procedure 3** (4–6 minutes) One of the group members volunteers to go first to hear the other group members' perceptions.

1. One person tells the volunteer which Big Five dimension they selected as the person's highest and lowest score, and why these dimensions were selected. Do not discuss this information yet.
2. The other person also tells the volunteer the same information.
3. The volunteer gives the two others their actual highest and lowest scores. The three group members discuss the accuracy of the perceptions.

**Procedure 4** (4–6 minutes) A second group member volunteers to go next to receive perceptions. Follow the same procedure as above.

**Procedure 5** (4–6 minutes) The third group member goes last. Follow the same procedure as above.

**Online** Students ask two people they know to rank their personality profile. After the students get the ranking, students tell the person their ranking and compare and discuss the personality profile. Students may send their profile comparing it to others to the professor.

### Conclusion

The instructor may lead a class discussion and/or make concluding remarks.

**Apply It** (2–4 minutes) What did I learn from this exercise? How will I use this knowledge in the future?

### Sharing

In the group, or to the entire class, volunteers may give their answers to the "Apply It" questions.

## Developing Your Leadership Skills 2.3

### Ethics and Whistle-blowing

#### Preparing for This Exercise

Now that you have completed Self-Assessment 2.7: How Ethical Is Your Behavior?, answer the discussion questions based on that assessment.

### Discussion Questions

1. For the “College” section, items 1–3, who is harmed and who benefits from these unethical behaviors?
2. For the “Workplace” section, items 4–22, select the three items (circle their numbers) you consider the most seriously unethical behavior. Who is harmed by and who benefits from these unethical behaviors?
3. If you observed unethical behavior but didn’t report it, why didn’t you report the behavior? If you did blow the whistle, why did you report the unethical behavior? What was the result?
4. As a manager, it is your responsibility to uphold ethical behavior. If you know employees are using any of these unethical behaviors, will you take action to enforce compliance with ethical standards?

### Doing This Exercise

#### Objective

To better understand ethics and whistleblowing, and decide what you will do about unethical behavior.

#### AACSB General Skills Area

The primary AACSB skills developed through this exercise are ethical understanding, analytic and reflective thinking skills, and application of knowledge.

#### Preparation

You should have completed the preparation for this exercise.

#### Experience

You will share your answers to the preparation questions but are not requested to share your ethics score.

**In-class procedure 1** (5–10 minutes) The instructor writes the numbers 1–24 for all to see. For each statement, students first raise their hands if they have observed this behavior, then if they have reported the behavior. The instructor writes the numbers for all to see. (Note: Procedure 1 and Procedure 2A can be combined.)

**Procedure 2** (10–20 minutes) **Option A:** As the instructor takes a count of the students who have observed and reported unethical behavior, they lead a discussion on the statements.

**Option B:** Break into groups of four to six, and share your answers to the four discussion questions at the end of the preparation part of this exercise. The groups may be asked to report the general consensus of the group to the entire class. If so, select a spokesperson before the discussion begins.

**Option C:** The instructor leads a class discussion on the four discussion questions at the end of the preparation part of this exercise.

**Online** Students post their answers to the four questions online for comments from the professor and students.

### Conclusion

The instructor may make concluding remarks.

**Apply It** (2–4 minutes) What did I learn from this exercise? How will I use this knowledge in the future to be ethical? When will I use a simple guide to ethics?

### Sharing

Volunteers may give their answers to the “Apply It” questions.

## Developing Your Leadership Skills 2.4

### Your Leadership Point of View II

#### Objective

To continue developing your leadership point of view.

#### AACSB General Skills Area

The primary AACSB skill developed through this exercise is analytic and reflective thinking skills and application of knowledge.

#### Preparing for This Exercise

Write or rewrite a description of your leader point of view from Chapter 1. What type of leader do you want to be? Consider including the answers to the following questions in your written leadership point of view.

- How does your personality profile influence how you lead or will lead (Big Five scores)?
- Which of the twelve leadership traits in Exhibit 2.2 should you include in your leadership point of view?
- What is your attitude about being a leader—do you want to lead? Do you have a leadership personality profile?
- What is your view on being an ethical leader, is integrity important to you?

#### Doing This Exercise

**In-class option 1** (10–20 minutes) Students tell their leadership point of view to the class, and the instructor may make comments.

**In-class option 2** (15–30 minutes) Break into groups of five or six, and select a leader to perform the spokesperson role (remember, this is a leadership class). Each person states their leadership point of view. Then the group discusses the common answers, as the spokesperson takes some notes. Each spokesperson tells the class the common answers of its group. The instructor may lead a class discussion (5–10 minutes).

**Online** Students post their leadership point of view online for everyone to read. The instructor and students may make comments.

**Apply It** (3–5 minutes) Reflect on others’ leadership points of view and revise your written statement to include good ideas for your own leadership point of view. Create a document that you can revise, such as Word, that you can revise as you progress through the book.

**Ongoing application** Every chapter includes concepts that you may want to incorporate in your leadership point of view. In the next four chapters, we will give you the opportunity to refine your leadership point of view.