NONPROFIT MANAGEMENT INSTITUTE

The Power of Network Leadership to Drive Social Change

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3:45-4:45 p.m.

SESSION

Leadership BS: Fixing Workplaces and Careers One Truth at a Time

LEADERSHIP B.S.:
FIXING WORKPLACES AND CAREERS ONE TRUTH AT A TIME

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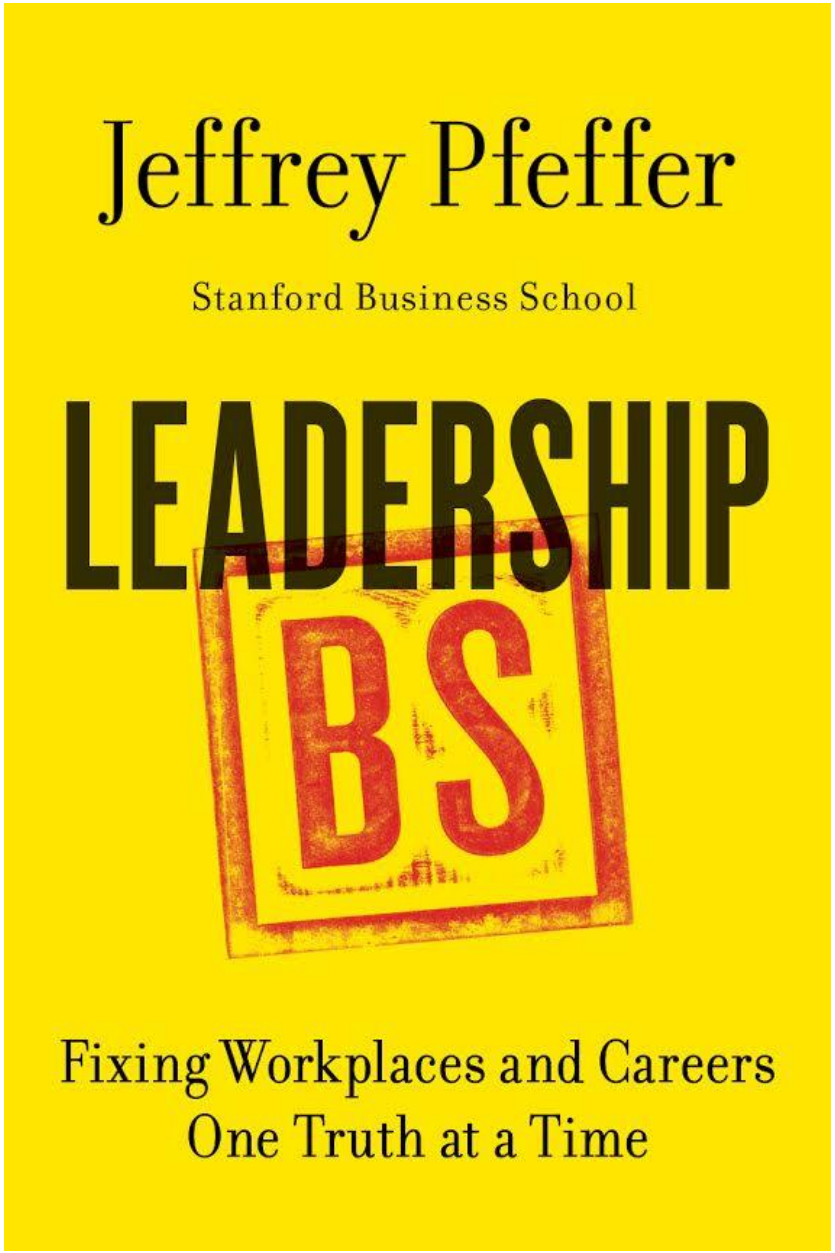
Jeffrey Pfeffer
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LEADERSHIP
BS
Fixing Workplaces and Careers
One Truth at a Time

SETTING EXPECTATIONS

- What people want (and mostly get) at conferences:
  - “Inspiration”
  - Nice stories (that are seldom completely true, for reasons we will soon discuss)

- What you need (and what you are about to get):
  - Social science evidence and logic, that will….
  - Permit you to understand the inevitable dilemmas and trade-offs leaders face in the real world, so that…
  - You can presumably be more effective in your most important leadership tasks: keeping your job and getting things done!

The "Discontinuity" Between What We're Told and What We Need to Do

- "I wish I had read *Leadership BS* years go. This book… is incredibly helpful, putting words into the **disconnect** I've seen between what works and what we're all 'supposed to be' doing. This inconsistency has much to say about the current state of professional women's progress." ***Gina Bianchini, CEO of MightyBell and co-founder, Lean In.***
- "…Pfeffer dismantles the jargon-filled aphorisms of conventional leadership, replacing them with fact-based prescriptions for how to succeed. It ain't pretty, but it's the truth." ***Laszlo Bock, former SVP of People Operations, Google***

THE PROBLEM: Decades of writing, books, conferences, TED talks, blogs, speeches, and so forth have had NO (let me emphasize that again) NO effect in the aggregate on employee engagement, job satisfaction, leader tenure, leader performance, or the availability of leaders to fill positions. The leadership industry has completely failed. Should we continue on the same course?

"LEADERSHIP INDUSTRY" IS HUGE

- More than 2.6 million entries on Google Scholar
- More than 148 million results from a Google search
- 117,000 entries on Amazon.com
- Estimates are that between $14 billion and $50 billion is spent on leadership training ***annually*** (just in the U.S.)
- Virtually every business school and many other universities and professional schools have "developing" or "educating" leaders as part of their mission statements

BUT WORKPLACES ARE HORRIBLE

- Low levels of employee engagement
  - Gallup 142 country study reported only ***13%*** of employees were engaged at work, with ***24%*** actively disengaged
  - Gallup U.S. study found 30% engagement, 20% active disengagement
- Steadily declining levels of job satisfaction
  - Conference Board data show a decline from 61.1% in 1987 to 47.2% 25 years later
  - Right Management survey of U.S. and Canada reported only ***19%*** reported being satisfied with their job
  - Mercer survey of 30,000 employees worldwide reported that between 28% and 56% of employees wanted to quit

BUT WORKPLACES ARE HORRIBLE

- High levels of workplace bullying and abuse
  - 10% of U.S. employees witness workplace incivility ***daily***; 20% said they were targets once a week
  - A study of nurses in the U.K. National Health Service found that 44 %of the nurses had experienced bullying in the previous 12 months

BUT WORKPLACES ARE HORRIBLE

- No wonder that a *Parade* survey conducted in 2012 found that 35% of U.S. employees said they would willingly forego a substantial pay raise if their direct supervisor got fired.

LEADERS LOSE THEIR JOBS

- Conference Board in 2012 documented a decline in CEO tenure since 2000
- Consulting firm Booz reported that in 2011, 14% of the CEOs of the largest 2,500 companies in the world were replaced—with turnover being highest in the 250 largest companies
- A significant fraction of graduates of leading business schools lose their jobs in the first 24 months

LEADERSHIP DEVELOPMENT IS FAILING

- Only 7% of senior managers polled by a UK business school thought their firms effectively developed global leaders
- An Accenture survey found that only ***8%*** of executives felt their company was effective in developing leaders

LEADERSHIP DEVELOPMENT IS FAILING

- A survey of 1,367 executives by the Institute for Corporate Productivity reported that even among the best, highest performing companies, ***66 % reported that they were ineffective*** at developing leaders and were getting ***worse***
- William Gentry, of the Center for Creative Leadership, summarizing numerous research studies, noted that ***one-half*** of all leaders and managers are ineffective in their current role

LEADERS ARE FAILING

- A 2012 survey by Harvard's Kennedy School reported that 69% of Americans believed there was a leadership crisis
- Ronald Clement, tracking the *Fortune 100* from 1999, found that by 2005 (prior to the financial crisis), ***40%*** had engaged in misconduct serious enough to draw national media attention in just this 6 years

WHY—WHAT ARE THE CAUSES?

- No expertise or experience required to be a "leadership expert"
  - On an *Inc.* magazine list of the top leadership experts published in 2014, of the top 20,
    - 4 (20%) had a Ph.D. in a relevant field
    - 1 had no degree at all
    - 2 had degrees in divinity or religious studies ("the leadership industry as lay preaching")
    - 5 did not have degrees in business
    - The "experts" (self-reported) expertise is, from their own websites and biographies, their ability to **"speak"**

WHY—WHAT ARE THE CAUSES?

- No, or even worse, misleading and misguided measures of program, book, and talk effectiveness
  - Sales, revenues, bookings—under the assumption that the market is efficient in discerning useful content
  - **Happy sheets ("smiley-faced" forms) to evaluate people's experience of events**
  - If you reward entertainment, you get entertainment
  - Few companies assess interventions using measures of that assess the effects on workplaces or leaders

WHY—WHAT ARE THE CAUSES?

- Divergent interests between leaders and those led, and even differences in measures of leader well-being and organizational success
  - Leader interests—salary, job tenure, power
  - Organizational interests—profitability, employee engagement, productivity, revenue and profit growth
  - These measures are not perfectly correlated, even within categories, let alone across them

WHY—WHAT ARE THE CAUSES?

- Conceptual imprecision about leadership concepts and ideas (which is *not* just an academic issue)
  - Example: charismatic leadership
  - Example: authentic leadership

SOME REMEDIES

- Measure outcomes—satisfaction, engagement, bullying, turnover, number of potential successors, leader effectiveness—that matter
- Select “scientists” (not entertainers) to do the scientific work of leadership evaluation and development

ANOTHER PROBLEM: LEADERSHIP AS "INSPIRATION"

- Vlerick Business School's (Brussels, Belgium) website asks, "Looking for an inspiring management course?"
- The Australian Graduate School of Management's (Sydney) website notes that the school creates "inspirational learning opportunities"

ANOTHER PROBLEM: LEADERSHIP AS "INSPIRATION"

- The search for inspiration drives the use of rare (unusual) examples and also the reconstruction and misremembering of events to produce an uplifting, inspiring narrative

INSPIRATION AND LEADERSHIP "STORIES"

- Leadership stories are mostly not true—because they ***almost can't be***
  - Leaders are motivated to tell positive stories about themselves (self-enhancement)
  - Even when people try to tell the truth (e.g., providing eyewitness accounts of crimes or accidents), they are incredibly unreliable
  - Self-deception has been found by psychologists and anthropologists to be an adaptive trait (makes lying more successful)
  - After telling a story often enough, it becomes impossible to distinguish truth from fiction

INSPIRATION IS A POOR WAY TO ACCOMPLISH CHANGE

- “Leadership licensing” (like moral licensing), provides people the license to violate norms
- Unrealistic expectations—for ourselves and others
  - Martin Luther King Jr.
  - Nelson Mandela
  - Mother Teresa
- Inspiration raises motivation, but only for a short time

INSPIRATION IS A POOR WAY TO ACCOMPLISH CHANGE

- Then the inspiring stories aren't true or don't hold up to scrutiny, it produces cynicism and disillusionment
- We ***know*** how to accomplish change
  - Measurement—what gets inspected gets affected
  - Priming—making desired behavior salient
  - Reminders—e.g., signs outside examining rooms that say, "Wash your hands;" checklists (which is why flying is so safe, and medical care could be)

SOME RECOMMENDATIONS

- Do due diligence on leaders to ensure that the stories are true
- Stop chasing inspiration—what you need are facts, not fables
- Understand the pitfalls of trying to learn from rare events and extreme examples

Perhaps the biggest problem of all: the confusion between what "should" be and what "is." In the leadership domain, the discrepancy between what and how leaders "should" be and how they actually are, and why they are that way; the disconnect between what organizations *say* they want their leaders to be and what the companies actually *select and reward* for.

Two questions you should ask about the oft-touted & recommended leadership attributes: 1) is there much if any evidence that many (even admired) leaders actually display the desired behaviors and traits? And 2) since for the most part they don't, what is the logic that suggests doing the opposite of the common prescriptions can make more sense, at least for the leader and maybe even for organizational performance?

ONE EXAMPLE: MODESTY

- Jim Collins in *Good to Great* highlighted Level 5 leaders who were characterized as being exceptionally modest (which is one reason why few of them were well-known prior to the book)
- Modesty is a virtue
- Modest leaders share credit, which encourages their colleagues to contribute more effort and feel better about themselves and their help in producing organizational success.

BUT….

- *The Productive Narcissist*—many of the most venerated leaders exhibited high levels of narcissism
  - Steve Jobs
  - Jack Welch
  - Larry Ellison
  - Donald Trump
  - Michael Eisner

BUT….

- Many, many studies show that immodesty—narcissism, self-promotion, self-aggrandizement, and unwarranted self-confidence—reliably a) helps people attain leadership positions in the first place, and b) once in them positively affects their ability to hold onto those positions, and c) extract more resources (salary), while d) even helping in some (although not all) of the dimensions of job performance

ANOTHER EXAMPLE: AUTHENTICITY

- The authentic leadership movement (e.g., *True North*)
- The idea is that people should be true to their real, inner selves, in part because others can see through attempts at deception and in part because people prefer to relate to those who share their real feelings and thoughts.

BUT….

- The evidence shows that most people are horrible at uncovering deception, doing not much better than chance!
- Great leaders are great actors
  - Andy Grove started “Wolf school” at Intel to get his engineers comfortable with pushing for their ideas
- Authenticity may be impossible, as we are affected by the roles we are in and by the situation—plus people change all the time

BUT….

- Authenticity is about being true to your own inner self; but leaders need to be true *not* to themselves, but to what others around them *need them to be*
  - Alison Davis-Blake
  - Gary Loveman

SHOULD LEADERS TELL THE TRUTH?

- George Washington and the cherry tree—America's founding myth
- Leaders lie all the time—with few to no consequences
  - Politicians
  - Government officials
  - Business leaders, such as tobacco industry executives, financial industry executives, automobile company executives, and the list goes on
  - Even in high technology—"vaporware," "reality distortion field"

TELLING UNTRUTHS IS COMMON

- Done to smooth over relationships
- Done to gain an advantage in negotiations
- Done to burnish resumes (or online dating profiles)
- Done to make companies look good to analysts
- Done to make sales
- Done to keep supporters even in the face of setbacks (e.g., entrepreneurs)
- Is incredibly common—one study found that the average person lies twice a day

THE POSITIVE EFFECTS OF LYING

- Can forestall opposition
- Can smooth over difficult situations (like people's actual chances of getting promoted)
- Produces the "cheater's high"—positive affect and emotion
- Can create the reality that was originally fabricated, and in so doing, the untruth becomes true—the powerful effect of the self-fulfilling prophecy (how reality gets constructed through belief—including, in medicine, the placebo effect)

IN A WORLD OF UNRELIABLE LEADERS…

- Consider the advantages of constructing less autocratic, leader-dependent systems
  - Elections of leaders (as in partnerships)
  - Employee ownership (as in cooperatives)
  - Collective representation (as with labor organizations)

TRADE-OFFS: ENDS V. MEANS

- "Set aside what you would like to imagine…Machiavelli writes…Like the…moralizers Machiavelli aims to subvert, we still believe a leader should be virtuous…Yet Machiavelli teaches that in a world where so many are not good, you must learn to be able to not be good. The virtues taught…are incompatible with the virtues one must practice to safeguard those same institutions….The proper aim of a leader is to maintain his state (and not incidentally, his job)…there are never easy choices, and prudence consists of knowing how to recognize the qualities of the hard decisions you face and choosing he less bad as what is the most good."

"Why Machiavelli Still Matters," by John T. Scott and Robert Zaretsky, *New York Times,* December 9, 2013

MY CONCLUSIONS

- Leaders fail in part because they are unprepared for and unwilling to deal with organizational realities.
- Leaders fail in part because they are unwilling or unable to do what is necessary to get things done.
- Leaders fail in part because believe what they have been told by “aspirational” instead of empirically-based leadership lessons. And as a consequence…
- One of the biggest problems in organizations of all sizes and sectors is the ability to implement strategies and get things done.
- “If the ends don’t justify the means, what does?” *Robert Moses*

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Question & Answer

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