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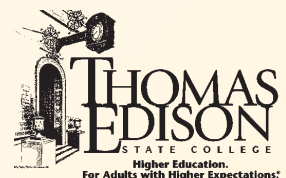
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# *International Leadership Journal*

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## **From the Editor**

March 2009

Welcome to the second issue of the *International Leadership Journal*, an online, peer-reviewed journal available at no charge to researchers, educators, practicing leaders, consultants, and anyone else interested in exploring leadership and organizational issues. The journal emphasizes international perspectives and “bold new ways of understanding leadership and organizations” that derive from many different disciplines and knowledge domains and that include formal and informal organizations in diverse sectors.

This issue includes three articles, a pedagogy piece, an interview, an essay from the field, a research note, and a book review. The theme that runs through much of the issue is leadership or management succession, a topic that, as the authors note, deserves serious attention by businesses, nonprofit organizations, and governments today. Succession is explored in the context of North America, South America, Southeast Asia, and China.

The three articles provide an interesting variety in terms of context, methodology, and geography. Graziella Comini and Rosa Fischer focus on succession in NGOs in Brazil, where, the authors argue, few organizations treat succession strategically or with the attention it deserves. Yang Kassim explores the extent to which leadership change and succession determine whether or not nations in Southeast Asia—Indonesia, Malaysia, and Singapore—develop economically and with stability. James McGinley describes the development of a new “Managerial Façade Scale,” which measures “maladaptive interpersonal management practices.” Consideration of managerial façades, he suggests, may lend new perspectives to managerial ethics and to dysfunctional managerial behaviors. We would add, too, that the managerial façades concept and McGinley’s scale might make for intriguing international research.

The interview for this issue is with William Rothwell, a recognized authority on succession. Rothwell discusses issues of succession planning, succession in both businesses and nonprofit organizations, succession in some international contexts, steps for successful succession planning, and the critical importance of addressing succession today.

In our education/development (“Pedagogy”) category, John Ricketts, Jennifer Williams, and Kerry Priest discuss changes in students’ critical thinking dispositions as a result of a training experience in the Republic of Georgia. Though the experience was only a week long, students emerged with increased critical thinking dispositions.

In our practice (Essay from the Field”) category, Tom Adams describes promising practices that help build “leaderful” organizations. His discussion focuses specifically on the practices of “Executive Transition Management” (ETM) and succession planning.

In our notes (“Research Note”) category, Joseph Mosca, Linda Flaming, John Buzza, and Donald Smith explore coaching versus traditional management in terms of employee perceptions. They conclude that coaching results in significantly more effective leadership. Though we have included their piece in this “Research Note” category, it is in many ways a full article that goes well beyond the parameters we initially set for this category.

In our review (“Book Review”) category, Craig Johnson takes a careful look at two recent books on followership, Barbara Kellerman’s *Followership: How Followers are Creating Change and Changing Leaders* (2008) and Ron Riggio, Ira Chaleff, and Jean Lipman-Blumen’s *The Art of Followership: How Great Followers Create Great Leaders and Organizations* (2008). Johnson puts these books into the perspective of other followership literature and of leadership studies writ large. This is an important topic—one that should be explored further through international studies.

This issue, like the first, required the assistance of many capable people. In particular, I would like to mention the dedication of Cindy Mooney, who carefully edited and formatted the final drafts of the entire issue, and Joe Guzzardo, without whose help we could not sustain our ongoing Web page.

As we said in the inaugural issue in November of 2008, we hope you will let colleagues, friends, practicing leaders, and consultants know about us, and also encourage them to submit manuscripts or to share opinions with us about the journal. We also hope you will enjoy this issue.

Joseph C. Santora

A handwritten signature in black ink, appearing to be 'JCS', with a stylized flourish extending to the right.

Editor

## **ARTICLES**

### **When Cinderella Gazes at Herself in the Mirror: The Succession Issue in NGOs**

**Graziella Maria Comini  
Rosa Maria Fischer  
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The growth in the number of NGOs in Brazil imposes the challenge of legal formalization and administrative professionalization. Brazilian scholars have mainly focused on succession in profitable or family organizations, overlooking this debate in NGOs. This study focuses precisely on this unique context through interviews that were conducted with eight Brazilian executive directors of NGOs with national and international legitimacy. We concluded that despite a concern about the succession process, little is being done to deal with the difficulties inherent in the process, such as the long time required to develop inside successors and/or mentor outside ones, and also the formalization of the process. Hired executive directors have a more rational posture than founding ones. The latter seek as successors people with similar styles to preserve the organization's initial values. Few organizations use the succession process as an opportunity to strategically reflect about their future.

**Key words:** executive succession, Brazilian NGOs, succession challenges

Over the last few years, social entrepreneurship in Brazil has started taking over the role played by nineteenth- and twentieth-century philanthropic organizations. Such a movement has created a new conceptual paradigm. Whereas philanthropy is an expression of the love of people through efforts to meet the wants and needs of individuals and groups devoid of economic advantage, social entrepreneurship exhorts society to overcome inequality by treating all citizens equally, which is a novel form of sociocultural emancipation.

Social entrepreneurship in Brazil arose as a result of many initiatives. The earliest efforts were linked to religious organizations and focused mainly on philanthropic and welfare-providing activities. In contrast, more recent efforts are derived from social movements reinstated after two decades of military dictatorship (1964-85) and, in effect, these efforts expand the range of civil, social, and environmental rights for people in the country (Fischer, 1998).

It is within this more recent setting (1995-1999) that citizens have witnessed the quantitative and qualitative growth of Third Sector organizations such as environmental NGOs, advocacy institutions, philanthropic entities, social organizations, community associations, and private foundations that operate in the broadest range of public purpose areas (for example, education, health care, social welfare, environmental causes, sustainable development).

The blossoming of this sector, whose visibility has been magnified immensely thanks to a concerted effort on the part of the media and society at large, bears witness to the desires and expectations for social-political participation of several segments of the population that, during the Brazilian dictatorship period, were unable to demand and exercise their citizenship rights. However, it also brought in its wake increased administrative and technical complexity in the management of NGOs. Whereas during the 1970s and early 1980s semi-clandestine social movements were more or less spontaneously and informally organized, the 1990s brought with it the challenge of legal formalization, administrative organization, tax and fiscal obligations, formal management of finances, and accounting responsibilities.

It was at this time that social entrepreneurs emerged on the scene. Some social entrepreneurs established social movements, which reflected the behavioral attributes and competencies of their founders: enthusiastic and compelling leadership dedicated to their cause, bravery in the face of adversity, and the capability of making a dream come true. Other social entrepreneurs were not necessarily the founders of such organizations, but, instead, individuals who managed to transform these organizations and to modernize them. They professionalized the management of the organization, instituted rational processes, and improved the art of fundraising. These two types of social entrepreneurs are crucial for institutional consolidation and organizational development. However, they do not have longevity; sooner or later they need successors.

Brazilian scholars have focused on succession in for-profit and family organizations, overlooking the debate about preparing successors and managing

the executive succession process in NGOs. There seems to be a simple-minded expectation that a “clone” of the founder will materialize spontaneously and that the process of handing over the reins will be a natural and painless one.

Organizations undergo several different stages throughout their life cycle: they progress from start-up, institutionalization, and consolidation to innovation or decline. These stages require different leadership profiles, competencies, and skills, and the succession process provides a unique opportunity for their consolidation.

The aim of this study was to focus precisely on this unique context to understand the level of consciousness and the difficulties of Brazilian NGOs' executive directors concerning the issue of succession. Given that this is an exploratory study, we intend to highlight some differences between hired and founding executives. This understanding could provide a highly critical opportunity for change that may soon become a key element for the organization's development and evolution.

### **Theoretical Framework**

The presence of the third sector in Brazil is broad and diversified. It consists of non-governmental organizations, private foundations, social welfare and philanthropic entities, religious entities, and cultural and educational associations, all of which play a role much like that of similar organizations in developed countries. These organizations vary in size, degree of formalization, volume of resources, institutional objectives, and operating processes. Their diversity results from the pluralistic and highly varied nature of Brazilian society and from different historical benchmarks that defined institutional arrangements between the State and the marketplace.

The Brazilian Institute of Geography and Statistics (IBGE) Census, also called the Central Registry of Companies (IBGE, 2008), indicates that there are 338,000 officially registered private foundations and non-profit associations in Brazil. Forty-four percent of them are in the southeastern region of the country; of

these, 21 percent are in the State of São Paulo and another 13 percent in the State of Minas Gerais.

NGOs, just like the organizations of the first and second sectors, have been affected by changes that were brought about by technological progress and economic globalization. These factors have caused widespread change, which has affected everything from patterns of production to the sphere of individual behavior within these organizations, putting them in conflict with issues that are very similar to those confronted by organizations of a different nature -- e.g., companies that show performance efficiency and efficacy, raise funds in sufficient volume to maintain their activities, and develop the capacity to keep pace with the constant changes that interfere with their performance (Fischer, 1998).

Therefore, the current context of NGOs is one of competition, not in the sense of being predatory or cornering the market as a second sector organization might, but rather in the sense of vying for the scarce resources that are dispensed by for-profit organizations that invest privately in social welfare, by international foundations, or by government entities that have started to establish partnerships with social organizations.

The third sector organizations must overcome many challenges, almost all of which touch upon managerial competence. Efficacy and efficiency are the keynotes of a discourse that aims at balancing the scarcity of resources with the need to increase production capacity, improve the quality of services, introduce technological improvements, remunerate specialists, and attract and maintain volunteers on a daily basis.

Thus, sustainability is a challenge that emerges as one of the main factors leveraging the need to professionalize the management of NGOs. "The notion of sustainability refers to whether or not an organization is able to maintain its operations without being entirely dependent on donations from individuals or legal entities" (Ashoka & McKinsey, 2001, 16). Though it is generally analyzed from the standpoint of the diversification of sources of financing, the sustainability issue also involves a complex set of factors that, in turn, magnifies these



organizations' need for professionalization. According to Ashoka and McKinsey (2001), the challenge also consists of developing revenue-generating projects, professionalizing human resources and the corps of volunteers, attracting members to the organizations, establishing communication strategies, evaluating results, and developing a highly efficient management structure.

Drucker (1986) is quite emphatic that nonprofit organizations' effectiveness in succeeding at promoting changes in individuals and society depends on their leadership. In this sense, the executive director's succession process becomes a critical issue for these organizations' continuity and sustainability.

Brazilian academic literature of the third sector has centered on developing solid management and on the attributes of successful social entrepreneurs (Bose, 2004; Brasil & Pimenta, 2005; Augelli, Mazzetto & Jensen, 2006; Andrade, 2007), but there is a shortage of academic research on the executive succession process in these organizations and, thus, on ensuring the continuity and expansion of their activities. In international terms, it should be noted, this theme has been discussed by some scholars (Bell, Moyers & Wolfred, 2006; Kesner & Sebora, 1994; Santora & Sarros, 2001; Tierney, 2006; The Foundation Center, 2007); no one, however, has explored it adequately in the context of Brazil.

### **The Succession Process**

The word *succession* is derived from Latin *succedere*, meaning "to succeed" (in the sense of one person taking over another person's place). In sociology, succession concerns a social group that replaces the power or rule of another group. Traditionally, this concept refers to the inheritance of assets, which are transmitted directly to the family (Diniz, 2002).

Succession processes within organizations are complex and generally difficult, even when they have been carefully planned. Succession, of course, involves a critical moment that attempts to ensure the continued existence of the organization. If it is not planned and organized, then there is a risk that major conflicts may emerge between current employees and the successors. It is

imperative, therefore, to establish the ground rules that will govern the succession process as well as to prepare for the changes that will guarantee the sustainability of the organization (Leone, Silva & Fernandes, 1996). Recent research studies conducted by Bell, Moyer, and Wolfred (2006) found that 75 percent of executives planned to leave their jobs—although not the nonprofit sector—within five years. This information is of significant concern, particularly given the widespread lack of succession planning. Authors like Gilmore (1988) had already signaled the challenges involved in the transition of organizations' leaders two decades ago.

In general, succession raises a fairly specific question: "Who will be the organization's next leader?" This view, however, is too limited. Mere concern with finding an answer to this question will not guarantee that the organization will continue in perpetuity. For organizational leadership to be effective, many alignment actions must be taken well in advance of the departure of the incumbent. In particular, the founder's awareness that succession is a complex and collective process and that succession involves many organizational stakeholders must be raised with a view to building a respected and legitimate structure (Bernhoeft, 1989, 2006). This issue brings with it a host of challenges and difficulties, starting with the internal or external choice of the successor, the length of time required for follow-up and development of the successor, and the extent of the support from the board of executive directors. Thus, succession can be understood as a process that must be planned, managed, and monitored.

For Rothwell (2005), the succession process is a systematic organizational effort to ensure the entity's continued existence, to maintain and to develop new competencies, and to leverage its development, based on a strategic view of what one expects of the future. Its chief objectives are to align today's talents with the leadership positions that will be required in the future and to overcome strategic and operational challenges with the "right" people at different points in time. Guaranteeing that the culture and memory of the organization will be maintained is another priority. It first appears in the form of the founder's wish to see his "creation" live longer than its creator. In future leadership transitions,

there should be an awareness that executive succession is a dynamic, constantly evolving process that does not depend on just one person.

Davis, Kelin, and McCollon (2006) posits that this process is far more complex than a momentary determination. It is reflected in two words often used as synonyms: *succession* and *continuity*. These two concepts encompass processes that are different, yet complementary. On the one hand, succession involves the sequential aspect of transition. It concerns a situation that ends and is “succeeded” by a different situation. On the other hand, continuity involves a portion of the current world that must be preserved into the new era. Provided a suitable balance is attained, both are required to minimize the disturbing consequences of transitioning beyond the founder or incumbent leader.

Popoff (1997) proposes turning succession planning into a core value of the organization’s culture by making the management and growth of employees a key duty of its founders. The succession strategy must encompass six transitions:

- From a sporadic event to an ongoing process
- From a short-term replacement strategy to a long-term development and retention strategy
- From an emphasis on "Whom do we have?" to an emphasis on "What do we need?"
- From blocking positions to a suitable turnover of leadership positions
- From an insufficient reference to a set of available talents
- From a subjective evaluation to an emphasis on tangible measurements and results

Price (2006) emphasizes the responsibility of NGOs’ leaders and governing boards to act in tandem when structuring succession processes. Leaders and founders often fail to plan for the transfer of power, seemingly believing that they will stay with the organization forever. Lack of succession planning is what drives the main conflicts; although these changes may be born with the organization, they hibernate during the lifetime of the founder or leader and emerge the instant

this person stops managing the organization, whether due to increasing age or the distraction of exploring new frontiers.

The strong influence a charismatic leader (often the founder) has on the development of the organization's culture and identity is a particularly relevant concern for third sector organizations. Collaborators, by identifying with this culture and identity, legitimize the charismatic leader, who is often transformed into a myth (Schein, 2004). It is very difficult to manage conflicts generated by a succession process while also preparing a new leader and the organization itself to face the possibility of doing away with the myth. As charismatic leadership cannot be transferred, it is up to the successor to seek and obtain legitimacy with the executive board, staff, partners, and community.

Based on a survey of more than 40 social organizations in Latin America, Reficco and Gutierrez (2006) showed that, when it comes to attaining better results, there is a strong correlation between the life cycle of a social organization and the role of its leaders. Similarly, one can also identify desirable or necessary skills that will enable the leader to exercise these roles more effectively. These attributes consist of individual competencies that must be converted into organizational competencies (Reficco & Gutierrez, 2006).

Table 1 (next page) provides a four stage model of leadership in social undertakings. First, we have the initiative stage. Here, an individual decides to take action, having identified a problem of a social, economic, and/or environmental nature, and develops a project to help solve it. In this early stage, it is crucial that the entrepreneur identify independent opportunities for obtaining resources and then make the most of them. Above all, the individual must be capable of analyzing the social context surrounding the issue, based on a diagnosis and analysis of the social problems around him. The founder or leader of the undertaking then implements an initiative based on a hierarchical position, contacting networks and resources that this person either owns or can obtain. Occasionally, entrepreneurial skill can be driven by the altruistic motivation of lending feasibility to a social transformation project.

**Table 1: Leadership in Social Undertakings**

<b>Stages</b>	<b>Start</b>	<b>Institutionalization</b>	<b>Decentralization</b>	<b>Conglomerate</b>	
	<ul style="list-style-type: none"> <li>• Decision making</li> </ul>	<ul style="list-style-type: none"> <li>• Organization and structuring</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic alignment</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Conciliation of interests</li> </ul>
<b>Roles</b>	<ul style="list-style-type: none"> <li>• Analysis of the surrounding environment</li> <li>• Network of contacts</li> </ul>	<ul style="list-style-type: none"> <li>• Development of political structures and systems</li> <li>• Forming a work team committed to the undertaking</li> <li>• Ensuring economic sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Conciliating different interest groups with the org's mission</li> </ul>	<ul style="list-style-type: none"> <li>• Decentralization of activities through autonomous units</li> <li>• Decentralization of power, sharing it with the organization's other leaders</li> </ul>	<ul style="list-style-type: none"> <li>• Coordinating different concerns within the same structure</li> <li>• Developing strategic alliances</li> <li>• Promoting the organization's visibility</li> </ul>
<b>Skills</b>	<ul style="list-style-type: none"> <li>• Entrepreneurship</li> <li>• Vision of the social context</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic decision making</li> <li>• Capacity to encourage people</li> <li>• Vision &amp; social commitment</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to delegate</li> </ul>	<ul style="list-style-type: none"> <li>• Coordination</li> <li>• Political and negotiation skills</li> </ul>	
<b>Leadership Styles</b>	<b>Charismatic</b>	<b>Directive</b>	<b>Participative</b>	<b>Political</b>	

(Reficco & Gutierrez, 2006, 23)

After this, this founder or leader realizes that it will only be feasible to take action if the organization is institutionalized. This underscores the second stage of a social undertaking's cycle. In this stage, the leader recognizes the need to develop organizational and political structures, as well as procedures and systems, to provide the newly created organization with good administrative management to ensure financial sustainability and to generate social value. Thus, the strategy and mission of the organization must be aligned with the programs offered by the organization. The ability to make the social

undertaking's strategic focus compatible with the needs and expectations of the various interest groups (e.g., internal collaborators, organizations, or individuals that provide resources, beneficiaries, etc.) becomes one of the chief duties of leadership. In this stage, leaders must be capable of encouraging collaboration so that workers are motivated and committed to the social cause.

The expansion of social activities may generate operating difficulties for the organization; therefore, to meet this challenge it makes sense to decentralize the duties of the leader. This third stage calls for a participatory type of leadership so that efficiency and efficacy can be achieved through the development of coordination mechanisms that are meant to ensure a balance between decentralized activities and alignment with the strategy of the organization. At this point, the leader must play the role of mentor and empower collaborators who assume the responsibility for the operation of autonomous units. Reficco and Gutierrez (2006) posit that a good decentralization process can add speed to the transition process when the central leader leaves the organization.

The fourth stage is reached when the social undertaking conducts several decentralized activities and programs, or, in the words of Reficco and Gutierrez (2006), becomes a conglomerate. Intense decentralization of its operations may generate expansion and diversification of social undertakings (for example, by region, products, or services). In these circumstances, many organizations face the need to concentrate on certain managerial functions in a central unit in order to take maximum advantage of synergies and to avoid tension among the autonomous units. The objective of the leader should now focus on the consolidation of interests by coordinating different programs and units, by creating partnerships, and by obtaining greater external visibility for the organization, all of which demand negotiation and political coordination skills.

### **Challenges and Difficulties**

For Leone, Silva and Fernandes (1996), the succession process encompasses certain conflicts such as the dilemma of transmitting power or "handing over the reins," a process during which the incumbent is faced with uncertainty and doubt.

Some questions may include: What is the best solution for this problem? Should the incumbent wait to die in office, or should the incumbent identify and choose a successor from within the organization? Other questions might center on seeking a partner or merging with another organization, thereby handing over assets that took decades to build. The first issue to be managed in succession is the founder's resistance to giving up power. This resistance has a heavy emotional burden; the founder who is to be replaced always feels that it is too early to touch upon this issue. Additionally, there is fear that someone might destroy the dream that was built with much sweat and toil, and in which the soul and character of the founder is embedded in the culture of the organization (Schein, 2004).

In addition, Leone, Silva, and Fernandes (1996) refer to the actual choice of a successor as another challenge. Here, the founder faces a series of alternatives and, in most cases, may not know what is best for the organization. It is essential for the choice of a successor to be made as soon as possible, thus providing the transition structure with greater flexibility, which in turn allows the organization to test people in different roles in order to evaluate their maturity and commitment. This procedure also enables the departing executive director to guide this process, thereby aiding the successor's development and legitimacy.

Under certain circumstances disputes may arise between potential successors. In these cases, the conflict may be eased if the succession process is planned and organized at the time when nominees for a successor have been declared. Otherwise, dissension and ambiguous decisions help deconstruct the culture of the organization. The potential dilemmas that ensue from succession processes, a subject often discussed in family-owned organizations and multinational corporations, encouraged the authors of this paper to investigate how executive succession is managed in third sector organizations.

## **Method**

This was an exploratory and descriptive study based on a qualitative approach. We used this approach to gain an in-depth understanding of the phenomenon at

hand to formulate a more precise research problem or raise new hypotheses based on the presentation of the characteristics of a situation or a group (Selltiz, Wrightsman & Cook, 1974).

Data were collected through face-to-face interviews using open-ended questions to the executive directors of the eight organizations important in their field of action, with internal and external legitimacy and transparency in the management process. The questionnaire was divided into three blocks. The first referred to the organization (size, type of business, foundation, mission, values, and code of ethics). The second encompassed information about the executive directors (position, time in the position, relation with the succession process). The third set of questions inquired about experiences before, during, and after the succession process (degree of formality of the process, how it is set in motion, time necessary to prepare for it, existing conflicts, who makes decisions, difficulties during and after the choice of successors, and challenges for the new successor).

The organizations were chosen by consulting databases of organizations such as Ashoka and Avina, which congregate social entrepreneurs regarded as benchmark references internationally and that have already faced the need to professionalize their organizations. We contacted 16 third sector organizations in the greater São Paulo and greater Rio de Janeiro areas. Despite the fact that all 16 were highly receptive in our initial contacts, only 8 remained collaborative. Our hypothesis is that the non-collaborative executive directors were afraid to expose themselves and their organizations in terms of their succession process.

## **Presentation of Results**

As can be seen on Table 2 (next page), most organizations studied operate with lean structures (only one has more than 100 employees). This situation reveals the Brazilian reality. According to the latest census conducted in 2005 and published in 2008 in Brazil, 79.5 percent of nonprofit organizations do not have a single formal employee. The Brazilian average is five employees. In our study, only one organization does not count on volunteer labor.



**Table 2: Characterization of the Organizations**

<b>Organization</b>	<b>Field of Action</b>	<b>Years of Existence</b>	<b>Number of People</b>
<b>A</b>	Social Services	18	20-50
<b>B</b>	Culture and Recreation	18	<10
<b>C</b>	Social Services	18	20-50
<b>D</b>	Education	58	>100
<b>E</b>	Health	18	>50
<b>F</b>	Law, Advocacy and Politics	38	>50
<b>G</b>	Environmental	38	>50
<b>H</b>	Social Development	18	<10

Created by the authors.

The executive directors of the eight organizations in this study tended to be experienced professionals, having assumed this position around the age of 40. It was interesting to observe that the succession process occurred in different ways. However, there was a greater tendency to favor collaborators who were familiar with the culture of the organization and who understood the ways the organization operated, whether as members of the board of trustees or as employees. Only in one case did the executive director join the organization as a result of external recruiting. The interviews conducted revealed that executive directors are interested in leaving their organizations to take on another challenge in their careers, albeit still in the third sector, or take over a position in the executive board.

Five organizations in this study were founded in the 1990s, one is more than 50 years old, and another two are more than 30 years old. They are more or less evenly split between those organizations operating at the decentralization stage (Stage 3) and those operating at the conglomerate stage (Stage 4). Regardless of their stage, and even in the two cases in which the organization is still headed by the founders, the executive director indicated that the minimum time required to start the succession process is one year. There was a tendency to indicate from one to three years as the time necessary to prepare a successor. Although all interviewees have highlighted that the succession process should be properly structured, not all believe that it has to be open and transparent to stakeholders. Two interviewees were adamant that the succession process must be a part of the strategic planning but must be kept in secrecy until the final decision is made.

It is also worth noting some contradictions between the executive directors' discourse and practice. On the one hand, there is a consensus on the need to structure the process, even though only three organizations have a formal succession process. One of them has not formalized the process and has not established a relationship between the succession process and long-term reflection on the part of the organization. Figure 1 (next page) relates the degree of formalization of the process and the importance ascribed to the succession process. Five out of the eight organizations do not have a formalized process.

In the cases in which the succession process has been formalized, the executive director will continue in this position based on the by-laws of the organization. Virtually all of the organizations that experienced a succession process declared that this theme must be included in the strategic planning. Nevertheless, few organizations have indeed made it a part of their strategy.

In the cases in which the succession process has been formalized, the executive director will continue in this position based on the by-laws of the organization. Virtually all of the organizations that experienced a succession process declared that this theme must be included in the strategic planning. Nevertheless, few organizations have made it part of their strategy.

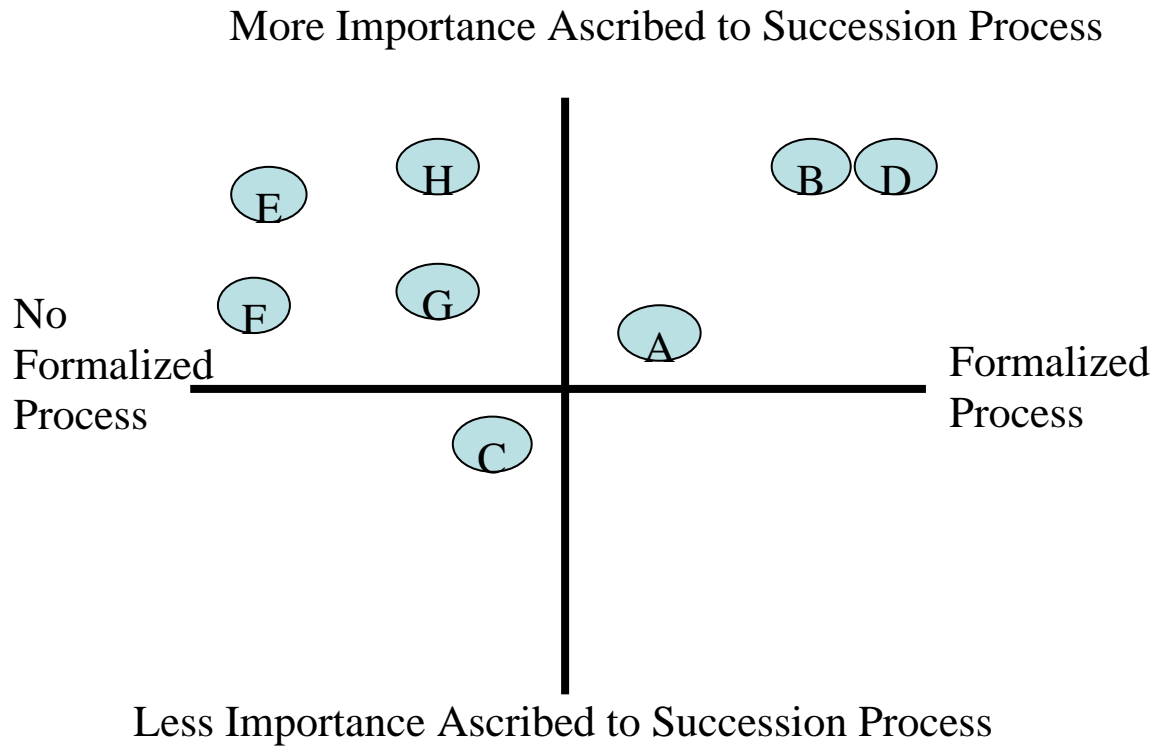


Figure 1: Degree of formalization of the process and importance ascribed to the succession process. Created by the authors

The interviewees' stated that when the time comes for choosing a successor, both internal and external audiences should be notified, but that it is up to the Board, President, or Chairman to make the decision. Only one case emphasized that the collaborators took part in this process. This finding deserves special attention given that the international literature on the succession process signals the importance of internally developing the successor so as to obtain a higher commitment to the cause. The interviewees themselves indicated preferences in the choice of the future successor: Seven would like him or her to come from the staff or have some previous involvement with their organization (board or volunteer). Only one executive director, who is also a founder, explicitly stated preferring someone from the labor market, since that would bring new oxygen to a 50-year old organization.

Table 3 helps illustrate the main challenges and difficulties faced in the succession process.

**Table 3:  
Difficulties and Challenges Surrounding the Succession Process**

Organization	Difficulties	Challenges
<b>A</b>	Symbiotic relationship between the founder's image and the institution	Professionalization
	Identification with the cause	Legitimization of the new leader (communication, articulation)
<b>B</b>	Management complexity	Formalization and transparency of the processes
		Reduction of bureaucracy
<b>C</b>	Founder's succession	Professionalization
	Charismatic leader	Legitimization of the new leader (communication, articulation)
<b>D</b>	Management complexity	Formalization and transparency of the processes
		Reduction of bureaucracy
<b>E</b>	Founder's succession	Professionalization of management
	Charismatic leader	
	Identification with the cause	
<b>F</b>	Management complexity	Professionalization
	Identification with the cause	Legitimization of the new leader (communication, articulation)
<b>G</b>	Internal and external legitimization	Inclusion of the succession process in strategic planning
	Lack of time for finding a successor	
	Identification with the cause	
<b>H</b>	Internal and external legitimization	Involvement of several interest groups in the succession process

Created by the authors.

Executives mentioned that the main difficulties with the succession process include: board resistance; legitimacy (both internally and, to a lesser extent, externally); and lack of time to prepare a successor. Prior to the succession process, executives mentioned the following as concerns: preparing the team, informing team members about the need for a transition, and establishing measures that were capable of aiding change and learning with minimal conflict.

Our interviews with the executive directors provided the following insights: There is anxiety among the team members during the succession process, with some degree of organizational paralysis, particularly noticeable in the work of staff members, due to absence of information regarding the development of the process. To minimize the effects of this situation, a few measures were highlighted, such as transparency in the process and communication and preparation of the staff. Such measures might be implemented through formal and informal meetings, seminars, and debates that help determine the desired profile of the future executive director.

The main challenges the executives mentioned are management complexity, the need to identify with the cause, legitimization vis-à-vis internal and external audiences, and the strong presence of the founder/myth within the organization. Professionalization, the legitimization of the new leader, formalization, and the transparency of the management processes are the challenges that the incumbent will face during the succession process.

When questioned about the actions that might minimize any problems connected with the succession process, interviewees found it relatively easy to identify, after the event, the measures that should have taken place. These measures included maintaining frequent communication with employees and stakeholders about the succession process, preserving cultural values, being concerned with continuity, discussing the future of the organization, and, at near unanimity, mentoring the successor for a defined amount of time.

There was a consensus among the executive directors interviewed about the fundamental competencies and attributes a successor needed to become the president or executive coordinator of social undertakings: global vision; strategic

vision; alignment with the mission; being an example and a role model of the principles and values of the organization and disseminating them to the staff and other stakeholders; and the capacity to forge alliances and partnerships. Another attribute mentioned was the importance of political influence (Reficco & Gutierrez, 2006), i.e., good liaison skills within and outside the organization are key characteristics.

Only two interviewees drew attention to the challenge that ensues from the growth of a nonprofit organization. One mentioned management complexity:

“The difficulty in dealing with the organization’s complexity requires a superman or a superwoman as a successor. The organization is an agent of change within society. I suggest dual coordination, with one executive looking after the administrative part and the other taking care of the institutional part.” (Leader of Organization F).

The other interviewee emphasized the risk of losing one’s perception of the external context, a primordial ingredient for the start-up and institutionalization stages:

"This is the chief point of the issue. As it becomes more organized, expanding its level of knowledge and of maturity, the institution stops looking at the market and starts looking at itself, becoming entropic and closed within itself. If the organization grows, it gives rise to a struggle for internal power, and stops looking at the beneficiary, at society. That is when a substantial turnover of people occurs; the organization may decline or even close down." (Leader of Organization H).

### **Impressions and Recommendations**

In general, there is recurring concern among all the executives of the NGOs studied about professionalization, the improvement of the management processes, and succession. Although these results cannot be generalized to all nonprofit organizations in Brazil, the results point to dimensions that should be debated and deepened in the day-by-day operations of these organizations. One

such dimension refers to the gap between discourse and practice in the succession process: Though executive directors seem to be really concerned about the topic, little is actually done in terms of structuring and planning this process.

Another key point concerns closely tying the succession process to the organization's strategic planning. Our study verified that not all of the organizations studied align the succession process with rethinking and transforming the organization for the future as recommended by Popoff (1997). This might indicate that the succession process is only being conducted because the by-laws of an organization make it mandatory, where successors only have the duty of maintaining the activities already established rather than acting as agents of change. However, one has to bear in mind that most nonprofit organizations have not awakened to the importance of formalizing the process in their bylaws. Added to this fact is the risk identified in the literature (Zajac & Wesphal, 1996) that the board and the executive director tend to look for successors with characteristics similar to those of the incumbent leader.

In the cases analyzed, hired executives, despite being highly committed to the cause, had a more rational, pragmatic, and flexible posture in relation to the organization than founding executives. On the other hand, founding executives had an almost visceral bond with their organizations, voicing comments such as "The organization is like a sort of daughter" and "I don't intend to ever keep away completely" during personal interviews. Therefore, they definitely have more difficulty than do hired executives in handing over the reins. When they do, they tend to seek people whose competencies and management styles are similar to their own, and they generally look for them within the organization in an attempt to maintain and to preserve its initial values. But internal candidates are not often found because they have not been prepared. This leads to a vicious cycle that harms the organization and tends to postpone the succession process. Even after the death of the founder, the myth of the founder seems to haunt the organization for quite a while, despite the succession process.

The executive directors interviewed stressed the importance of the exiting leader mentoring his successor for a while, making it easier for the latter to adapt to the organization. As there is a risk of confusing succession with continuity (Davis et al., 2006), it is advisable that, after a while, the exiting leader completely separate from the management of the organization, thus allowing the successor to implement his or her own management style.

The need to develop and implement succession planning mechanisms aligned with the objectives and strategies of the organization calls for great respect for the cultural characteristics of those NGOs, whose internal collaborators favor participation in the decision-making process. It is necessary to break free from the tendency to centralize decisions and to standardize procedures as a way to foster modeling of the principles and methods that will be used in the succession process. In this way, executive directors may truly see the fulfillment of their expectations, become aware of the limitations of the organization, and legitimize decisions using open communication (Bose, 2004).

### **Future Studies**

The management of the succession process in nonprofit organizations is a recent research area that has gained little attention from scholars when it comes to international comparative studies. Studies that deepen the analysis of the impact of a succession process on the organizational culture are recommended, and such studies should be examined through different perspectives (executive director, managers, staff, volunteers, community and financial sponsors).

Moreover, research is necessary to identify practices and procedures currently adopted by nonprofit organizations, which investigate criteria and decisions leading to successes and failures. Finally, future work should deepen the relationship between the succession process and organizational life cycles (start-up, growth, maturity, consolidation, renewal or decline).



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## **Leadership Change in Southeast Asia: Between Competitive and Controlled Successions**

**Yang Razali Kassim**

**The theory that economic advancement must be preceded by democratic change is not necessarily borne out in Southeast Asia, one of the most developed regions in the world. Three of its key countries—Indonesia, Malaysia and Singapore—have shown that it is leadership change and succession, not democracy per se, that determine whether or not these nations develop economically and with stability. But their leadership transitions have not always been smooth, as currently seen in Malaysia and Thailand. This article discusses the issue with a comparative review of leadership successions in Malaysia, Thailand, Indonesia, and Singapore and concludes with a typology of succession in Southeast Asia.**

**Key words: Indonesia, Malaysia, Singapore, Southeast Asia, succession**

Volatile leadership change in Southeast Asia is happening not just in Thailand but also in Malaysia, two countries in the region that practice a democratic form of politics. In contrast, however, there is relative stability in Indonesia and Singapore, with the former going through a flowering of democracy since the fall of Suharto in 1998 and the latter again relying on its strong leadership to rally the people through the current international economic crisis. It has not always been like this. Leadership change in Malaysia was relatively smooth from independence in 1957 until the 1980s. Politics in Singapore and Indonesia, on the other hand, had been volatile in the 1960s before both countries achieved political stability from the late 1960s onwards, with Indonesia reverting to volatility after Suharto's fall. So, while leadership change and political successions in this region have had their ups and downs and contrasting images, Southeast Asia has historically shared a common feature of difficult transitions when it came to political change. The key factor that separates stability from upheaval is strong and decisive leadership. The year 2009 will continue the political flux of 2008 that we have seen in some of these countries, notably Malaysia and Thailand. Despite diverse and tumultuous political processes, these countries display instructive variations on resolving leadership transitions.

## Leadership Change in Malaysia

If everything goes according to plan, Malaysia will have a new prime minister by March of this year. When Najib Tun Razak takes over from Abdullah Ahmad Badawi as slated, the former will be the sixth prime minister, arising from the country's fifth leadership transition since independence from the British in 1957. With Najib as prime minister, Malaysia's political succession will fall neatly into the popular political acronym of the first post-independence premier RAHMAN. Malaysia's first prime minister, Tunku Abdul Rahman, ushered in independence but handed over power to Najib's father, Abdul Razak, in 1970. When Razak died in office in 1976, he was succeeded by his deputy Hussein Onn. The third premier, Hussein, lasted five years and stepped down in 1981. He was succeeded by his deputy Mahathir Mohamad, who ruled longest—for 22 years. Mahathir stepped down in 2003 to make way for Abdullah, who was then his deputy. When Abdullah steps down in March 2009 in favor of his deputy Najib, Abdullah will go down in Malaysian history as one of the shortest-serving prime minister the country has had since independence.

## Key Features of Succession in Malaysia

There are a few key features of Malaysia's leadership succession and power transition. Some of these are common to other countries while others are culturally peculiar to the Malaysian context.

Firstly, national leadership in Malaysia is based on a coalition of many parties but is critically influenced by only one: the dominant party called the United Malays National Organization (UMNO). National leadership is therefore shaped by consociational politics where different race-based parties representing Malays, Chinese, Indians, and other ethnic groups share power through the ruling coalition called the *Barisan Nasional* (BN) or National Front, which is dominated by UMNO. Because UMNO presides over the political system through the ruling coalition, leadership change and succession in UMNO affects, influences, and determines the national leadership succession in Malaysia.

Secondly, the transfer of power in UMNO has traditionally been a contradiction of sorts: it is both orderly and crisis-prone. It is orderly because there is a systematic sequence of handing over power. For example, given UMNO's pivotal role in politics, the president of UMNO becomes the prime minister. Its deputy president becomes the deputy prime minister. When the prime minister steps down, the next prime minister of the country will invariably be the next president of UMNO, and the next president of UMNO will in all probability be the serving deputy president of UMNO. The national political succession is such that it is the transfer of power within UMNO that determines the succession of prime ministers in the country, not the other way round. Rarely has it occurred that the prime minister steps down but not the president of UMNO. Neither has it happened that the prime minister is not the president of UMNO, though this is technically possible.

Ironically, however, succession in Malaysia becomes crisis-prone and unpredictable when party democracy is at its height in UMNO. The rambunctiousness of party politics upsets the orderliness of the succession system. This happens when the party president or his successor is challenged or forced by circumstances to step down. It has happened twice before and has just happened again for the third time.

In 1987, Mahathir was challenged by then finance minister, Tengku Razaleigh Hamzah, leading to a serious split in the party and the first major political crisis in Malaysia. To unseat Mahathir, Razaleigh had teamed up with Musa Hitam, who only a year earlier had resigned as deputy prime minister because of differences with Mahathir. The challenge proved unsuccessful and Tengku Razaleigh left UMNO, though he returned a decade later. Also a decade later, in 1998, Mahathir sacked his heir apparent, Anwar Ibrahim, whom he suspected of maneuvering to challenge him at the height of the Asian financial crisis in 1997. This second crisis split the crucial Malay/Muslim constituency. UMNO has suffered a major internal tumult since then, giving rise to an alternative Malay-centered opposition alliance led by Anwar called *Pakatan*

*Rakyat* (People's Alliance). In response to crises like these, UMNO often finds itself challenged to balance between orderliness and party democracy.

Because of UMNO's pivotal role, leadership crises in this organization destabilize the national leadership and political system. But should UMNO succeed in balancing the forces of continuity and change, the party may have the capacity to bounce back from the precipice and consolidate the national political system again. This balancing act is being tested for the third time as UMNO prepares to transfer power from Abdullah to Najib in March this year, following pressure on the former to step down earlier than scheduled arising from groundbreaking electoral setbacks faced by the UMNO-led BN a year earlier on 8 March 2008. This is why Malaysia is currently being gripped with tension. This tension is being exacerbated by the US-originated global financial crisis, which is gradually eating into the Malaysian economy.

### **Succession by Pressure, Malay-style**

Abdullah came to power in 2003 when the feisty Mahathir decided to step down after 22 years in power. Mahathir's exit was partly to allow for the healing of wounds within the Malay/Muslim community following the disastrous split within this crucial constituency as a result of the sacking of Anwar in 1998. Anwar was then jailed on allegations of abuse of power and sexual impropriety which he dismissed as a political conspiracy. Both charges were overturned ten years later and Anwar was freed by the court, ironically during the premiership of Abdullah. As the successor of Mahathir, Abdullah wanted to show that he was different from his predecessor and was above any manipulation of the judiciary—a charge that was widely labeled leveled at Mahathir.

Anwar is now back in politics and is pursuing his ambition to be prime minister, albeit this time through the opposition route, and therefore from outside the dominant, UMNO-centric system. He is pitting himself against Najib, the new heir apparent and prime minister-in-waiting. Anwar, as an opposition leader, has proven to be UMNO's worst nightmare. For the first time since 1969, the opposition successfully denied the UMNO-led BN its two-thirds majority in the 8

March 2008 general election, in addition to capturing 5 of the 13 states in the country. Many BN ministers lost their seats.

UMNO, as well as its major partners, the Malaysian Chinese Association (MCA), the Malaysian Indian Congress (MIC), and another Chinese-based party, Gerakan, suffered serious defeats. Since then, UMNO and the BN have been in disarray, leading to internal leadership crises or reshuffles within these parties. The most crucial has been the resulting leadership crisis within UMNO, leading to pressures on Abdullah to step down prematurely as president, and therefore as prime minister. The impending exit of Abdullah this March is a *coup de grace*, executed with the obliqueness and shadow play of Malay political culture, mixed with the sound and fury of democratic politics.

The emergence of the Anwar-led *Pakatan Rakyat* has for the first time given rise to a serious two-coalition system within Malaysia's political system. One is UMNO-centered but a model of consociational politics in which ethnic-based parties share power in reciprocity for UMNO's dominance. This dominance UMNO asserted immediately after independence as an embodiment of Malay supremacy or *ketuanan Melayu*. The other coalition, the *Pakatan Rakyat (PR)*, revolves around Anwar's party, the *Parti Keadilan Rakyat (PKR)* or People's Justice Party. Anwar's party is the linchpin of this opposition coalition and has positioned itself as a multiracial party that is out to remake Malaysia's race-based political system in its image.

The BN model is now in crisis as it fights back the prospect of being overthrown by Anwar's *Pakatan Rakyat* coalition, with Anwar claiming controversially that he has the numbers to capture the majority in parliament through defections by BN MPs to his side —though this has so far failed to be borne out. But should Anwar succeed, it will be the first time since independence that the BN coalition is thrown out of power. Should Anwar fail, and Najib becomes UMNO president and prime minister as scheduled, it will be a blow to Anwar's march to power. Anwar, however, will remain as de facto head of the opposition, from where he will be head-to-head in contention for the leadership of the country.



Both he and Najib will be in constant battle to outwit each other. This is evidenced recently in Najib pulling a surprise on Anwar through the defections to the ruling BN by opposition legislators, leading to the fall of the PR-led coalition government in the state of Perak. The upshot is that more states in the country are now under threat of instability due to the possibility of crossovers. Unless the two leaders come to a compromise of sorts—which is not impossible given the political fluidity—the jousting ahead will not provide stability to the leaderships of their respective coalitions or to the leadership of the country. Because of this Malaysian politics, moving forward, will face serious questions of stability and predictability as the nation moves forward. Yet, Malaysia is not the only country in Southeast Asia that is going through major leadership transitions.

### **Succession in Southeast Asia**

**Thailand.** In Thailand the political system is again being rocked by instability as a result of a leadership crisis, which has seen a quick succession of premiers in the last three years.

This crisis began when then Prime Minister Thaksin Shinawatra was deposed by the military through a coup in 2006, on allegations of abuse of power. Strangely, Thaksin's mistake was being too successful at the ballot box, becoming too strong a leader sitting on the apex of the democratic political process. The military, eager to show that it was not out to undermine democracy, said the coup was in fact to restore it, and after a brief period, the army stepped back into the barracks. The military retreat from politics was unusual in a country which had in the past seen military dominance through army coups. In 2008, a Thaksin proxy, Samak Sundaravej, came to power through a parliamentary vote. But he, too, did not last long. He was replaced by his People Power Party (PPP) as leader, and therefore as prime minister, following a court ruling that he had succumbed to conflict of interest issues as premier.

His successor, Somchai Wongsawat, is none other than the brother-in-law of Thaksin. But he too was forced out following massive protests by the anti-Thaksin movement that had brought Thaksin down and set the stage for Samak's

ouster. Thailand now has a new prime minister, Abhisit Vejjajiva, who himself is facing the threat of an ouster through a revenge protest by pro-Thaksin forces. The ouster of Somchai and the uncertainty faced by Abhisit serve to confirm one phenomenon in Thai politics: Even in a phase where the military does not dominate, Thai politics can be unstable. In fact, the short period when Thailand was under military rule between the coup in 2006—the first putsch in nearly 15 years—and 2008 when the military withdrew to the barracks proved to be one of the most stable in Thai politics. The current political instability under civilian political leaders is thus a unique feature of the democratic process in Thailand, and it characterizes political succession in the country.

**Indonesia.** Another Southeast Asian country going through political transition is Indonesia, the region's largest democracy since the fall of Suharto in 1998. Indonesia is entering a general election in April 2009 to elect a new parliament. Three months later the Indonesian people will go through another round of national elections—the presidential election in July—to directly elect the country's president. Should no clear winner emerge from the presidential election, another round of elections will be called. Interestingly enough, the run-up to the parliamentary election and the presidential election has been relatively peaceful. This peaceful phase of Indonesian politics stands in marked contrast to the first five years after Suharto's fall. If this peaceful phase holds over the next two years, Indonesia will become relatively more stable than Thailand or Malaysia: unusual, but a credit to the growth of democratic politics in Indonesia.

Indonesia's political succession can broadly be categorized into four phases: the Sukarno period from 1945 to 1966; the Suharto period from 1966 to 1998; the post-Suharto period from 1998 to 2004; and the post-Suharto (Yudhoyono presidency) period from 2004 onwards.

During the Sukarno period, there was basically no political succession as he was virtually the president for life. Sukarno was deposed in 1966 following a failed communist-backed coup a year earlier. The counter-coup brought to power General Suharto, who crushed that coup in the same year that Sukarno fell. Suharto was confirmed as president in 1967 and went on to be re-elected *no less*

*than six times in five-year intervals.* During this long rule, there was no political succession, although there were vice-presidents. In the later years, however, there were several attempts to force him to either step down or plan for political succession. Through those attempts, Suharto always eventually prevailed, essentially through the subtle manipulation of the political forces to ensure his dominance. Suharto was eventually forced out in 1998, more by adverse economic circumstances—the Asian financial crisis—than by political opposition, although the latter eventually played a part. After his downfall, political succession occurred at a rapid pace as Indonesia's political elite basked in the politics of post-Suharto democracy.

Not used to the freedom that they had been long denied during the Suharto years, the elite exercised themselves in a series of leadership elections. The result is the rise and fall of a series of presidents in a short time—four in six years, compared with just one, Suharto, over the previous three decades. Between 1998 and 2004, Indonesia saw the presidencies of B J Habibie (1998 to 1999); Abdurrahman Wahid (1999 to 2001); Megawati Sukarnoputri (2001 to 2004); and Susilo Bambang Yudhoyono (2004 until the present). At the time of this writing (January 2009), Yudhoyono is riding high in the popularity polls and looks set to be re-elected, though this could change.

The leadership successions from Habibie to Megawati have been rambunctious, if not actually rowdy. The transition to Yudhoyono, however, had been more peaceful as the Indonesian elite displayed signs of weariness with political turmoil and geared themselves up for direct presidential elections. The unprecedented system of direct presidential elections was won by Yudhoyono, who proved to be the most popular leader post-Suharto, though his popularity has since been going through ups and downs. Should Yudhoyono succeed in getting re-elected in the presidential election this year, he will be the first president post-Suharto to have served for a second term. Such is the euphoria of democracy in Indonesia post-Suharto that political victory has come in short bursts, and it has been far from sweet for the political actors. The short period each served in power was largely due to the fact that every other contender

believed he could do better and sought to bring the incumbent down through the contest for power in the electoral process.

**Singapore.** One country in Southeast Asia seems to be bucking the trend as far as political succession is concerned—Singapore. In contrast to the open display of intense inter-party and intra-party politics and democratic elections that have characterized leadership change in Malaysia, Thailand, and Indonesia, succession in Singapore has been generally subdued and problem-free since independence in 1965, though not prior to that.

Lee Kuan Yew has been prime minister since 1959 when Singapore attained self-government from the British, and he continued in that position after Singapore's separation from Malaysia in 1965. Lee had ruled Singapore with an iron fist. His long years as a benevolent authoritarian leader played a major part in turning Singapore from a third world country into a developed global city. His decision to step down in 1990 came as a complete surprise to Singaporeans as he was virtually unchallenged in political supremacy. At age 65, he was still relatively young to step down and could have gone on for at least two more terms as prime minister. His successor, Goh Chok Tong, initially had trouble living up to public expectations as to whether he could meet Lee's high standards of leadership. But Goh eventually proved to be a popular successor, serving as prime minister for 14 years before he himself stepped down in 2004 to make way for Lee Hsien Loong, who is Lee Kuan Yew's eldest son.

Goh decided to step aside at the height of his popularity and when his leadership in the party was virtually unchallenged. His nearest rival would have been the younger Lee, but Hsien Loong played his cards right all the way until he took over as prime minister in 2004: serving as the loyal and earnest deputy, helping Goh in many ways in his job as prime minister. In fact, intra-party rivalry in the ruling People's Action Party after separation from Malaysia, if any, has been unheard of publicly. The nearest to a public show of discord with Lee Kuan Yew was in the 1980s after Dr Toh Chin Chye, one of the founding members of the PAP, stepped down as PAP chairman and deputy prime minister, continuing

as a vocal backbencher. In that capacity outside the government, he was critical of some of the policies of the party that he once helped found.

Yet, the early years of the PAP were also filled with turmoil, arising from internal tussles between the two ideological wings of the party. Between 1959 and 1965, internal conflicts with the PAP's left-wing had threatened to sink the party. Also, Lee had actually offered to resign on at least two occasions, and Singapore could have seen a different prime minister had Lee's bid to step down been accepted. The first was in 1961 when the PAP lost in two by-elections, first to a renegade leader, Ong Eng Guan, and then to Singapore's former chief minister from the self-government era, David Marshall, who stood against the PAP. The second move at resignation was in 1964 when Singapore was part of Malaysia and race riots broke out. Lee had offered to step down to defuse the tension with UMNO leaders who had blamed Lee for instigating the riots. On both occasions, the resignations were rejected by the party leadership and cabinet.

Singapore's early years of politics had therefore been rough and tough, with political survival the primary preoccupation of the leaders—survival against the challenge of the communists and the survival of Singapore as an island state. The ideology of survival was especially critical after the 1965 separation from Malaysia. This survivalist mindset shaped the PAP's approach to political succession, in which primacy was placed on political stability through the continuity of power and political control to create a climate vital for rapid economic development. As a result, Singapore has known only three prime ministers since self-government from the British and independence from Malaysia: Lee Kuan Yew from 1959 to 1990, Goh Chok Tong from 1990 to 2004, and Lee Hsien Loong from 2004 until the present.

### **Typology of Political Succession in Southeast Asia**

Singapore's generally quietist approach to political succession since independence stands in marked contrast to that in other parts of Southeast Asia, specifically Malaysia, Indonesia, and Thailand. This does not mean that Singapore's own power politics had been trouble-free before this. The conflict

within the PAP in the 1950s and early 1960s between the left wing/communists led by Lim Chin Siong and the non-communist right-wing led by Lee Kuan Yew resulted in a party split and the birth of the *Barisan Sosialis* (Socialist Front). It would have led to the emergence of a new prime minister had the left wing won the day. At the same time, as mentioned earlier, the second turning point in leadership could have come had Lee successfully tendered his resignation in 1961, and had the PAP central committee accepted it.

### **Competitive Succession Versus Controlled Succession**

The key lesson for the PAP since then seems to be that political leadership had to be stable for there to be peace and economic progress. The corollary was a conscious and deliberate policy of keeping succession and leadership change smooth and “uneventful” so that foreign investments would not be jolted. Indeed, Singapore’s leadership successions, on the two occasions that they had occurred in 1990 from Lee Kuan Yew to Goh Chok Tong and in 2004 from Goh to Lee Hsien Loong, had been staid events, even though they were politically significant.

The contrasting approaches to leadership change in Southeast Asia stood out during the upheavals in the region that resulted from the Asian financial crisis in 1997. Essentially, the political successions in Malaysia, Indonesia, and Thailand were characterized by contestation and conflict within the framework of democracy, while Singapore’s can be described as deliberate and strictly managed. I would describe the two approaches in terms of “competitive succession,” on the one hand (in Malaysia, Thailand, and Indonesia) and “controlled succession,” (in Singapore) on the other. Although Singapore’s preference for an orderly system of succession has run the risk it of being seen as undemocratic and engineered, it is a risk that the PAP leaders have long been prepared to take for the sake of political stability.

**Politics of Convergence Versus Divergence**

Goh Chok Tong explained this phenomenon in terms of the costs and benefits of two contrasting approaches to politics—the “politics of consensus and convergence” versus the “politics of dissension and divergence.” When Goh retired on 12 August 2004, he expressed satisfaction that he had effected a smooth and trouble-free political transition to Lee Hsien Loong. He said Singaporeans had an aversion to politics, making it difficult for people to enter politics and to take up public office. But at the same time, this aversion had made it easier for Singapore to develop an orderly and stable system of power transfer. Goh characterized this model as one of “consensus and convergence.” The contrast, he said, would be the politics of “dissension and divergence” where politicians would exploit the fissures in their society to climb to power.

To be sure, this model of consensus and convergence can also be used to describe politics in Malaysia and Indonesia in the years before competitive political successions came to the fore. This refers to the period when power transfers were generally orderly in Malaysia from Tun Razak to Hussein Onn; from Hussein Onn to Mahathir Mohamad; and from Mahathir to Abdullah Ahmad Badawi, although the rise of Mahathir also marked the era of competitive political successions in Malaysia. In fact, even Suharto rationalized his long stay in power—and therefore the lack of leadership succession— in terms of the need for political stability and economic development, and hence, in that sense, the need for his own brand of politics of consensus and convergence.

**Conclusion: Leadership as the Fundamental Factor**

The rise of Lee Hsien Loong as successor to Goh, Najib as successor-designate to Abdullah, and of Yudhoyono as the latest in a string of successions to Suharto, is not likely to change the fundamental trend in political successions in Southeast Asia.

The trend is that some countries will continue to place a premium on controlled successions to sustain economic development while others will be increasingly shaped by the democratic ethos to allow political successions to be

subject to open leadership contests. Even those countries that exercise controlled succession will be exposed to increasing pressures to be more open with their system of choosing leaders. Regardless, the fundamental truth in Southeast Asia is that it is leadership—good leadership—that is paramount in determining the future of these societies. Countries that have achieved rapid economic progress tend to have good and effective leaders during those periods of advancement, while countries that tend to lag behind are those that are prone to instability and unpredictability in their politics.

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## **Resources**

The following sources were used in the development of this article.

### ***Books***

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### ***Newspapers and Web Sites***

*Malaysiakini*

*The Malaysian Insider*

*The Straits Times* (Singapore)

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## Development of a Managerial Façade Scale: The Dark Side of Leadership, Control, and Conflict in Organizations

James E. McGinley  
Northcentral University

A pilot study was conducted to explore the potential to develop a new assessment scale for maladaptive interpersonal management practices by using Blake and Mouton's (1964) classic Managerial Grid as a foundation. The current research focused on establishing the potential of extrapolating their historically overlooked concept of managerial façades (i.e., deceptive or manipulative interpersonal management practices) into a brief behavioral assessment scale. Such a scale might be able to serve as a stand alone measure of maladaptive behavior indicators and bring new fidelity to managerial and leadership instruments that emphasize positive behaviors such as empowerment, collaboration, and support. Such a scale might also bring new perspectives on managerial ethics and on dysfunctional managerial behaviors involving the use of conflict and dimensions of trust. Factor analysis resulted in the development of an exploratory 21-item scale.

**Key words:** assessment, conflict, façade, leadership, Managerial Grid

In their seminal work, *The Managerial Grid*, Blake and Mouton (1964) present their classic leadership matrix which integrates concern for people and concern for production into a single framework. According to their model, high performing managers accomplish work objectives through a strong commitment to people and a shared view of organizational purpose. Interestingly, however, Blake and Mouton (1964) go on to describe other managers that only give the appearance of trust and concern. They characterize these behaviors as managerial façades, deceptive or manipulative interpersonal management practices used to achieve self-goals, and those who demonstrate these behaviors as façade builders (Blake & Mouton, 1964). Historically overlooked, this nuanced perspective of organizational behavior may provide a new opportunity to bring fresh insight into maladaptive leadership and workplace behaviors and their indicators.

The goal of the present research was to reassess Blake and Mouton's viewpoints and determine the potential to develop a measurement scale for managerial façades. According to Blake and Mouton (1964), managerial façades

may possess distinctive characteristics, including the cloaking of true intentions, a focus on the building and maintaining of a reputation, methods of motivating and controlling the performance of others, particular styles of decision making and problem solving, and the strategic use of organizational frameworks to achieve self-goals. On the surface, some of these characteristics might describe behaviors required of all managers. However, it is the inauthentic execution of these behaviors that is the distinctive feature of the managerial façade (Blake & Mouton, 1964). The present research used factor and reliability analysis to translate Blake and Mouton's descriptive characterization into a statistically supported behavioral measurement.

### **The Managerial Grid**

Blake and Mouton's (1964) framework included dimensions of concern for people and concern for production. Concern for production may be reflected in the quality of policy decisions, use of applied research, and workload and efficiency measurements (Blake & Mouton, 1964). Concern for people may be reflected in personal commitment, accountability based on trust, concern for the personal worth of the individual, and concern for social relations (Blake and Mouton, 1964). To facilitate understanding of their framework, Blake and Mouton (1964) developed a 9x9 block matrix in which managers with the highest concern for both people and production were placed in the 9,9 (upper right) position. Alternatively, managers with the lowest concern for both people and production were placed in the 1,1 (lower left) position.

While managerial behavior may be usefully characterized using this two dimensional approach, Blake and Mouton (1964) observed that some managerial behaviors may be feigned. Some managers may seek to create a false impression of organizational support by appearing to be open and well-intentioned to cover self-interest and a desire to retain mastery and control over others (Blake & Mouton, 1964). These behaviors may challenge and undermine an organizational emphasis on people and participation.

## **Dimensions of Managerial Façades**

Blake and Mouton (1964) explored several dimensions of managerial façades, including disclosure and trust, building and maintaining a reputation, mastery and control, and commitment and flexibility.

### **Disclosure and Trust**

According to Blake and Mouton (1964) one of the distinguishing feature of façades is that individuals seek to avoid revealing the contents of their own mind while giving the impression of doing so. Behavior aimed at restricting disclosure may undermine trust since trust among organizational team members is significantly related to their willingness to share knowledge (Wang, Lee, Lin, & Zhuo, 2007). Further, it may violate norms of reciprocity that have been found to exist in leader-member exchange relationships (Sanders & Schyns, 2006). Organizations may experience direct impacts since organizational trust and organizational communication are directly related to employee propensity to remain with the organization (Ooi, Veeri, Yin, & Vellapan, 2006).

### **Building and Maintaining a Reputation**

According to Blake and Mouton (1964) managerial façade builders not only avoid revealing their true intentions and convictions, but they also construct a positive reputation as a defense. They note that, unfortunately, this surface behavior frequently cannot be distinguished from behavior motivated by more valid, altruistic intentions. Additionally, behavior may be inconsistent as an inauthentic manager may seek to demonstrate a friendly familiarity with others in order to bolster his or her own image or may react with misplaced aggression to cover insecurities or vulnerabilities. While the value of organizational reputation is a well-researched topic (Ward, Lankau, Amason, Sonnenfeld, & Agle, 2007), the use of personal reputation in an organizational context to achieve and maintain status may remain to be more fully explored as a dynamic of manager-subordinate relations. However, research has found that managers may be sensitive to signals that they perceive impact either their internal and external reputations (Kydd, Ogilvie, & Slade, 1990).

**Mastery and Control**

One underlying aim of managerial façades is the desire to exercise control mastery and status over people (Blake & Mouton, 1964). Dynamic organizational trends such as downsizing, restructuring, and mergers may be altering perceived organizational power relations (LaNuaz & Jermier, cited in Young, 2000) and placing new importance on the crucial role of managers in flattened organizations (Brandt, 1994). However, façade builders seek power and control for their own purposes without regard to organizational purposes (Blake & Mouton, 1964). For façade builders, power, authority, and control are strategically retained and remitted in order to ensure that mastery and control ultimately remain in their hands. Common techniques recognized by Blake and Mouton (1964) include incomplete delegation of authority, a preference for one-to-one supervision and alliance building, and the use of pseudo-team action (the convening and structuring of teams in such a manner as to undercut their power and authority).

***Commitment and Flexibility***

It is widely recognized that organizations must remain adaptable in order to survive and flourish. However, since façade builders are focused on personal goals rather than organizational goals, they aim to maintain a type of tactical maneuverability with regard to the convictions they hold and their willingness to make self-interested compromises (Blake & Mouton, 1964). Strong, consistent organizational values may be a component of success (Rosenthal, & Masarech, 2003). However, façade builders' convictions are likely to be tentative and conditional, keeping options open to which they can move toward based on the situation (Blake & Mouton, 1964). They may be willing to use compromise, not as a final solution, but as a tactical accommodation and to undercut resistance (Blake & Mouton, 1964).

### **Use of Conflict**

According to Blake and Mouton (1964), managerial façades manipulate conflict to achieve self-goals rather than organizational goals. These managers may selectively choose to become involved in conflicts, often waiting until a winner is clear before becoming personally engaged. They may also demonstrate a tolerance for conflict between subordinates, since subordinate in-fighting may not directly challenge their personal interests. These attitudes and behaviors may undermine interpersonal trust relationships since affective trust, developing from mutual care and concern, entails an expectation of mutual support (Hopkins & Weathington, 2006). These behaviors may also generalize to lessened degrees of workplace cohesion. In conditions where employees perceive high levels of organizational politics, they may be more reluctant to assist co-workers and to engage in organizational citizenship behaviors (Poon, 2006). Further, employee perceptions of procedural justice are related to perceptions of job satisfaction, trust, and organizational commitment (Cohen-Charash & Spector, 2001).

### **Method**

A non-probabilistic sample of individuals ( $n = 43$ ) currently working in government or business served as participants in this study. Employment status included government ( $n = 26$ ), medium or large-sized business ( $n = 10$ ), small business ( $n = 5$ ), and other ( $n = 2$ ). Non-working participants were excluded from this study. The sample included both male ( $n = 27$ ) and female ( $n = 16$ ) participants. Age ranges were: 25-34 ( $n = 6$ ), 35-44 ( $n = 12$ ), 45-54 ( $n = 20$ ), and 55-65 ( $n = 5$ ).

Although informative and enriching, Blake and Mouton's (1964) description of varying dimensions of managerial façades required further refinement to be translated into a statistically useful scale (See Table 1, next page). A list of descriptive statements was derived by the author from Blake and Mouton's (1964) description of managerial façades. A total list of 66 candidate survey items was established. Survey items were subsequently randomized and presented to participants who completed a 69-item Web-based questionnaire that included the addition of three demographic items. Respondents indicated the

degree to which the presented managerial behaviors were demonstrated by their workplace supervisor, using a 5-point Likert rating scale: 1 (Never), 5 (Always).

Item reduction and the establishment of a proposed Managerial Façade Scale were achieved using principal component analysis with varimax rotation. Internal reliability consistency was assessed by computing Cronbach alpha coefficients.

**Table 1:**  
**Internal Reliabilities for Blake and Mouton's Original Descriptors**

Cloaking true intentions.	2 items.	alpha = .72
Pursuing a good cause.	2 items.	alpha = .76
Tough guy façade.	1 item.	alpha = n/a
Motivating and controlling others.	3 items.	alpha = .55
Convictions.	3 items.	alpha = -.03
Intellectual façade	1 item.	alpha = n/a
Conflict.	6 items.	alpha = .22
Initiative and perseverance.	3 items.	alpha = .34
Compromise.	3 items.	alpha = .51
Receiving advice.	2 items.	alpha = .32
Giving advice.	2 items.	alpha = .34
Using organizational framework.	2 items.	alpha = .65
Incomplete delegation.	3 items.	alpha = .78
One-to-one supervision.	2 items.	alpha = -.15
Pseudo team action.	3 items.	alpha = .58

## Results

After data collection all survey items with less than 50 percent of respondents rating the item in the direction of research interest were eliminated from further analysis. This resulted in a reduction of the original 66 behavioral items to 41 items. For these items component extraction using principal component analysis indicated that 12 components accounted for 78.12 percent of the total variance of survey items. Subsequently, varimax rotation was used to determine component loadings.

The soundness of the internal structure of components was assessed through reliability analysis. An internal reliability measure of  $\alpha \geq .70$  was required for retention of a component as a proposed subscale. After reliability analysis the

number of components retained as proposed subscales was reduced from 12 to 5. Alpha reliabilities and the proportion of variance accounted for by the retained contributory components are contained in Table 2.

**Table 2:**  
**Component Characteristics**

Component	Proposed label	Internal reliability	Number of items	Percent of total survey variance accounted for
1	Conflict subscale	0.83	4	23.07
2	Orientation towards others subscale	0.76	5	12.08
3	Amenability subscale	0.70	4	7.07
4	Power subscale	0.84	5	6.33
5	Appearance subscale	0.76	3	4.93
Totals:	Managerial façade scale	0.65	21	53.48

Validation of the division of the Managerial Façade Scale into subordinate subscales was assessed through correlation analysis. Items from each component were correlated to the remaining components. Results provide general support for the establishment of separate subscales based on components derived from factor analysis (see Table 3, next page). Although correlation analysis indicated that some items are highly correlated, the development of separate subscales is consistent with results from factor analysis and Blake and Mouton's (1964) emphasis on a multi-dimensional construct.

**Table 3:**  
**Correlation Matrix**

	1	2	3	4	5
Conflict subscale	1				
Orientation towards others subscale	-0.03	1			
Amenability subscale	-.34*	0.29	1		
Power subscale	.56**	-0.16	-.33*	1	
Appearance subscale	-.34*	0.28	.66*	-.46**	1
Mean	10.56	15.49	13.63	13.49	11.19
SD	3.42	3.33	2.67	4.26	2.19

\* $p < .05$ , \*\* $p < .01$ , two-tailed

Final results supported the development of a single scale with five subordinate subscales as a measure of managerial façades. This new scale and its dimensional subscales consist of 21 total items (See Table 4, next page). Alpha reliabilities for subscales were in the range of  $\alpha = .70$  to  $\alpha = .84$  and are acceptable.

## Discussion

This pilot study explored the potential to develop a new assessment scale for maladaptive interpersonal management practices based on Blake and Mouton's (1964) conceptualization of managerial façades. Overall, this study achieved its research goal. Using factor analysis, this study identified 21 items for a Managerial Façade Scale that is composed of five potential subscales for conflict, orientation towards others, amenability, power, and appearance. General support for these topical subscales can be found in the existing research base. Meta-analytic review (Barbuto & Moss, 2006) has confirmed the relationship between influence tactics and ingratiation, rationality, exchanges, coalitions, upward appeal, and assertiveness. Barbuto and Moss (2006) also confirmed dispositional variables such as Machiavellianism, self-monitoring, locus of control, and referent identification.



**Table 4**  
***Proposed Items for the Managerial Façade Scale***

Conflict subscale ( $\alpha = .83$ )

Often leaves organizational or authority boundaries fuzzy.

Tends to keep problems open past the point when a decision could have been made.

Allows direct accusations and confrontations between subordinates.

Withholds his/her reactions to a problem by seeming not to notice it.

Orientation towards others subscale ( $\alpha = .76$ )

Supports popular causes.

Attempts to gain benefit by praising others.

Uses compromise to undercut resistance.

Uses smaller battles to achieve goals instead of large confrontations.

Goes out of his/her way to create and maintain social relationships.

Amenability subscale ( $\alpha = .70$ )

Accepts unsolicited advice.

Avoids openly criticizing others.

Is willing to agree to compromise solutions.

Prefers one-to-one interaction with others.

Power subscale ( $\alpha = .84$ )

Often fails to communicate key information needed by others for decision making.

Withholds information so subordinates must come through him/her to coordinate activities.

Reserves key decisions to himself/herself only.

Places responsibility, but not authority, for major changes on the group.

Arranges overlapping responsibilities between subordinates.

Appearance subscale ( $\alpha = .76$ )

Portrays an outward appearance of fairness and conformity.

Provides advice calmly.

Avoids the appearance of impatience, anger, and temper.

Blake and Mouton (1964) saw the use of managerial façades acting as a barrier to achieving high performing (i.e., 9,9) relationships. Research has found that trust may be related to organizational satisfaction, affective commitment, and turnover intentions (Hopkins & Weathington, 2006). Managerial façades may

weaken organizational systems because mutual trust is not valued in its own right, but rather only as an impression to be maintained (Blake & Mouton, 1964). Not surprisingly, in their meta-analytic review, Davis and Rothstein (2006) found a strong positive relationship between perceived behavioral integrity of managers and employee job satisfaction.

Managerial façades may also impact work processes. Leader-member exchange (LMX) theory describes role processes between leaders and subordinates. Research has found that favorable downward exchange relationships (i.e., leader to subordinate) is usually correlated with more role clarity, higher satisfaction, stronger organizational commitment, and better subordinate performance (Yukl, 2002). Since managerial façades may tend to reserve authoritative and informational power, use coalitions to self-advantage, and tolerate conflict, they may undermine the development of leader-member exchange relationships by violating norms of reciprocity and trust. In addition, LMX has been described as developing over several evolutionary steps in a relationship (Yukl, 2002). By not recognizing the interests of others, managerial façades may prevent the maturation of quality personal relationships. The correspondence between interest and personal relationships is supported by Liden, Sparrowe, and Wayne (1997), who found that as relationship quality increases, interest will move from a focus on self-interest to a focus on mutual interest.

Since managerial façades impact trust relationships, it is also likely that they will affect employee perceptions of empowerment. Moyer and Henkin (2006) found that employees who feel empowered in their work environment tend to have higher levels of intra-personal trust in their managers. Because managerial façades restrict power sharing and emphasize personal goals over organizational goals, they may undermine the perceptions of meaning, competence, self-determination, and impact (Spreitzer, 1995) upon which empowerment is dependent. Given today's emphasis on development of high performing organizational cultures based on shared values, process ownership, and

modeling of leadership behaviors (Rosenthal & Masarech, 2003), it is not likely that the impact of managerial façades would be seen as beneficial.

An interesting finding of this study was the emergence of a conflict subscale. The managerial façades' tolerance for conflict and lack of action to resolve conflict appears to be in direct opposition to the many leadership studies that emphasize the effective, cooperative resolution of conflict. Since the managerial façade is focused on self-interest, such managers may be tolerant of organizational conflict that does not occur at their own expense or that delays decisions or processes that may undermine their personal power. When considered together, the conflict subscale and power subscale may reflect the managerial façades' need to maintain both mastery over others and situational control (Blake & Mouton, 1964). Additionally, in their meta-analytic review, Nowakowski and Conlon (2005) found that individuals who support negative norms of reciprocity (e.g., an eye for an eye) are more likely to engage in retaliatory behavior following unfavorable treatment. It might be hypothesized that if managerial façades either tolerate or generate norms of negative reciprocity they may find subordinates acting with more anger and disagreement (Nowakowski & Conlon, 2005).

A surprise finding of this study was the emergence of appearance and amenability subscales. These subscales may reflect the practice of employing a lack of affect to conceal emotions and attitudes. They may also be indicative of the managerial façades' preference for conservative, risk-avoidant behavior (Blake & Mouton, 1964). These subscales appear to be in opposition to current theories of charismatic and transformational leadership that emphasize personal identification, trust, dynamic energy, and appeals to shared, intrinsic values (Yukl, 2002).

These findings may present an opportunity for follow-on validity testing of the proposed Managerial Façade Scale. It may be hypothesized that the conflict, appearance, and amenability subscales will likely exist in opposition to other measurement scales that assess cooperation and communication as effective

leadership dimensions. This may provide the ability to validate these scales through testing for divergent validity.

This study was subject to several limitations. First, Blake and Mouton's (1964) treatment of managerial façades was anecdotal and descriptive and not presented within a strict theoretical construct. Therefore items derived from their work must undergo a qualitative review to assess how they might be best characterized. Unfortunately, only a broad consensus has been achieved for the characterization of leadership taxonomies (Yukl, 2002). Secondly, despite being a pilot study, this research would have benefited from a larger pool of respondents, although the number of participants was minimally sufficient for factor analysis. Lastly, although factor analysis techniques were used to derive this study's proposed subscales, this study would also benefit from additional judgmental assessment, and follow-on validity analysis is required to determine whether the characterization of subscales is acceptable and accurate.

The managerial façade is a rich and potentially unexplored area for future research. Touching on elements of organizational dynamics, psychology, and sociology, it provides an opportunity to examine the negative behavioral attributes that prevent the fullest attainment of organizational success. A Managerial Façade Scale might serve as a stand-alone measure of maladaptive behavior indicators and bring new perspectives to managerial and leadership instruments that emphasize positive behaviors such as empowerment, collaboration, and support by providing an alternative measure focused on negative behaviors. It might be usefully incorporated as a component of 360 degree performance assessment to capture a fuller range of managerial behavior. Such a scale might also join with existing research on impression management, organizational resistance, and job satisfaction by bringing new perspectives on managerial ethics and on dysfunctional managerial behaviors involving the use of power, conflict, and dimensions of trust.

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## INTERVIEW

### Dr. William Rothwell by William Howe, Associate Editor, ILJ

ILJ Associate Editor William Howe (PhD, Stanford) had the opportunity to interview Pennsylvania State University Professor William J. Rothwell by telephone early in 2009. Professor Rothwell offers ILJ readers insights into succession planning and other succession issues.

Dr. William Rothwell is Professor of Workforce Education and Development on the University Park Campus of the Pennsylvania State University. In that capacity he heads up a Masters and Doctoral program in Learning and Performance, which includes a doctoral specialization in OD. He is also President of Rothwell & Associates, Inc. ([www.rothwell-associates.com](http://www.rothwell-associates.com)), a consulting company specializing in talent management and succession planning solutions. He has authored, coauthored, edited, or coedited more than 300 books, book chapters, and articles and is a frequently-sought keynote and seminar speaker both in the United States and in Asia. Before beginning his work at Penn State 16 years ago, he had 20 years of experience in business and government as an in-house trainer and OD consultant. Dr. Rothwell can be reached at [wjr9@psu.edu](mailto:wjr9@psu.edu).

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**WH: Can we start by defining some terms perhaps? What is *succession planning*?**

**WR:** Succession planning is the process that focuses on the development of talent within the organization for future promotion or other movements. It is thus different from *replacement planning*, which focuses on short-term and long-term backups in case of emergency, and *talent management*, which focuses on attracting, developing and retaining the best (most productive and promotable) people. Succession planning focuses on the development component of talent management.

**WH: What about *executive succession*? What do we mean by that term?**

**WR:** This usually means creating multiple possible successors for each and all senior executives within the organization internally. However, forward-thinking organizational leaders realize that when in-house bench strength is weak, there may be a need to consider outside successors who can be tapped on short notice. Such outsiders must somehow be vetted in advance to ensure they are realistic successors and would actually accept positions.

**WH: Why do you think the issue of succession planning is important?**

**WR:** Several reasons. First reason: Because of pending retirements in the States (and globally) due to Baby Boomers nearing retirement age, we have a large number of prospective retirements, and those retirements may be delayed because many Baby Boomers have their pension funds invested in a stock market that has tanked. With so many people having their 401Ks invested in mutual funds, there is a large number of people who are losing much of their retirement war chest in a short period of time due to stock market problems. So demographic change is one major reason for interest in succession.

Another reason is business continuity. Successors have to be more than just qualified on paper. After all, highly experienced people possess institutional memory (how we got where we are and what we learned from the past) and proprietary knowledge (what we learned while creating this generation of products and services). Some of this past wisdom, which is the essence of corporate culture, should be passed on to the next generation. There are ways to do that, but some planning for that is necessary.

Another issue that drives interest in succession—maybe not so much in the States, but globally—is the issue of business growth. If we don't have enough well-prepared managers and other workers, we may not be able to expand our business. That is a problem in Asia, where there are not enough well-seasoned managers to fuel growth.

A fourth driver would be terrorism—that is, the concern that we could lose key people to terrorist attacks or that a growing number of executives could be held for ransom globally.

**WH: Given that note about terrorism, are organizations beginning to address terrorism as an issue, and is the issue becoming part of organizational culture?**

**WR:** Well, the first step, I believe, in many organizations today that seek to move toward succession is to start with something that is often confused with succession planning and that is actually replacement planning. Often when people hear the term *succession planning* they think it means replacement planning. Replacement planning would be defined as identifying up to three people to be the back-ups for the loss of key people or key positions. And so we would know what to do if the plane crashed that was carrying our entire senior executive team or one member of that team, like the CEO. What do we do when we lose a leader? One of the drivers is the *time to fill metric*: How long does it take to find a suitable replacement? If we have planned for this in the organization, then we have a list of people who have been vetted as prospective replacements, and we have developed them so that they are prepared for



promotion. Then we are better prepared to deal with the sudden loss of key people and key positions. That could be due to terrorist attack or to sudden death in the case of a heart attack or to long-term disability (as when, because of a stroke, a person is in the hospital for six months). On the other end of the continuum is the question: What do we do if we lose the entire corporate headquarters or a branch office in the event of a terrorist attack on a major city? Suppose we lost New York City or Washington, DC. Would a company in that location be able to survive without the entire senior executive team?

**WH: Are there companies that are thinking that broadly about the issue?**

**WR:** Some [are], particularly in predictable places like New York City and Washington, DC, which are commonly thought of as prime targets. But I like to remind people about Oklahoma City: even though you may be in a rural or remote location, that does not mean that the location is exempt from this concern. The site may be more remote, but it's a survival question: What would we do if we lost our senior executive team? Have the senior team and the board thought about that, and do they have a plan in the unlikely event that it should happen?

**WH: Could you talk about other strategies organizations use when planning for organization succession?**

**WR:** I have a model published in my book *Effective Succession Planning* that many companies and other organizations have used as the basis for their programs. I call it the STAR model, not because STAR is an acronym but because the model is depicted as a star. The steps in the model are: (1) get commitment; (2) clarify the present people and work of the organization; (3) assess existing people against the current requirements; (4) plan for the future talent and work needed to achieve strategic objectives; (5) assess individual potential (promotability); (6) narrow development gaps between the requirements of step 4 and the individual assessments done in step 5; and (7) evaluate succession planning program results. Each step requires many sub-steps or tasks. For instance, the first step requires attention to roles, goals and accountabilities. **ROLES:** Is every group clear on what it is supposed to do in terms of talent management? Is the CEO clear on what his role is? Are senior managers clear on what their roles are and what the roles of their divisions are within the company? Is the HR department clear about what its role is? Are middle managers clear on what their roles are? Are workers—and that could be middle managers who are being groomed for promotion—clear on their role for self-development? **GOALS:** The common misunderstanding is that either succession or talent management is the job of the HR department, and that is not correct. In a business the CEO is the prime driver; the HR department cannot hold senior executives accountable in the way the CEO can. Goals include why we're doing the program and what we want out of that program. Finally, **ACCOUNTABILITIES:** How will we hold people accountable? Will we reward

them for measurable development of self and others? Will we punish them or treat something as a compliance issue if they don't develop themselves or others? If we have no accountability system, we'll get no results. So in terms of getting commitment, which is the first step in my model, a business must address those three concerns: Get the roles clear, get the goals clear, and get the accountabilities clear.

**WH: We would encourage readers to read your book and explore your succession model in its entirety, but I'd like to move on to some other issues related to succession if you don't mind. For example, what about succession in nonprofit organizations? There seems to be little succession planning in the nonprofit world, or at least that is my understanding. If that is the case, why is it so?**

**WR:** Nonprofits are a curious mix of business and governmental thinking, and that means that there generally is a lower-level of sophistication on many HR issues in nonprofits, including succession. Sometimes there is lack of clarity about who is really responsible for succession. Now boards are getting better at this, and they should be holding the senior team accountable for establishing a process. Leave it up to the executives what the process is, but hold them accountable for creating a process and justifying it to the board. Sometimes the boards of nonprofits are not very sophisticated. They may be made up of people who are drawn from the community that is served by that nonprofit, and they are simply unaware of a lot of issues that are involved in succession planning.

**WH: Both nonprofits and businesses, of course, face succession issues. One issue in particular is whether they should hire insiders or outsiders. The literature on executive succession seems to be mixed on the issue. Do you have a preference as to hiring insiders or outsiders, and if so, why one way or another?**

**WR:** I have no preference. It really depends upon what the organization's leaders want. The general rule of thumb is that, if we're happy with the way things are going, then we promote from within. If we're happy with the way the whole business is going, then we promote a CEO from within—assuming we have one that has been prepared. If we are happy with a division's performance, and we have someone available who is properly prepared, then we promote from within. If we have a department that is doing well in line with our strategic objectives and we have someone who we feel could maintain that continuity, then we promote from within. On the other hand, if we want a change—we want a change of approach then we hire from outside, or if we don't have someone prepared internally or we perceive that we don't have someone prepared internally we may go outside. So it all has to do with what goals we wish to achieve. If we want more of the same, and if we have someone available, then we may want to promote from within. If we want a change—perhaps a dramatic change—then we probably should look outside. Of course then the question becomes: Can we find

a suitable candidate outside, and will he or she come for what we can afford to pay?

**WH: Clearly, there is much for organizations to think about when considering succession. What advice would you give to organizations that have not assembled a succession plan yet?**

**WR:** They had better get started, because they're going to face tough competition for a limited pool of talent. There is some controversy now in the talent management world as to whether there will be a talent shortage. One of the reasons for that concern is that there are several factors that make the talent world uncertain. One of those is immigration policies. Right now the U.S. government is the only government in the world taking a negative view of importing talent from outside. Many other countries or geographical locations are establishing incentives to try to attract skilled people to come inside and work in their nations or areas. An example would be Singapore. That nation is a global bellwether. They've been actively recruiting people to come live there. Also, one of the factors why people might want to move is differences of tax policy. For example, 95 percent of people who work in Dubai (in the United Arab Emirates) are expatriates. Dubai has no income tax at all. If you renounce your U.S. citizenship and become a citizen of the UAE, you can get a work visa immediately upon entry and you pay no income tax. So globally we're starting to see national policies influence what individuals want to do. If multinationals can offshore, why can't individuals (that is, go where the talent is paid the most and where the tax burden is the lowest)? I predict more of that in the future. One of my recent books, entitled *Working Longer* (2008), is about attracting, developing, and retaining workers over the traditional retirement age. That's one way to solve talent shortages.

**WH: With that in mind and given the fact that we are an international journal, would you suggest that the United States is behind the curve on succession planning because of circumstances?**

**WR:** I would say that generally speaking we are not thinking about it very clearly on a national level in the same ways that some other countries are. But you have to understand that my work globally has taught me many lessons. I've been to China 50 times now and to Singapore 20 times. I've been all over the globe. One of the differences between the United States and other countries is the role of government. In other countries government is the leading system, and business follows. What I've observed in the United States under repeated Republican administrations is that business leads and government follows. What that means is that often the voice of the people isn't very clearly heard. Now this may change under Obama, though that remains to be seen. But it does look as though he's starting to take more of a top-down view of what government should be, and that's very different from what we've experienced in recent administrations. One

recent book of mine is *Cases in Government Succession Planning* (2008), about best practices in government succession planning at all levels.

**WH: Bill, what about the values of the organization vis-à-vis the person who comes in as a successor and his or her values? How closely do you think they should be matched? Should the successor have the same values as the hiring organization?**

**WR:** The standard business answer would be first we look at the results and then we look at how you got the results, the behaviors associated with how you got them, and probably the last thing we look at is how you feel or value them. Value in what sense? Value in terms of philosophy, or value as it is judged from actions? Ethics is also a growing area of attention. Can we afford to have more people like that CEO who got a “performance bonus” of \$15 million for bankrupting his company? I don’t think so. We have to have ethical requirements we can measure, and those are different from the competencies and behaviors associated with getting business results.

**WH: If an organization does not have a succession plan and its CEO or executive is dismissed, do you believe the organization will experience some chaos or trouble at that point?**

**WR:** Indeed it will. And there have been many recent examples where the *Wall Street Journal* has zapped many companies for not having a succession program and a senior leader has left and the organization is left in the lurch, leaving it up to the board to sort things out. The *Journal* has repeatedly zapped major companies for doing that. It all goes back, though, to the role of the board and the role of the CEO. If the board views itself as a passive entity that has little active involvement in business operations, then for one thing they may be in trouble under Sarbanes-Oxley [the Public Company Accounting Reform and Investor Protection Act of 2002], and for another thing they are setting themselves up for future disaster. If they lose that key leader, then they’re a ship without a rudder. This has happened a number of times, and it’s really the board’s fault for not holding the CEO accountable and making him or her measurably accountable. Part of the CEO’s bonus, of course, is contingent on whether he or she sets up a workable system for talent management and succession in the company. But this is par for the course. Many companies have historically taken their talent for granted. As a result, this is why we have had many problems. We don’t take our finances for granted, we don’t take our technology for granted, but we often do take our people for granted. Why is that?

**WH: Can you tell us more specifically why that’s so?**

**WR:** There are many reasons. One of them is that generally speaking business schools have walked away from human resource management. Students in an MBA program will typically get an Organizational Behavior class that is highly

theoretical, and that may be their only exposure to HR thinking. They won't get any practical things. They'll hear about Maslow's hierarchy of needs, and then it's left up to them to figure out how to use that.

**WH: What could business schools do with that in mind to remedy that situation?**

**WR:** Business schools are all driven by AACSB [Association to Advance Collegiate Schools of Business]. That's the accrediting body for business schools. As long as they don't say that you need people management addressed in the business curriculum, it won't be addressed. So the outcry from business has not been strong enough to get them to change their accrediting requirements.

**WH: Leadership, which is the focus of our journal and is often considered a "people concern," has become almost a burgeoning business in recent decades in the United States. More and more colleges and universities are taking on leadership studies. There are whole schools of leadership studies now. Is that an indication that things could perhaps be changing?**

**WR:** What they've done is to create an alternative system to the existing system rather than fix the business schools. So these other schools have popped up as the alternative.

**WH: So the business schools are problematic as you see it, and these other schools are like substitutes for what business schools are not offering?**

**WR:** Well, yeah. And then you end up choosing. Do you want somebody who has strong people skills and weak quantitative skills, math skills, and analytical skills—weak on balance sheets and income statements and the other measures that you learn in a business school? It's as though we've created an alternative schooling system.

**WH: In leadership we sometimes still talk about two dimensions that go back to studies out of Ohio and Michigan in the mid-twentieth century on how you have to be people-oriented on the one hand but task- or structure-oriented on the other. We sometimes differentiate those dimensions by saying that tasks and structures are the concern of managers, and the people/motivation/decision making are the concern of leaders. Do you see any merit in that differentiation, or do you believe that the two ought to work together in the CEO or executive team in a business?**

**WR:** I think that people today are being trained more to be managers than they are to be leaders. It is also important to note that, while leadership competencies

may be the same globally, behaviors to demonstrate those competencies successfully may differ across cultures.

**WH: What about research in the area of succession? Is there any research that argues that successors improve organizational performance—that is, does organizational performance on the whole tend to improve when successors come into an organization?**

**WR:** On the whole we don't know, but we know that a majority of CEOs who are brought in from outside fail. They fail because the board of directors hires only a CEO, brings him or her in, and expects him or her to change the business. But the board leaves the senior executive team in place, and those people may block things that they don't agree with. So the right way to do things is like Lee Iacocca did when he came in to save Chrysler the first time they nearly went bankrupt: The board was so desperate that it gave him a free hand, and he brought in many of his own people from Ford—people who were beholden to him—and they helped him change the business. So my point is when we're talking about a senior executive transition we have to think about it holistically. We aren't just replacing the CEO. We have to take a look at the direction of the business and choose the senior leadership team accordingly.

**WH: Are there other concerns in the area of succession that my questions have not addressed and that you might like to speak to here? Needless to say too, because we are an international journal, any additional thoughts you might have on international succession issues would be much appreciated.**

**WR:** Yes, there are a few emerging areas in succession that we need to be thinking about. I distinguish between *management* succession planning, which is focused on developing a pool of management talent, from something that I call *technical* succession planning, which focuses on knowledge capture, particularly on highly skilled technical and professional workers whose knowledge may be competitively essential to the business. For example, if you're IBM, you'd better be concerned about the succession of your engineering talent. If you're Motorola, you too need to be concerned about your engineering talent, because that is core to the business. So I've been talking and writing quite a bit about what I call technical succession planning and technical talent management, which means attracting, developing, and retaining the best technical and professional talent. Another area I've written about recently is something I call *social relationship* succession planning, and that has to do with the fact that when a senior leader retires, that person may be quite far along in his or her career life—maybe 30 or 40 years—and during that time he or she may have acquired a huge number of social contacts. When this leader retires, the business may lose those contacts, and the person who is promoted may not be trusted by the same people who have grown to trust the person being replaced. So I've been talking about ways to pass on those social relationships in particularly important parts of the

business like marketing, sales, government relations, and public relations, parts of the business where social contacts may be key to getting work results

In terms of international perspectives, one thing seems to be a constant everywhere: the complaint by managers around the world that it is impossible to fire a bad performer. I hear that complaint everywhere—China, the US, Europe, South America. I'm not so sure it is really impossible; it is simply distasteful in the extreme. Managers don't like to go through it because of the hoops and hurdles they have to jump over that are created by the HR department, the hoops and hurdles the government may impose like concerns over discrimination, and other legal constraints, plus the fact that many managers have never been well trained on how to deal with the legal, management and ethical matters associated with firing, corrective action and dismissal.

Also in terms of international perspectives another issue is a nation's policy about population growth. In China, for example, they have population restrictions—one child per couple. In India, on the other hand, they have no restrictions, and as a result they have a huge underclass. Policies about population growth can affect many organizational issues, including succession and succession planning.

**WH: Given what you say about the universality of firing and dismissal, do you think a more formal, written plan about that issue is called for in businesses today?**

**WR:** Well, one of the problems is that senior management as a group often does not agree about what actions to take for certain problem behaviors. I used to put on employment applications the question, "How many days do you think you could miss due to illness and still consider yourself to have good performance?" One person wrote "200 days." So there may be generational differences about how often we should show up for work. Attendance is a major concern in downsized firms because they have too few bodies for too much work, and they often struggle to figure out what to do when people are sick. If they're legitimately sick, that's one thing. But we all know that there are some people who are always curiously sick on a Monday or a Friday. So there are many issues that senior management as a group does not agree on, making it difficult to develop any formal plan for firing and dismissal and, therefore, for effective succession planning.

**WH: Thank you for your insights into several succession planning issues. You've discussed retirement for Baby Boomers and the current state of the economy, the need for organizational continuity and growth, the potential effects of terrorism or other cataclysmic events, obtaining organizational commitment to a succession plan, the role of boards and CEOs in nonprofit succession, hiring insiders versus hiring outsiders, the effects of immigration and taxation and population growth policies internationally on succession, the relationship between government and business and how**

**that frames succession issues, the lack of a focus on human resource management in business schools today, the importance of thinking about succession holistically, the necessity for technical succession planning and social relationship succession planning, and of course the difficulty around the world of the issue of firing and dismissal. Is there any concluding or summary thought you'd like to offer our readers?**

**WR:** Yes, there is a final point I would like to add. Some people today don't feel that it is necessary to worry much about succession because unemployment is high globally. I tell my clients that succession is one of those things we don't have time for when business is good and we don't have money for when business is not good—which means we never do it! But I believe the current economic situation will not last forever. As companies downsize, they have a tendency to cut costs first and worry about the future later. I think that will turn out to be a big problem. Baby Boomers will often be kept, even in downsizing organizations, because they are highly experienced and usually have a strong work ethic. They are loath to retire when their retirement funds are gone due to bad stock market performance. But watch out. When economic conditions begin to improve—and that always happens eventually—Baby Boomers are likely to be burned out from the stress they experienced during the hard times. I think they will be inclined to get out when the getting is good, as stocks regain value. When that happens, the so-called talent war could turn into a talent battle. Business leaders need to think beyond quick fixes on many levels—and that includes people planning and people development.



## **PEDAGOGY**

### **Republic of Georgia Students' Change in Critical Thinking Dispositions as a Result of a Week-long Leadership Training Experience**

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The Georgia to Georgia project was developed to expand the minds of the Former Republic of Georgia's youth and develop their leading industry: agriculture. The leadership training was designed to equip Future Farmers of Georgia (FFG) members with the tools necessary to make a positive difference in their communities, schools, and homes through sound leadership and decision making. This study was conducted to determine whether the methods and concepts introduced to students during the leadership training experience changed the students' critical thinking dispositions. Using the EMI questionnaire, a survey was given to the participants of the Georgia leadership camp. The Researchers found students developed in all areas of critical thinking disposition (Engagement, Cognitive Maturity, Innovativeness, Total EMI) by an average of 10 percentage points.

**Key words:** critical thinking, leadership training, Republic of Georgia

The European Republic of Georgia has taken a keen interest in furthering the education of its young citizens and ensuring its independence. Under Soviet control until 1991, this nation of rich culture and history is now a young democracy. Since agriculture accounts for about half of the gross domestic product and employs about one-fourth of the labor force, agricultural and leadership education can help to expand the minds of youth and develop their leading industry (Georgia, 2008). The *Georgia to Georgia* leadership exchange is a special partnership between the University of Georgia (located in Athens, Georgia), Georgia FFA (formerly known as the Future Farmers of America), and the Future Farmers of Georgia (FFG) in the country of Georgia. During a three-week internship program, a team of collegiate leaders and professors from the United States visited the Republic of Georgia and conducted training for student leaders of the FFG. The training was designed to equip FFG members with the

tools necessary to make a positive difference in their communities, schools, and homes through sound leadership and decision making—qualities that require a disposition towards critical thinking. The purpose of the *Georgia to Georgia* leadership exchange was to empower FFG members to promote agriculture and leadership throughout their own communities in the Republic in Georgia.

## Critical Thinking

Critical thinking is defined by Rudd, Baker, and Hoover (2000) as a “reasoned, purposive, and introspective approach to solving problems or addressing questions with incomplete evidence and information for which an incontrovertible solution is unlikely” (5). In Georgia's past as a Soviet republic, critical thinking was not traditionally a valued skill.

The study of critical thinking as a result of a leadership training activity was important for the *Georgia to Georgia* leadership exchange because the participants of this study represented the leaders of the seven pilot school programs as well as the new national leaders of the FFG organization. These leaders will be largely responsible for setting vision and direction, as well as implementing new activities, for the young organization. The focus on critical thinking was also important to the leadership exchange, as it indicated the level of acceptance the Georgian students had for the ideas shared by their American counterparts.

Critical thinking is characterized as the reasoning behind actions and the logic behind decisions; it also includes the ability to change one's perspective based on evidence. Critical thinking comes with a certain amount of power, as it allows an individual to determine the accuracy, value, and authenticity of evidence, ideas, and actions (Beyer 1985, 276). According to the Foundation for Critical Thinking (2007), a well-cultivated critical thinker:

- Raises vital questions and problems, formulating them clearly and precisely
- Gathers and assesses relevant information, using abstract ideas to interpret it effectively

- Comes to well-reasoned conclusions and solutions, testing them against relevant criteria and standards
- Thinks alternatively within alternative systems of thought, recognizing and assessing, as need be, their assumptions, implications, and practical consequences
- Communicates effectively with others in figuring out solutions to complex problems (Foundation for Critical Thinking, The Result Section, ¶ 1).

The leadership training camp cultivated critical thinking by challenging students to accept new ideas, think differently about leadership concepts, and make plans that would shape the future of their own organization. In order for the conference to be successful, students had to step outside of their comfort zone and experience a different type of learning: experiential (leadership) learning. Experiential learning involves a concrete experience, reflective observation, abstract conceptualization, and active experimentation (Kolb, 1984). The leadership training experience/camp that was developed, delivered, and evaluated in this study utilized Kolb's model of learning (See Figure 1).

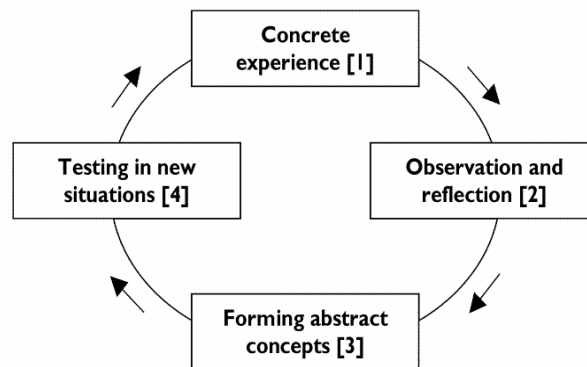


Figure 1. The experiential learning cycle (Kolb, 1984)

## Literature Review

Students may think critically about specific content areas (i.e., leadership development) or they may utilize their critical thinking disposition in a variety of

contexts (Ricketts & Rudd, 2005). This study measured students' disposition to think critically about a variety of contexts following a weeklong leadership training camp. Critical thinking is an important component of leadership education, as critical thinking allows a leader to make objective, informed decisions that affect and influence his/her followers. Figure 2 (next page) represents hypothesized components and processes of leadership curriculum for youth (Ricketts & Rudd, 2002). This study specifically evaluated the critical thinking development of Georgian youth as a result of leadership training using the leadership education curriculum model on the next page (Figure 2). Student development of critical thinking builds the foundation needed for a democracy and develops the tools needed for independent and life-long learning (Saskatchewan Education, 1989). As part of this study, Georgian students were exposed to parliamentary procedure training, and they democratically elected the first set of National FFG officers as part of the leadership training camp. Leadership experiences such as these ought to foster development of critical thinking disposition.

Developing critical thinking should allow students to build continually on their knowledge and to make more deliberate decisions. Leadership training that is cognizant of critical thinking produces individuals who value knowledge, learning, and the decision-making process. Students need to develop critical thinking in order to move their learning beyond rote memorization and submissive acceptance to true understanding (Saskatchewan Education, 1989).

The critical thinking dispositions that might allow youth to move into more active, truth-seeking leadership include *cognitive maturity*, *engagement*, and *innovativeness* (Irani, et al., 2007). Irani, et al. (2007) developed a three-construct measure, which at least conceptualizes the dispositional aspect of the critical thinking component of the aforementioned leadership education model. These constructs were formed out of a factor analysis of the dispositions touted by renowned critical thinking researcher, Peter Facione (1990). Facione conducted a national Delphi study of experts in all areas of academia, psychology, and philosophy. He discovered the dispositions of analyticity, self-

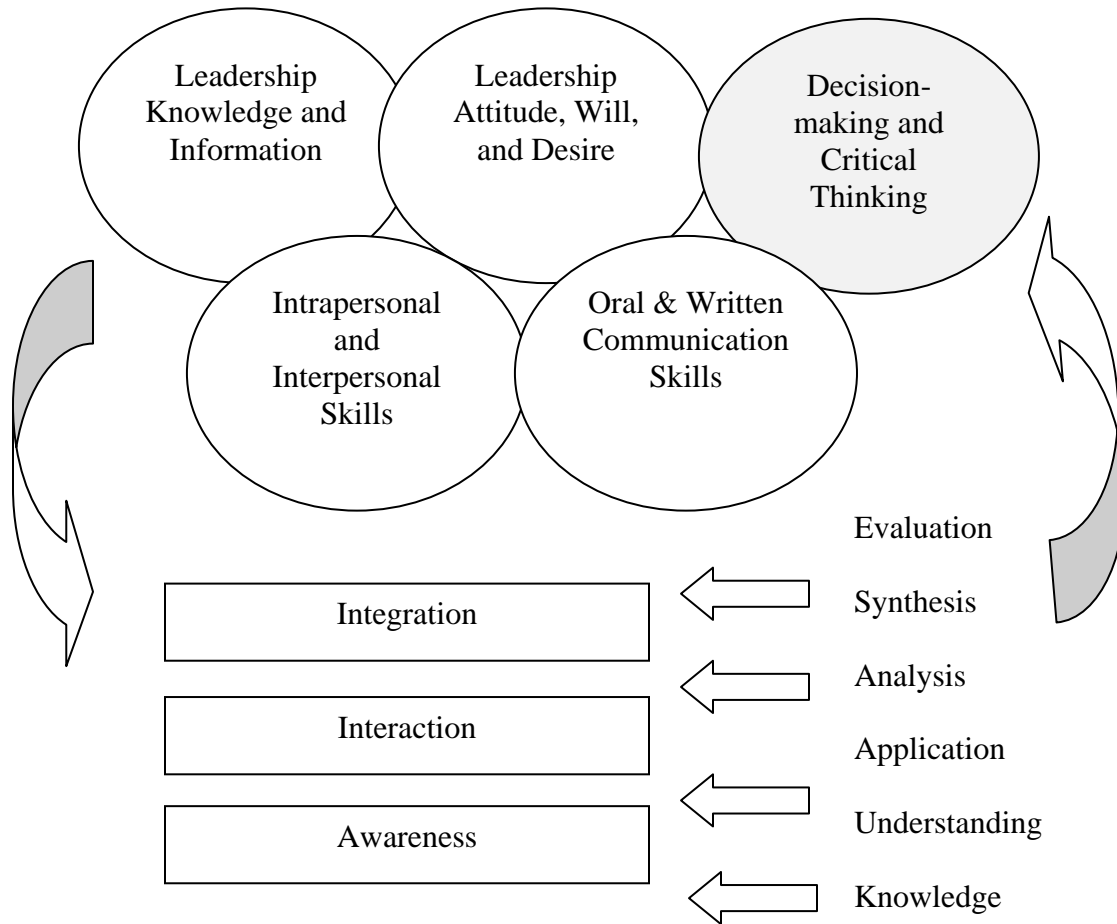


Figure 2. Model for youth leadership curriculum adapted from Ricketts and Rudd, 2002.

confidence, inquisitiveness, maturity, open-mindedness, systematicity, and truth-seeking. Following factor analyses of Facione’s dispositions, a critical thinking research group from four universities determined that the three factors of cognitive maturity, engagement, and innovativeness were most comprehensive and explanatory of critical thinking dispositions (Irani, et al., 2007).

Engagement, cognitive maturity, and innovativeness are usually measured via an instrument referred to as the *EMI: Critical Thinking Disposition Assessment*. According to Ricketts and Rudd (2005):

The engagement disposition measured students’ predisposition to look for opportunities to use reasoning; anticipating situations that require reasoning; and

confidence in reasoning ability. The innovativeness disposition measured students' predisposition to be intellectually curious and wanting to know the truth. The cognitive maturity (maturity) disposition measured students' awareness of the complexity of real problems; being open to other points of view; and being aware of their own and others' biases and predispositions (p. 33).

Ricketts (2005) analyzed student leaders of the National FFA Organization (in the USA) and found positive relationships between critical thinking and: (a) leadership experiences (i.e., public speaking contests, parliamentary procedure events, conventions) and (b) leadership training (i.e., leadership courses, leadership workshops). As a result of the study with leaders in the FFA, Ricketts recommended that more youth be exposed to formal leadership training activities, youth be encouraged to participate in non-formal leadership activities, and additional research be done to establish the relationship between critical thinking and leadership development.

This study of the change in critical thinking disposition as a result of a formal leadership training camp responds to the recommendations of Ricketts (2005). The purpose of the *Georgia to Georgia* leadership exchange was to equip and inspire Future Farmers of Georgia members to make a positive difference through leadership training, resource sharing, and intercultural dialogue. The evaluation of critical thinking development will provide insight regarding the accomplishment of these purposes.

## **Purpose and Objectives**

This study was conducted to determine whether the methods and concepts introduced to students during the leadership training experience changed the students' critical thinking dispositions. Specifically, the following objectives guided this study:

1. Describe students' critical thinking disposition scores prior to the FFG leadership training experience.
2. Describe students' critical thinking disposition scores after completing the FFG leadership training experience.

3. Describe the change in critical thinking disposition scores as a result of the FFA leadership training experience.

## **Methods**

The leadership training experience/camp in this study was developed for the newly established FFG. The leadership training event was one of several initiatives supported by the United States Department of Agriculture (USDA), World Link, Inc., a private, non-profit organization whose purpose is to provide international cross-cultural exchange opportunities for students and educators, the Georgia Institute of Public Affairs (GIPA), and the University of Georgia.

The treatment ( $X$ ) for this study was the previously mentioned four-day leadership training camp in which Georgian FFG members ( $N = 28$ ) participated in leadership education and activities that revolved around the following themes:

1. Characteristics of a Good Leader
2. Characteristics of a Good Team
3. Officer (formal positional leader) Roles, Responsibilities, and Team Maintenance/Functioning
4. Planning

Seven schools attended the leadership camp yielding a population of  $N = 28$  with each school represented. The majority of FFG members participating in the study was male ( $f = 16$ ). Throughout the conference students discovered the importance of character, commitment, leading as a team, and goal setting. Many of the activities focused on the significance of communication, decision making, accountability, and commitment. After being introduced to the traditional role each officer plays on a FFG officer team, the students studied the significance of responsibility, conducting successful meetings, and using parliamentary procedure. The agenda for the leadership training camp was as follows:

**Day 1 – Focus: Me**

*An introduction to leadership and an exploration of characteristics of a good leader.*

Welcome/Get to Know You Activities

Session 1: Defining Leadership Styles

Session 2: Setting Vision and Creating School Vision Statements

Session 3: Defining and Applying Character Qualities of a Leader

Reflections: Care-packages and Letters from Partner Schools in the USA

**Day 2 – Focus: We**

*A combination of team building initiatives and discussion of the qualities necessary for leaders and high-performing teams.*

Session 1: Teambuilding Initiatives

Session 2: Discovering Team Accountability

Session 3: Practicing Team Communication

Session 4: Demonstrating Commitment to the Team

Recreation: Campfire, S'mores, Traditional Georgian Singing and Dancing



**Day 3 – Focus: Do**

*A closer look at officer roles and responsibilities and how to maintain a successful organization.*

Session1: Officer Roles & Responsibilities

Session 2: Running a Successful Meeting - Order of Meetings, Voting,  
Parliamentary Procedure

Session 3: Writing and Presenting a Successful Speech or Presentation

Field Trip: Historic Castle/Beach

Reflections: Sea-side Café in Batumi

**Day 4 – Focus: Serve**

*Understanding the planning process and working in school teams to develop plans for school and community activities.*

National FFG Officer Candidate Speeches and Election

Session 1: Identifying Needs in School and Community and Brainstorming  
Activity Ideas

Session 2: How to Plan Projects and Activities

Session 3: Putting It All Together: Creation of a Plan of Activities/Planning Time

Celebration Banquet and Announcement of National Officers

Recreation: Dance

**Day 5 – Closing**

## Conference Closing/Wrap-Up Remarks Led by New National FFG Officer Team

This was a descriptive population study that utilized a one-group retrospective-posttest design ( $X O_1 O_2$ ). According to Rohs and Langone (2006), the retrospective-posttest is more accurate than the traditional pre-test/posttest. Using this type of self-reported assessment, participants are asked to respond twice following the treatment. The first response (column) asked participants to report their disposition prior to the treatment (leadership training camp). The second response (column) asked participants to report their disposition as a result of the treatment (Howard et al., 1979).

On the last full day of the leadership training camp, students consented to complete the retrospective-posttest version of the *EMI: Critical Thinking Disposition Assessment* (Irani, et al., 2007). The standard EMI instrument has undergone extensive content and face validity checks from experts in the field. The adapted version was also approved by six critical thinking experts from five different land-grant institutions. Reliability of the original EMI ranges from ( $\alpha = 0.79$  to  $0.94$ ) for the various constructs (Irani, et al). Reliability of the adapted version, as used in this study, ranges from ( $\alpha = 0.79$  to  $0.93$ ) (Ricketts, Pringle, & Douglas, 2007). In addition, the adapted EMI was translated to the Georgian language, which has a literary tradition dating back to the fifth century A.D. (Georgian language, 2008). Data were entered into Excel, and means and standard deviations were calculated via Excel to determine retro, post, and change in critical thinking dispositions scores as a result of the leadership training experience. The EMI took about twenty minutes to complete. The assessment contained 26 questions, each relating to one of the three constructs: engagement, cognitive maturity, and innovativeness.

## Findings

The first objective sought to describe critical thinking dispositions prior to the leadership training experience and the second objective sought to describe dispositions following the experience. FFG member-participants of the leadership training camp had lower engagement ( $M = 42.25$ ;  $SD = 5.39$ ), cognitive maturity ( $M = 28.14$ ;  $SD = 4.71$ ), innovativeness ( $M = 24.71$ ;  $SD = 4.56$ ), and total EMI ( $M = 95.11$ ;  $SD = 12.34$ ) critical thinking dispositions at the outset of the event compared to the completion of the leadership training activity (Table 1, next page). Participants reported critical thinking disposition mean scores of 47.75 ( $SD = 7.45$ ), 32.82 ( $SD = 6.66$ ), 28.11 ( $SD = 4.92$ ), and 108.68 ( $SD = 17.90$ ) respectively for engagement, cognitive maturity, innovativeness, and total EMI score.

The third objective sought to determine the change in critical thinking dispositions as a result of the leadership training experience. Given the reported range differences (Irani, et al., 2007) for each construct, change in critical thinking dispositions is reported as a percentage. Engagement scores increased positively, 10.23%. Cognitive Maturity positively increased by 11.83%. Innovativeness increased by 9.99% and Total EMI scores improved by 10.65% (Table 2, follows Table 1). Given that this is a population study, it would not be appropriate to make inferences about the significance of the changes.

## Conclusions/Implications

Critical thinking disposition scores of pre- and post-experience would be classified as weak disposition scores (Bisdorf-Rhoades et al., 2005), but the only other published study investigating the critical thinking dispositions of non-American participants using the EMI determined that international students scored significantly lower in the critical thinking dispositions of engagement and innovativeness, as well as total disposition score (Irani et al., 2004).

**Table 1: Retrospective Posttest Critical Thinking Dispositions Scores (N=28)**

	<i>M</i>	<i>SD</i>
Engagement		
Retrospective	42.25	5.39
Post	47.75	7.45
Cognitive Maturity		
Retrospective	28.14	4.71
Post	32.82	6.66
Innovativeness		
Retrospective	24.71	4.56
Post	28.11	4.92
Total EMI: Critical Thinking Score		
Retrospective	95.11	12.34
Post	108.68	17.90

**Table 2: Percentage Increase for Critical Thinking Disposition Scores as a Result of the FFG Leadership Training Experience (N=28)**

	<i>Percent Change</i>
Engagement	10.23%
Cognitive Maturity	11.83%
Innovativeness	9.99%
Total EMI Score	10.65%

Though the scores were low, the FFG leadership training experience/camp in the Republic of Georgia was impactful. Students developed in all areas of critical thinking disposition (engagement, cognitive maturity, innovativeness, total EMI) by an average of 10 percentage points. Because this was a population study lacking a control group, researchers wonder if the change in critical thinking can be attributed to leadership content that ought to foster critical thinking (i.e. parliamentary procedure) or the effectiveness of the experiential learning methodology (Kolb, 1984), which is a foreign concept to a Georgian educational system still influenced by decades of rote lecture and memorization.

Upon completing the leadership training conference, students experienced the most growth in the area of cognitive maturity: the disposition related to understanding that things are more complex than they at first seem. Leadership training encourages students to reconsider previously held ideas and encourages critical thinking. This news is encouraging for FFG members with the hope of leading their country into a new era of democracy and freedom.

### **Recommendations**

FFG members and leaders seeking to enhance the critical thinking disposition of youth in Georgia need to continue focusing on leadership education that infuses critical thinking; however, training should also be provided that overtly teaches

critical thinking to the young leaders. Friedel et. al. (2006) discovered that overtly teaching for critical thinking significantly influenced critical thinking. Perhaps combining experiential leadership learning with specific content modules related to the “nuts and bolts” of developing critical thinking would develop dispositions more fully.

The retrospective-posttest version of the *EMI: Critical Thinking Disposition Assessment* (Irani, et al., 2007) was effective in determining the impact of the leadership training experience. However, caution should be exercised in evaluating these results as assessments are new to the Georgian students; students’ unfamiliarity with such surveying techniques and the translation process may introduce more error than usual in this study. Although the retrospective-posttest evaluation is reportedly more accurate (Rohs & Langone, 2006), perhaps a true pretest-posttest, complete with randomized treatment and control groups, should be additionally delivered for future leadership training experiences for FFG members in the Republic of Georgia.

Based on the results from the assessments, future leadership trainers should continue to ask questions that reflect higher order thinking skills during the workshops, probe for more meaningful answers, and utilize reinforcement techniques to ensure concepts are well understood. Critical thinking instruction requires time in order to be effective; therefore, continued administrative support and commitment are necessary for long-term success. Unfortunately, funding that supported the *Georgia to Georgia* leadership exchange is limited. Therefore FFG members and leaders seeking to enhance the critical thinking disposition of youth in Georgia need to continue focusing on leadership education that infuses critical thinking; however, training should also be provided that overtly teaches critical thinking to the young leaders.

It is recommended that future FFG leadership training events continue to utilize experiential learning methodologies. It is also recommended that randomization and control groups be included in future studies to determine the specific contributors to the critical thinking dispositions development. If future studies determine that the experiential leadership learning activities are

continuously as impactful, the long-term effects of similar FFG leadership training camps could contribute to personal, organizational, and perhaps even national achievements in leadership and agriculture. The sustainability of the leadership training camps and the FFG will depend upon leaders who are able to adopt the dispositions of critical thinking.

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## ESSAY FROM THE FIELD

### **Building Leaderful Organizations: Promising Practices that Add Value and Increase Nonprofit Effectiveness**

Tom Adams

**Two practices that show promise for nonprofit sector leadership are Executive Transition Management (ETM) and Succession Planning. ETM is an intentional process of clarifying strategy, business model, and critical transition issues in order to define competencies and attributes for the next executive leader. Succession Planning prepares organizations for planned and unplanned leadership change. These two practices contribute to a movement to build 'leaderful' organizations in the nonprofit sector. Such a movement requires a commitment to connecting leadership, strategy, and organizational impact, as well as to integrating best thinking from the academic and internal and external fields of leadership studies, organizational development, diversity, human resources, and strategic planning.**

Management guru Peter Drucker teaches us that we can't build effective, lasting organizations unless we are clear about who the primary customer is. For any organization, knowing who we want to reach and to what end increases our odds for success (Drucker, 1999).

Michael Porter at the Harvard Business School weighs in on health care reform by advocating for a "value-based" health care system. He and coauthor Elizabeth Teisberg, in their work *Redefining Health Care* (Porter & Teisberg, 2006), caution against focusing exclusively on universal coverage and quality and losing sight of the primary customer –the client.

Jim Collins, in *Good to Great* (2001) links long-term effectiveness to, among other things, leadership. His now perhaps too often quoted "get the right people on the bus" makes it clear that leadership, strategy, and success are connected. He also defines the importance of leadership in his description of "level 5" leaders of great companies. Collins goes further in *Good to Great for the Social Sector* (2005) by illustrating how nonprofit leadership positions are different (and perhaps more challenging in many ways) than for-profit leadership jobs. Nonprofit executives require what he calls "legislative" skills in order to work with their board and the various stakeholders required for success.

The steady departure from nonprofit leadership positions of the baby-boom generation, reported in *Daring to Lead* and other studies of nonprofit leadership, has sped up the development of two promising practices in the nonprofit sector that have high potential to add value for primary customers in mission-driven nonprofit organizations (Bell, Moyers, & Wolfred, 2006). This anticipated exodus from 2005 to 2015 (perhaps 2020 if investments remain weak in the current recession) is creating the "transition decade(s)" in nonprofit leadership. The two promising practices are:

1. Executive Transition Management (ETM): A process that broadens the options for dealing with executive changes in management from "do it yourself" by boards or hiring an executive search firm for the deeper pocket organizations. These old approaches miss or pay insufficient attention to the link between primary customer, strategy, and leadership. ETM is an intentional process of clarifying strategy, business model, and critical transition issues that come out of the organization's life cycle position and past performance as a path to defining competencies and attributes of the next executive. The process model has three phases—Prepare, Pivot, and Thrive—and begins with planning for the executive departure and concludes with the successful entry of the new executive as determined at a six month performance review.
2. Succession Planning: A process that moves the nonprofit sector away from a crisis approach to succession and to treating leaders as a disposable commodity that is easily replaced. Denying that leadership change is inevitable, ubiquitous, and determinant of the organization's future success limits the value and impact of the sector. Succession planning (sometimes referred to as Leadership Sustainability Planning because the term *succession planning* is loaded or misunderstood) is a practice adapted from the private sector that prepares organizations for planned and unplanned leadership change. Succession planning

basics involve putting written emergency backup plans in place for the executive and key leaders and developing a board adopted succession policy that provides principles and procedures to guide leadership change. Organizations with long-term leaders, founders, or hard-to-follow executives (because of their role and contribution) build on the basics through a sustainability assessment or audit and development of a plan to increase sustainability and prepare for transition anticipated in two to five years. As succession planning evolves and gets embedded in an organization, it makes real the paradigm shift to ongoing attention to leader development and talent management – getting the right people on the bus. Building a leaderful organization through ongoing attention to leader development and talent management is episodic or treated lightly in most nonprofits, therefore making it a promising practice for consideration.

These practices together contribute to a movement to build leaderful organizations in the nonprofit sector. This movement historically has been episodic and hasn't had a name. Periodically, nonprofit funders get interested in leader development and make some investments. The growth of nonprofit management degree and certificate courses further advance the sector's leadership. What is missing is a commitment to connecting leadership, strategy, and organizational impact on a consistent basis. To do this, we need both an intellectual and an emotional commitment. We need to care and to develop the science and metrics over time that will make this case irrefutable. We also need to invite more organizations to consider these practices and make the case well for the benefit and contribution to value for the customer and cause. Finally, we must increase the financial commitment to supporting the practices, the development of practices, and the applied research to document impact and lessons.

This article is intended to introduce the practices and their collective power and to invite readers to be advocates for their use and for advancing the science

that undergirds them. What follows is a short description of each of the practices, the benefits to the organization of those practices, and how the practices can be adapted to a wide range of organizations.

### **Executive Transition Management**

A food bank in the Midwest faced the retirement of its founding executive. For more than 25 years, she had become the face and voice for feeding hungry people throughout her state. She had developed strong relationships with the CEOs of contributing grocery chains and food suppliers, the Governor and elected officials throughout the state, the executives and staffs of food pantries and providers, and the many foundations and funders that supported the work. Under her leadership, the Food Bank moved from operating from a church basement to a state-of-the-art warehouse and office complex that provided 8 million pounds of food per year to people in need.

The board was traumatized by the thought of her retiring. Whenever she brought up the possibility, they changed the subject or suggested she wait a few more years. Her passion for the mission caused her to go along with these objections. Three years later she was diagnosed with a major health problem. She tried to work after the diagnosis, but the experiences of three horrendous months compelled her to give up. The board was torn by compassion for her and fear for their future.

Through a colleague at a local foundation, the board chair learned of the ETM approach. He talked to a local banker and friend who was on the board of a symphony that used this approach successfully when its founder and artistic director left suddenly. Since this was a new practice, the board chair was a little nervous about advocating for it to the board. Ultimately he knew the organization needed help and decided to give it a try.

An ETM consultant was hired and a board Transition Committee was formed. There was a discussion up front about focusing on both the transition and search and not just the search. Given the circumstances, this was not a hard sell, despite the natural desire to find the new executive as quickly as possible. The

first step was to stabilize leadership. This meant discussing with the board the advantages and disadvantages of an internal or external interim executive. Given the need to manage the grief around the ending of the founder era, an external interim was selected from a pool of trained interims available through the state nonprofit association.

The Transition Committee was selected with an eye to future board leadership, a blend of long-time loyalists and new leaders, and inclusiveness of the diversity required for success. While the interim managed the day-to-day operations, the Committee and consultant planned and completed an organizational assessment which looked at who the primary customer is, what customers value, how the organization is doing in delivering value, what the big issues are that the next executive will face, what success will look like for the new executive in 12 to 18 months, and therefore what competencies are required in the next executive.

The consultant and Committee reviewed the data and planned a Strategy and Leadership Review session with the board and managers. This session sharpened the direction, identified the key issues, and defined the change or “pivot” that this transition made possible. For this organization, it was a change from a focus solely on providing food to also advocating for an end to hunger and building out of informal systems and infrastructure.

With this picture in mind, a Search Subcommittee of the Transition Committee worked with the ETM consultant who took the lead on the executive search. Given the primary customers served—people with insufficient food—the Committee used social networking in communities of color to ensure an inclusive and racially diverse pool. Sensitivity to people with disabilities and experience at leading organizations with a wide range of ages on the Board and staff were the other considerations in addition to the competencies and attributes defined by the planning process.

The finalist pool included a COO from a Food Bank out West, the executive director of another statewide human services agency, and the Director of Development from a YWCA in a nearby state. The Search Committee

recommended the YWCA executive, an African-American woman with a track record in raising money and a passion for the issue. The Committee debated the decision vigorously, with some on the Committee arguing for hiring the COO who had Food Bank and management experience. As the Committee and board reflected on their “pivot” and the big change of advocating for hunger elimination, they concluded they needed a lead spokesperson with passion and more capacity to raise money.

The post-hire welcome and orientation focused on introducing the new executive to the community and world of Food Banking. The board chair hosted three get acquainted breakfasts for different constituencies to meet the executive and encouraged her to visit two other Food Banks in her first 60 days. The retiring executive also assisted in the orientation and introductions. The new executive was able to complete a 90-day work plan and, with the consultant, prepared a session with the board on goals, roles, and expectations. This social contracting put a performance management system in place.

The benefits of the ETM approach for this organization included:

- Putting in place a “bridge” interim leader skilled in managing change and thereby ensuring the continuity of services and supporting the letting go of the founder and founder era and preparing for a new executive.
- Using the planning time to re-examine the primary customer and desired impact and to make an important shift which would add value for those needing food and also expand impact.
- Involving the board and staff in recognizing and celebrating the contribution of the founder, supporting a grief process, and preparing the organization for new leadership.
- Being intentional about inclusiveness and diversity and its connection to effectiveness and impact, and broadening the search through social networks beyond the “normal suspects,” typically mostly white.
- Hiring an executive who meets the present and future leadership needs of the organization, who knows the challenges she faces, who has the

experience and talent to succeed, and who will be supported in advancing the change agenda.

- Accepting that there may be bumps during the first few months and having in place check-ins and support measures to ensure that small frustrations or differences in communication style don't precipitate a crisis or result in a premature departure.

Over the next three years the organization succeeded in increasing its food delivery and advocating for state and federal changes, which will reduce the number of people without access to food during the decade that follows.

In his book *Chief Executive Transitions: How to Hire and Support a Nonprofit CEO*, Don Tebbe (2008) identifies five types of transitions and illustrates how the ETM process addresses each. The case described above illustrates two of the types: Sustained Success and Hard-to-Follow Executive. Transitions have patterns, yet are also unique and distinct. The power of the executive transition process lies in its flexibility and its capacity to adapt to each organization and its transition (Tebbe, 2008). Here are the challenges cited by Tebbe which the Executive Transition Management process addresses:

- Sustained Success: Board needs to “resist the temptation to try to find someone just like the departing executive”; and “to make sure the executive job is doable” (Tebbe, 2008, 13).
- Underperforming Organizations: “[P]roperly diagnose the underlying issues facing the organization” and address during the transition; “reorient the [incoming] executive’s job to fit the organization’s needs” (Tebbe, 2008, 13).
- Turnaround: “[A]cknowledge crises” if present and “meet them head-on”; assess the need for “interim leadership or consultant” during transition; “improve staff morale” (Tebbe, 2008, 13).
- First Hire: “[C]onsider candidates with start-up experiences” to “face intense demands” of an organization with little or “no management structure currently in place”; “manage expectations” of incoming executive;



“ensure that everyone understands the new executive’s role” (Tebbe, 2008, 15).

- **Hard-to-Follow Executive:** “[I]dentify vulnerabilities created by the departure”; may need to “thoroughly rethink its [board] governance role and the board-executive relationship with a new executive in place” (Tebbe, 2008, 15).

## **Succession Planning**

A community development executive in the southwest had built a leadership team and organization which was the leading producer of affordable housing in the state and the go-to organization for community building. After 15 years as executive, he began a five-year plan to prepare the organization for a new CEO. His first step was to participate in a national year-long fellowship which required the board and management team to function without him. Next, he and his board chair attended a workshop on succession planning three years before his planned departure. The workshop focused on putting the basics in place: an emergency backup plan for the executive and senior managers and a board adopted succession policy.

After reporting back to the board on the workshop, the CEO and Board decided to recreate the workshop as training for the board and all the staff. Over a day and a half, the training team offered a modified succession and leader development workshop for three audiences: all staff, the senior management team, and the board. This workshop launched the board on developing a succession policy and triggered a conversation with the CEO wherein he agreed to continue in his position for four more years. In addition, the CEO and senior management team developed emergency backup plans for their position. The consultant facilitated a discussion among the managers of their key functions and roles, resulting in more collaboration and a cross-training plan to build bench strength in areas where the Community Development Corporation (CDC) was vulnerable if a senior manager left.

Two years later, the CEO invited the consultant back to review progress with the board and management team and to begin planning for the CEO's transition. Like most long-term CEOs, he wanted to craft the timeline and process. Having outside assistance helped ensure that the board was fully involved and that the process and timeline were mutually agreeable to all parties. As is so often the case with long-time management teams, there is a tendency to either ignore or obsess about weaknesses that show up repeatedly. A planned review of leader development by the management team individually and collectively reduced some of the natural tension and refocused the leader development efforts.

This example illustrates all three approaches to succession planning. First, the CDC got some information and education to reduce the mystery and suspicion concerning what this process was about. Focusing on the "What happens if the CEO wins the lottery and runs off?" scenario (or as it is more frequently asked: "What happens if the CEO is hit by a bus?") was less threatening than what to do without him. Unpacking the CEO's and senior managers' jobs by looking at key functions and roles shed light on where the strengths were and where the CDC's leadership either was very thin and/or too dependent on one person for too many key roles. Reviewing the work on emergency plans with the board educated the board to the work of the CDC and how it was accomplished, and also involved the board appropriately in an annual discussion of bench strength. In addition, the board spent time developing a written succession policy which provided a detailed road map of how the board would handle a planned or unplanned CEO departure.

Planned departures are complex. They involve emotional, financial, and organizational realities and therefore rarely go the way the CEO first plans. Letting go of a long-term leadership role is difficult. Most founders or long-term executives are conflicted and need a sounding board or outside help to sort out what they really want to do and when. As in the case of this CEO, even when a plan is in place, it can and will change. In the current recession, retirement resources have shrunk for many nonprofit executives, thereby delaying departure

dates. Sometimes a crisis with a funder or a project causes an executive to decide to stay longer.

There is no right or wrong timing. Departure-defined succession planning engages the board and CEO in an ongoing conversation and planning process. Most CEOs do not announce a definite date more than one or two years in advance. Instead, they talk generally about planning for retirement or departure in x to y years. In some cases the CEO and the board chair might have an agreement on a rough timeline. It doesn't become public until it is close and certain. The work of getting the organization ready, however, happens under the banner of succession or sustainability planning.

A sustainability review and audit or organizational assessment is the most common way to identify strengths and organizational and leader development issues. This review, facilitated typically by a consultant, involves interviews, surveys, and/or focus groups with staff, boards, and often key stakeholders. Their input provides a snapshot of the organization, its strengths, and its aspirations to ensure sustainability of results and leadership.

The CDC review pointed to strengthening its financial management system, which had outgrown the agency, and to an additional focus on housing development to ensure a steady flow of new homes and income. These two findings resulted in further changes in the leadership team. The board and CEO agreed that a Chief Financial Officer was needed to provide oversight to the complex range of financing and cash flow that came with the growth. In unpacking the current Comptroller's position in the emergency backup planning, it became clear that the position was undoable. This made it easier to split the Comptroller and CFO positions and for the Comptroller to accept the hiring of a new boss with a broader and different skill set. The CEO was prepared to hire a new Comptroller if the current Comptroller resisted. Fortunately that wasn't necessary.

As the CDC worked intentionally to build a leader development culture, embracing a talent management philosophy was the logical next step. A board member who was the COO of a major corporation in the community volunteered

to have the company's Chief Talent Officer work with the CEO on a talent management strategy. This was a new notion to the CEO, as it is to most nonprofit leaders. In her corporation, the Chief Talent Officer was responsible for insuring that each manager had a professional development plan, was working to identify high performers and high potential employees, and was preparing these managers for increasing leadership roles.

Since the CDC was about 1 percent the size of the for-profit company, there needed to be some adaptations in how talent management was applied. For the CDC, there were three big shifts that came with adapting talent management to its culture:

- Clearly-defined leader competencies critical to adding value and having the impact, using a 360-degree feedback tool, to provide assessment data to the current managers and setting aside more funds for each manager to advance his or her leadership capacity;
- More intentional discussion about how cultural competency and diversity or their absence affected the success and impact of the CDC and a plan for developing a diverse and culturally competent leadership team;
- A performance management system that held managers accountable both for demonstrating the changed behaviors set as goals in their professional development plan and for identifying and developing the managers who worked for them.

The biggest challenges for the CEO was in consistently making times for the monthly performance review meetings with his direct reports and in holding long-time loyal managers to the new higher standard of performance required for sustained success.

Smart companies and nonprofits are increasingly seeing the benefit of connecting leader recruitment and development with value for the primary customer. This results in attention to talent management, inclusiveness and

diversity, and succession planning. The benefits of this broader approach to succession planning for this CDC and other nonprofits include:

- Readiness for unplanned or planned leadership transition whenever it occurs, with lower risk for disruption of services and reduced value for customers;
- More clarity about the leader competencies and traits needed to carry out the strategic plan and move toward the organization's vision for success;
- Retention of managers and, consequently, increased morale as leaders see more opportunities to grow and are rewarded for innovation that advances the mission and develops internal leadership in the process;
- An organized, consistent method and vision about what "leadership," "diversity," and "inclusiveness" mean for this organization, its mission, and its customers, and a way to make the vision real;
- More internal succession and promotion and lower costs in terms of time and money in filling key vacancies.

## **Conclusion**

Leaving leader transitions to chance is a form of Russian roulette. The odds are not very good, and at best the results are mediocre organizations and consequences that may feel good in the short term but have limited long-term value for the customer or mission.

Succession planning broadly defined and executive transition management have the potential to transform the nonprofit sector. Imagine the impact on the world if 10 percent of nonprofits each year were better led and clearer about the connection between mission, value for the primary customer, and leadership requirements.

These emerging practices seek to integrate best thinking from the academic and internal and external consulting fields of leadership studies, organizational development, diversity, human resources, and strategic planning. It is a

challenge, of course, to work across disciplines and to develop market awareness and the applied research to advance these embryonic practices.

Readers are invited to explore these practices further, to advocate for their wider application, and to seek opportunities to advance the applied research and science to better understand and use this potential. In particular, readers—whether scholars, practitioners, educators, or consultants—may wish to consider the application of these practices in different national and cultural contexts around the world.

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## **RESEARCH NOTE**

### **Coaching Versus Traditional Management: Employee Perceptions of Leadership Effectiveness**

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Monmouth University**

In a rapidly changing business environment that is surrounded by global and outsourcing competition, organizations will need to speed up their learning process in order to adapt to these changes and innovations. Human resource managers have come to realize that coaching is a skill that can enhance a manager's effectiveness. This paper will describe how developing coaching skills requires various resources such as time, expertise, and training. Survey results indicate that managers whose leadership style is described as doing more coaching have significantly better evaluations of their effectiveness. Survey results also indicate that the use of teams has a significant positive relationship on the manager's evaluated effectiveness.

#### **Introduction**

At one time or another, a majority of employees have been members of a task-performing team at their work environment. Team effectiveness is not a matter of luck, but a result of hard work, careful planning, and good coaching, because good teams are designed from the inside out. Teamwork requires that everyone understands what has to be done, when it is to be done, and how each member can contribute most effectively.

Take an example from athletics. Can an athlete reach peak performance on his or her own? Peak performance is achieved through a building block process. Coaches improve players' performance by motivating them to extend their capabilities, guiding them through the incremental improvement process, and providing continuous feedback. The prime elements of coaching are giving feedback, setting goals, and providing guidelines. Managers can employ these techniques to motivate their employees not only to meet objectives, but also to improve their performance and enhance the workplace. Managers plan, direct, and control while carrying out the management process. Coaches are seen as

developers because they provide continuous training and feedback, enabling employees to identify alternative behaviors to what they are currently doing. Coaching is work-based management development by intervention.

Organizations have come to realize that relying on team-based arrangements can help to improve quality, productivity, and customer service, and doing so can also enhance the work skills of employees (Thompson, 2004). Managers' skill requirements are changing as firms recognize the value in developing a team-based approach. This study surveys frontline employees and finds that these employees prefer a coaching approach to management as opposed to a traditional top-down management approach.

## **Literature Review**

Effective coaching goes beyond merely supporting an employee to succeed at a specific job or task. When coaching is effective, the results will have a cascading effect. According to Anderson and Anderson (2005), the behavioral changes developed through coaching not only affect the individual, but they enhance the entire organization as well. The effects continue as employees are encouraged to develop new skills and assume new challenges. Coaching is contagious, and coached employees ultimately contribute by coaching others.

Sahoo and Tripathy (1990) contrast the benefits of coaching with the disadvantages of the traditional punishment and penalty approach to management. One of the most compelling factors against punishments and penalties and why they should not be used is that they are not effective. They do not increase performance. The reason for this negative result is that unlike coaching, punishment does not teach any new skills. Punishment simply tells an employee what not to do and does not correct performance issues. In contrast, a coach guides an employee on-site and provides feedback, which in turn gives the employee an understanding of what the problem is. Once the coach steps back and allows the employee to see the problem, the employee is motivated to correct the problem himself or herself. This self-correction process empowers employees with self-esteem and productive motivation. The punishment



approach makes it more difficult to teach desired behavior. In addition, punishment decreases job satisfaction, and productivity declines.

Daniels and Daniels (2006) describe coaching as a process of shaping. Coaching (shaping) is the process of successive reinforcement toward an objective. Coaching, then, is one of the most critical skills for any manager or leader to master. Coaching skills give those who are coaching an understanding of the power of their influence and how to build and sustain performance excellence. Few things provide as much personal satisfaction for a manager at any level as helping an employee achieve an objective and reach a goal. Daniels and Daniels (2006) warn that even if a manager does his or her best to set an objective that seems attainable and challenging, some employees may still find the set objective impossible to reach. A key is to reinforce any sign of improvement, no matter how small. When small improvements are reinforced, positive behaviors are strengthened and continued improvement will follow. Therefore, coaching is continuous positive intervention of sub-goals that the one being coached can reach, and this must be reinforced until the employee is stabilized. Attainability is a key element when coaching, and when the coach provides small sub-goals along with reinforcement rather than a large goal, employees can achieve through the process of building confidence, self-esteem, and task knowledge.

Givens (1996) highlights some other successful coaching approaches taken from sports that apply to any organizational environment, such as deep respect for the individual employee, trust in the employee (giving the employee confidence in the ability to solve problems), and taking a partnership approach between employee and coach to facilitate learning and improve performance. Givens (1996) also suggests that coaches approach workers with empowering questions, such as:

- What results would you want to achieve?
- How would that change this situation?
- What would that bring you? the team? the company?
- What is your most powerful next step?

- What resources would you need?
- What obstacles, if any, do you anticipate? How might you minimize them?
- When will you complete this step?
- How can I help?

The strength of the above questions is that the responses are within those employees who have been influenced and motivated by an effective coach. When employees find their own answers, they create an environment in which they can make clear decisions, create options, and take action because the solution to the problem is theirs.

According to Dubrin (2007), there is a coaching component at all levels of management. The employee who is being coached gains trust in the leader's experience and judgment; he or she thereby listens to advice and suggestions and is able to act and build on personal strengths. Coaches invest time in building employee relationships and care about the individuals working with them. For the most part, organizations benefit from the coaches' efforts because employee motivation and productivity increase.

Weiss (1998) has referred to coaching as participative management because of the increasing complexity of the decision-making process within the organizational environment. In addition, management has come to realize that involvement and commitment on the part of employees at all levels has become paramount. He asserts that coaching is more than demanding participation; it requires (a) being honest, (b) using criticism sparsely, (c) listening to and encouraging employees' ideas and suggestions, and (d) assuring that the employees understand the organization's objectives.

Perry (2000) discusses how to utilize coaching when things are not going well. Chronic employee problems (e.g., lateness) can cause bottlenecks and affect production and the entire work environment. This is where coaching, which encourages employees to generate their own solutions, can be productive. Coaching's collaborative emphasis avoids stress and creates a positive mindset with a shift toward performance improvement because the employee will not feel

threatened. Perry (2000) lists six tips for good coaching when problems are encountered.

1. Get the facts straight.
2. Begin the conversation on an “Up” note; don’t zero in on the problem right away.
3. Focus on how the issues are affecting the organization.
4. Encourage the employee to search for solutions along with you.
5. Leave on a high note by expressing appreciation for the employee’s contribution.
6. Follow up.

Human resource managers have come to realize that employees need to grow more rapidly in today’s dynamic marketplace. Liebowitz (2003) suggests a coaching plan to help employees learn new behaviors and insights to prepare them to adapt to a variety of potential issues they may confront in the future. He believes that a coaching plan for employees takes into account the employee’s past experience and personality to determine how to challenge the employee to meet the organization’s goals. He suggests assigning tasks that utilize the employee’s assets as well as determining what kind of exposure and challenge will lead the employee to develop professionally to meet the organization’s goals. Christmas (1994) highlighted how *Vanity Fair* used these coaching/team principles to turn a failing new project into a success by soliciting suggestions from the team and implementing all the suggestions, even the minor ones. Pelletier (2001) again stresses that the coaching mindset is distinctly different from the traditional top-down management. Coaching, he suggests, includes getting personal right from the start, using terms like *we* instead of *me* and bringing teams together to discuss issues and communicate on an ongoing basis.

To summarize, coaching is a dynamic shift from the traditional management approach focusing on control, order, and compliance. The coach focuses on uncovering actions that will enable employees to contribute more fully to organizational objectives. This becomes evident when coaches develop

partnerships to collaborate in finding new solutions rather than adhering to traditional structures. Also, coaching fosters new possibilities for problem solving and operational issues and facilitates breakthroughs in employee performance. When upper management employs coaching concepts, executives can promote the success of the organization as a whole: Figures 1 (below) and 2 (next page) illustrate the difference between traditional and coaching styles:

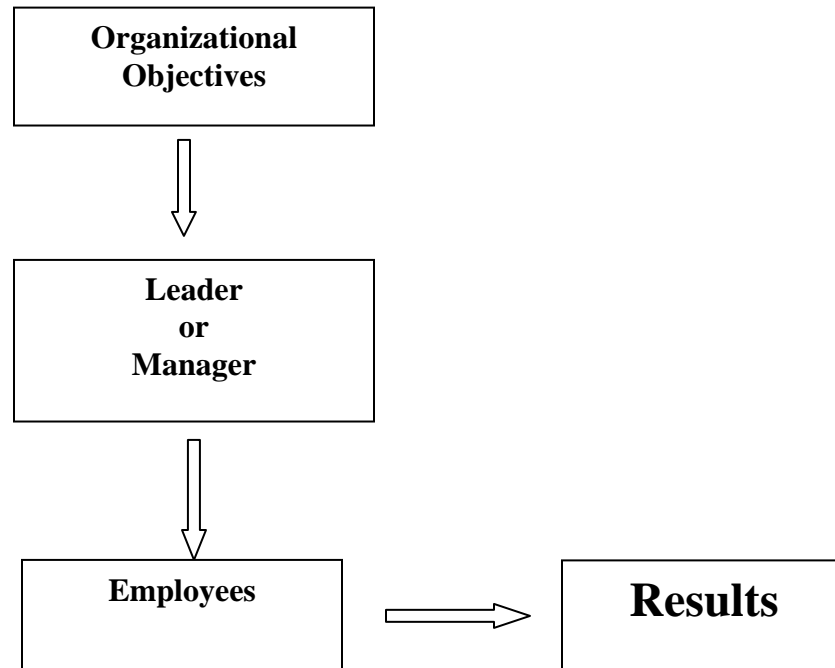


Figure 1. Traditional authority-based management

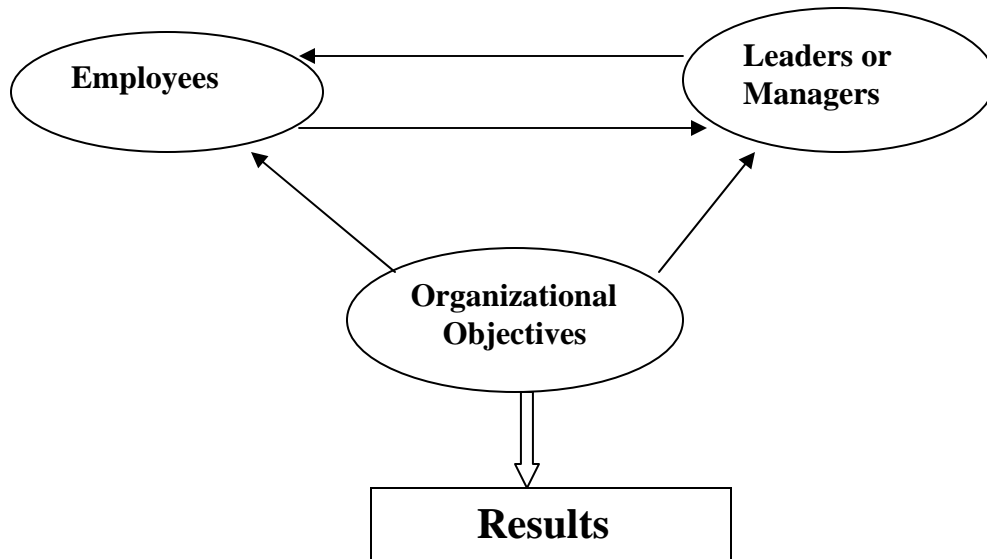


Figure 2. Coaching approach to management

## Hypotheses

The literature above suggests that a coaching approach to leadership is far more beneficial to an organization than a traditional management approach. An employee in a coaching environment is expected to be more motivated and productive, and to exhibit a more positive attitude toward his or her work environment. We suggest, then, that an employee who perceives his or her leader to be a coach would also perceive this leader to be more effective.

Hypothesis 1: Leaders viewed as coaches by their employees will be rated as more effective than leaders viewed as traditional managers.

The literature above also suggests that coaching implies a team environment of mutual respect and cooperation. We hypothesize that the effect of a leader with coaching attributes is even more beneficial in a team environment, positively affecting not only perceptions of leader effectiveness but perceptions of team effectiveness as well. We investigate this possibility through the following hypotheses.

Hypothesis 2: Employees who are team members will rate their leaders as more effective than employees who are not members of a team.

Hypothesis 3: Team members perceive their teams to be more effective when their leader is seen as a coach, rather than as a traditional manager.

## **Methodology**

### **Participants**

This study surveyed 142 people employed in the workplace who are currently taking undergraduate and graduate business courses. Responses from 9 participants who gave incomplete responses to relevant questions were eliminated, leaving 133 responses. Only the 90 participants who reported being team members were used in the analysis for Hypothesis 2.

### **Instrument**

Survey questions were asked to assess the extent to which organizations are engaged in the development of employee work teams. In addition, the participants were surveyed to assess their perceptions of the effectiveness of their teams, the effectiveness of the person to whom the team reported, and the extent to which this leader was considered a coach (as opposed to a “manager”). Analyses were made to determine if perceptions of coaching leadership led to perceptions of more leader and team effectiveness. (Contact the authors for the questions used to assess these attributes.)

## Analysis

Hypothesis 1: Leaders viewed as coaches by their employees will be rated as more effective than leaders viewed as traditional managers. This hypothesis was supported.

**Table 1: Descriptive Data for Hypothesis 1**

Leader's characteristic	Leader's effectiveness (1=excellent to 5=poor)	N
1. A coach	1.40	5
2. Primarily a coach	1.78	18
3. Equally coach/manager	1.97	35
4. Primarily manager	2.57	28
5. A manager	3.45	47

**H1a.** This table compares the leader's effectiveness when the leader is perceived to be a coach, or primarily a coach (n=23), to leader effectiveness when the leader is perceived to be a manager or primarily a manager (n=75). T-test analysis<sup>1</sup> shows that coaching leaders (mean of 1.70 with 1 being excellent) are perceived to be significantly more effective ( $t = -6.8, p < 0.01$ ) than leaders viewed as managers (mean of 3.12). Hypothesis 2 was supported.

**H1b.** In addition, since the responses to both the supervisor's attributes and effectiveness were made along a numerical scale, it is reasonable that the respondent might interpret the possible answers on a continuum (a Likert scale). Thus, we also analyze the relationship between the responses to two questions using single-factor ANOVA, which again shows that the more the supervisor is perceived to have coaching attributes, the more effective the supervisor is perceived to be. ( $F = 20.6, p < 0.01$ )

Hypothesis 2: Employees who are team members perceive managers to be more effective than employees who are not team members. This hypothesis was supported.

A t-test analysis shows that participants who were part of a team (n = 90) perceived their leaders to be more effective (mean of 2.42, with 1 being excellent) than participants who were not (mean of 2.88). ( $t = -2.2$ ,  $p = .02$ ) Thus, hypothesis 2 was supported.

**Table 2: Descriptive Data for Hypothesis 2**

Team member	Manager effectiveness	N
Yes	2.42	90
No	2.88	42

Hypothesis 3: Team members perceive their teams to be more effective when their leader is seen as a coach, rather than as a traditional manager.

This hypothesis was not supported.

**Table 3: Descriptive Data for Hypothesis 3**

Leader's characteristic	Team effectiveness (1=excellent to 5=poor)	N
1 A coach	2.25	4
2 Primarily a coach	2.21	14
3 Equally coach/manager	2.26	27
4 Primarily manager	2.41	17
5 A manager	2.50	28

**H3a.** This table compares the team's effectiveness when the leader is perceived to be a coach or primarily a coach (n=18), to the leader's effectiveness when the leader is perceived to be a manager or primarily a manager (n=45). T-test analysis shows that the effectiveness of teams with coaching leaders (mean of 2.47 with 1 being excellent) is not perceived to be significantly higher ( $t = -1.08$ ,  $p = .28$ ) than teams with leaders viewed as managers (mean of 3.12). Thus, Hypothesis 3 was not supported.



**H3b.** Again, considering that coaching attributes and team effectiveness were rated on a 1-5 scale, an ANOVA analysis was run for all 90 participants. There was no statistically significant positive effect of a supervisor's coaching attributes on team effectiveness.

## **Conclusions, Limitations, and Future Research**

This preliminary survey suggests that the positive effects of a coaching approach to management can enhance the workplace environment. In particular, these findings suggest that employees perceive that the person they report to (their leader) is more effective when that leader displays coaching attributes. This study opens the door to further inquiry in order to find out which coaching attributes in particular are perceived to be most beneficial.

Our results also suggest that respondents do see a positive relationship between team membership and managerial effectiveness. This opens a new area of inquiry as to how these two workplace-enhancing attributes can be combined to enhance workplace effectiveness even further. All means from groups of participants indicate that there is room for improvement in the workplace.

This study also investigated the relationship between managerial style (coaching vs. traditional) and team effectiveness. Surprisingly, we did not find statistically significant relationships between a coaching style of management and the effectiveness of the team itself. One possible explanation is that since our questionnaire did not identify the relationship of the leader to the team itself, the leader in question might not have been part of the team or close to the team. Since both coaching approaches and team participation suggest more employee involvement and thus more positive workplace perceptions, we feel that this is an important area of future research.

A limitation of this study is that we were limited to employee perceptions of effectiveness. Further study using managers and on-site employees could investigate effectiveness beyond what we have set out here.

The literature review included in this paper gives extensive reasons why a coaching approach to management can lead to a more positive and effective workplace environment. Our results contribute to the managerial literature by documenting that employees clearly perceive managerial effectiveness to be higher when a leader is perceived to be a coach (or primarily a coach) than when the leader is perceived to be a traditional manager.

## Endnotes

<sup>1</sup> Reported analyses were done using t-tests and ANOVA analysis. Results are robust using chi-square analysis and different groupings of participants.

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## BOOK REVIEW

***Followership: How Followers Are Creating Change and Changing Leaders*, by Barbara Kellerman. (2008)**

**Published by: Harvard Business School Press. Boston, MA.**

**Cost: \$29.95, Pages: 336**

***The Art of Followership: How Great Followers Create Great Leaders and Organizations*, edited by Ronald E. Riggio, Ira Chaleff, and Jean Lipman-Blumen. (2008)**

**Published by: Jossey-Bass. San Francisco, CA.**

**Cost: \$58.00, Pages: 416**

**Reviewed by Craig Johnson, Professor of Leadership Studies,  
George Fox University, Newberg, OR.**

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Followers generally act as the silent partners in the leader-follower relationship. Leaders receive nearly all the credit or blame for organizational success and failure. Billions are spent on leadership development, very little on followership development. The body of followership literature is tiny when compared to the theory and research generated by leadership (Baker, 2007).

Two recent books signal that followers will have a greater voice in leadership studies and practice in the years to come. *Followership: How Followers are Creating Change and Changing Leaders*, by Harvard political scientist Barbara Kellerman, highlights the growing importance of followers. *The Art of Followership: How Great Followers Create Great Organizations and Leaders*, edited by Ronald Riggio, Ira Chaleff, and Jean Lipman-Blumen, is a collection of articles largely drawn from the 2006 Rethinking Followership conference sponsored by Claremont McKenna's Kravis Leadership Institute and the

Claremont Graduate University's Peter F. Drucker and Masatoshi Ito Graduate School of Management.

Readers of Kellerman's last book, *Bad Leadership* (2004), will find that *Followership* has a similar structure: (1) extended introduction (including a typology), (2) description of archetypes, and (3) concluding reflections. In the first section of this work, Kellerman explores the changing dynamics of the leader-follower relationship. Followers are gaining power at the same time as leaders are losing influence. She attributes this shift to the egalitarian spirit of the 1960s and the ongoing information revolution. She offers a variety of examples to support her argument that followers have been emboldened, including Paul Wolfowitz's ouster as president of the World Bank, shareholder rebellions, and political revolutions in the Ukraine, Nepa, and Lebanon. Kellerman then reviews existing follower typologies and offers one of her own based on the follower's level of engagement with the leader. Isolates are completely withdrawn and detached. Bystanders are observers who remain neutral. Participants invest themselves in supporting or resisting their leaders. Activists are highly engaged in working on behalf or against their leaders. Diehards are willing to take great risks because they are devoted to, or strongly opposed to, their leaders.

Kellerman devotes the second part of *Followership* to demonstrating how bystander, participant, activist, and diehard followers behave in real life settings. Archetypes in this section include ordinary German citizens who stood by during the Holocaust; Merck employees who participated in the development of the discredited drug Vioxx; Catholic lay activists who forced out Boston Bishop Bernard Law during the priest child sex abuse scandal; and soldiers who risked their lives in Operation Anaconda, a failed mission to root out Taliban and Al Qaeda forces in Afghanistan.

In the final section, Kellerman looks to the future of the leader/follower relationship. She argues that the influence of followers will continue to grow and offers criteria for distinguishing between good and bad followers. Willingness to engage is not sufficient by itself to make a follower "good." Instead, engagement must be directed to moral ends, to the public interest instead of selfish interests.

Kellerman concludes with a call for broadening the field of leadership studies to include followership. Incorporating followership into leadership will take (a) raising consciousness about the importance of followers, and (b) greater emphasis on follower education.

*The Art of Followership* is evidence that the field of leadership studies is expanding to incorporate followers, as Kellerman urges. Riggio, Chaleff, and Lipman-Blumen believe that the Rethinking Followership conference marked the beginning of a new leadership subfield. Their goal is to introduce a wider audience to the ideas presented at this event. The readings that make up the first part of the collection present a variety of perspectives on the follower and followership constructs. Authors in this section share the conviction that followers are significant and function as partners with leaders. However, they agree on little else, starting with the use of the terms *follower* and *followership*. Robert Kelley, who is credited with starting the resurgence of interest in followers, describes his encounters with critics of this language but remains committed to these terms. Joseph Rost, on the other hand, believes that the follower label reflects an outmoded view of leadership and opts for such alternative terms as *collaborators*, *participants*, and *contributors* instead. Other authors in this section adopt the language of followership but suggest that followership can be variously described as a moral practice, a role, or a state/condition.

In the second part of the collection consultants, faculty, human resource professionals, and other practitioners describe their efforts to promote effective followership in such organizations as NASA, Georgetown University, and a professional services firm. Ira Chaleff summarizes his work on courageous followership in the opening chapter of this section. Several of the subsequent readings draw from Chaleff's work and address the ethical responsibilities of followers. The third part of *The Art of Followership* examines the dilemmas faced by followers who find themselves paired with toxic leaders. In this portion of the book, Jean Lipman-Blumen, Michael Maccoby, and Thomas Blass suggest that followers support bad leaders out of anxiety, fear, illusion, destructive obedience,

and other psychological factors. C. Fred Alford highlights the ways that organizations destroy whistleblowers.

The fourth and final section of this book focuses on research, practice, and future developments in followership studies. Robert Lord examines the impact of cognitive schemas on leadership processes, and Michael Hogg applies social identity theory to isolate the optimal conditions for effective followership. The collection ends with a post-structuralist analysis of the power of followers to resist leaders, and the application of authentic leadership development theory to building authentic (psychologically invested, trusting, transparent) followers.

*Followership* and *The Art of Followership* address a significant gap in the leadership literature by highlighting the importance of followers. They should appeal to both popular and academic audiences and, as a result, will introduce both leadership scholars and practitioners to followership studies. However, both volumes highlight the difficulties facing those interested in studying and promoting effective followership. Not only are the labels *follower* and *followership* controversial, but also there is no widely accepted definition of what these terms mean. In addition, there is a paucity of followership theory and research. Contributors in the last section of *The Art of Followership* incorporate followership into existing theories, such as social cognition, societal identity, and authentic leadership development. Other writers, on the other hand, provide little in the way of theory or empirical evidence to justify their conclusions. This is especially evident when it comes to categorizing followers. Barbara Kellerman distinguishes followers based on their level of engagement. Robert Kelley categorizes followers based both on their level of engagement and their willingness to engage in independent thinking. Ira Chaleff identifies four followership styles based on the degree to which followers support and challenge their leaders. Evidence for the validity of these typologies is largely circumstantial, coming out of informal surveys, personal experience, observation, and analysis.

Both works should spark a good deal of discussion and debate. Not all readers will be convinced, as Kellerman is, that followers are wielding increasing power. The global economic crisis appears to belie her argument that followers

are a growing force, for instance. Many citizens feel powerless in the face of events they cannot understand or control. They have been dependent on political leaders to stem the crisis. Readers may also take issue with the arguments of several of the contributors to *The Art of Followership*. Several chapters appear to be particularly provocative, including Rost's attack on the language of the field, Lipman-Blumen's discussion of the sources of toxic followership, and Alford's reflections on the "sacred" and "dreadful" nature of organizations that punish dissenters. The dialogue generated by these two books will focus additional attention on followers, giving greater voice to a group that has largely been silenced until now.

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