

# International Leadership Journal

Winter 2021  
VOLUME 13, ISSUE 1

*A refereed, online journal  
published thrice yearly by TST, Inc.*

## IN THIS ISSUE

### ARTICLES

The Role of Organizational Support in Followership Skills Development

*Seth Akhilele, Maurice Buford, Mark R. Shannon, and Bruce E. Winston*

Leadership Style and SME Sustainability in Nigeria: A Multiple-Case Study

*Vincent Okeke, Daphne Halkia, and Kenneth Levitt*

Board–CEO Fit: Is There a Need for Agents and Stewards to Match the Principal?

*Kanu Priya*

Overcoming the Three Great Untruths: Developing Leaders Amidst the Coddling of the American Mind

*Jeffrey L. McClellan*

### CASE STUDY

An Internationally Based American Entrepreneur and Expansion Challenges in the United States

*Chris Kimble, Jane Ives, Sarah Smith Orr, and Martin H. Sours*

### ESSAYS

Business Continuity Planning Actually Works!

*Giulia Rizzo*

E-Coaching: Building Better Employee Soft Skills

*Joseph C. Santora*

## **International Leadership Journal**

### **Contents**

#### **Volume 13, Issue 1, Winter 2021**

From the Editor

*Joseph C. Santora* .....2

#### **ARTICLES**

The Role of Organizational Support in Followership Skills Development

*Seth Akhilele, Maurice Buford, Mark R. Shannon, and Bruce E. Winston* .....3

Leadership Style and SME Sustainability in Nigeria: A Multiple-Case Study

*Vincent Okeke, Daphne Halkia, and Kenneth Levitt*.....17

Board–CEO Fit: Is There a Need for Agents and Stewards to Match the Principal?

*Kanu Priya* .....47

Overcoming the Three Great Untruths: Developing Leaders Amidst the Coddling of the American Mind

*Jeffrey L. McClellan* .....66

#### **CASE STUDY**

An Internationally Based American Entrepreneur and Expansion Challenges in the United States

*Chris Kimble, Jane Ives, Sarah Smith Orr, and Martin H. Sours*.....93

#### **ESSAYS**

Business Continuity Planning Actually Works!

*Giulia Rizzo* .....117

E-Coaching: Building Better Employee Soft Skills

*Joseph C. Santora* .....120

**From the Editor**

February 2021

Welcome to the 38<sup>th</sup> issue of the *International Leadership Journal*, an online, peer-reviewed journal. As we continue to deal with the COVID-19 pandemic both personally and professionally in our organizations, I hope that you all are safe and healthy.

This issue contains four articles, one case study, and two essays. In the first article, Akhilele, Buford, Shannon, and Winston investigated how organizational support plays a positive role in followership skills development. The results of their study of 12 senior training program leaders in Nigeria indicate that follower skills development is not as common as leadership development. While they identify 27 followership skills, they indicate that leaders need to develop followership first before developing the skills.

Okeke, Halkias, and Levitt, whose study also took place in Nigeria, explored the experiences of small and medium enterprise (SME) owner-managers to gain an in-depth understanding of their leadership style and its implication for the long-term performance and growth of their enterprises. Their study showed that Nigerian SME owner-managers do not follow specific leadership styles, instead exhibiting a few characteristics of transformational and transactional leadership, leaning toward transactional leadership.

Combining cognitive research with the agency and stewardship paradigm, Priya explored the need for fit/match between the board of directors and the CEO and the possible consequences for the CEO and the organization without it. She provides a four-quadrant model of board-CEO fit that outlines the possible consequences of a mismatch between the two to elucidate the mechanisms that contribute to effective performance of CEOs and retention of competent and quality leaders.

In the final article, McClellan explains how three great untruths—what doesn't kill you weakens you, trust your feelings, and life is a battle between good and evil people—are creating an impact on higher education. He notes that educators and higher education leaders in higher education need to help students understand how these untruths limit their development, assist in altering their mindsets, encourage effective coping practices, and model the way to foster hardy, outward-oriented mindsets.

In their case study, Kimble, Ives, Orr, and Sours profile Trans-Technology Pte. Ltd. (Trans-Tec), its entrepreneurial founder/leader, and its growth, with a focus on the business disciplines of entrepreneurship and innovation, strategic management, global business, and cross-cultural leadership/management.

In the first essay, Rizzo presents research showing that the establishment of a business continuity plan translates into a greater ability to deal with crises. In my essay, I promote the idea of e-coaching as the new normal for improving the development of soft management and leadership skills required by employees.

Please spread the word about *ILJ* to interested academics and practitioners and remember to visit <http://internationalleadershipjournal.com>. Also, feel free to propose a topic and be a guest editor of a special issue by contacting me at [jcsantora1@gmail.com](mailto:jcsantora1@gmail.com).

Joseph C. Santora, EdD  
Editor

## ARTICLES

### **The Role of Organizational Support in Followership Skills Development\*†**

**Seth Akhilele, Maurice Buford, Mark R. Shannon, Bruce E. Winston**  
Regent University

This qualitative study sought to answer how organizational support plays a positive role in followership skills development. In-depth interview data collected from 12 senior training program leaders from Lagos, Ibadan, and Abuja, Nigeria, not only answered the question but provided an interesting problem that warrants additional study. We learned that follower skills development is not as common as leadership development. Participants collectively described 27 important followership skills. What was unexpected was that participants said that their organizations had difficulties with subordinates following the leaders. Thus, organizational leadership should develop followership, then focus on the 27 followership behaviors.

**Key words:** difficulty in following, employee development, followership, leadership, Nigeria, qualitative research

Little research exists on the role of organizational support in followership skills development. Among the limited number of studies, Nguyen and Seung-Wan (2018) determined that followership skill is a vital mediator of the relationship between follower creativity and servant leadership. Nguyen and Seung-Wan found that perception of organizational support (POS) had a moderating mediating role, and that employees with high levels of POS demonstrated higher levels of creativity under the supervision of servant leaders. Nguyen and Seung-Wan posit that employees in a supportive work environment in which they feel they receive individualized care demonstrate enhanced work-related competence. Latour and Rast (2004) suggest that followers develop, in part, by observing their leaders' behaviors. This led Nguyen and Seung-Wan (2018) to study servant leadership's role, moderated by POS, on followers' attitudes and behaviors. Maertz et al. (2007) determined that POS had a negative impact on employees' turnover.

---

\*To cite this article: Akhilele, S., Buford, M., Shannon, M. R., & Winston, B. E. (2021). The role of organizational support in followership skills development. *International Leadership Journal*, 13(1), 3–16.

†Authors' Note: This data in this manuscript is from Seth Akhilele's dissertation, which exists in ProQuest.

While Latour and Rast's (2004), Nguyen and Seung-Wan's (2018), and Maertz et al.'s (2007) studies provide evidence of POS's positive relationship with follower skills development and continuance, there have been no studies to explain how organizational support plays that positive role in followership skills development. To this end, this current research project consisted of a qualitative case study of 12 training managers from Lagos, Ibadan, and Abuja, Nigeria.

According to Hughes et al. (1999) and Stephen and Lynne (1990), organizational support for followership skills development should include support for: (a) interpersonal communication, (b) problem-solving skills, (c) information gathering, (d) coping with change, and (e) conflict management. The quantitative research cited above led to the following qualitative research question.

*How does organizational support play a positive role in followership skills development?*

To answer the research question, we used a case study approach asking four in-depth interview questions of 12 senior training department managers in Lagos, Ibadan, and Abuja, Nigeria. Table 1 shows the questions that we asked each of the 12 participants, along with the literature base and rationale for each question.

**Table 1: Interview Questions, Source, and Rationale**

Interview Question	Source and Rationale
What do you understand followership skills to mean?	Latour & Rast (2004) Rationale: Probe on leaders' or organizations' understanding of followership skills
Does your organization train for skills to become a leader, to follow well, or to perform better on the assigned task?	Nguyen & Seung-Wan (2018) Rationale: Explore how much they know of followership skills
Why, in your opinion, do you think your organization would be concerned about leadership skills development and not followership skills?	Latour & Rast (2004) Rationale: Depth of awareness of followership skills
Please explain from experience if you think there might be skills to lead and follow in an organization.	Latour & Rast (2004) Rationale: Determination of organizational support

## **Methods and Procedures**

The two selection criteria for study participants were that they (a) should be HR/training personnel, and (b) must be authorized to represent their organization in this study. There was a formal request for the participants' involvement through e-mail correspondence. Once established that there was interest to participate, each participant completed and returned a consent form. Participants identified and confirmed their preferred date and time for the interviews via e-mail.

## **Data Collection**

The data collection method for this study was an in-depth interview procedure. Isaac (2014) describes it as focusing on a much-reduced topic, using a small number of questions yet seeking comprehensive descriptions from the interviewee. Open-ended questions helped initiate relevant, thoughtful, and detailed responses from interviewees (Patton, 2015). The interview sessions were recorded using Zoom, a web-based conference application.

## **Data Analysis**

Qualitative data analysis involves reducing large amounts of raw data into findings for identifying themes and patterns (Patton, 2015). These themes and patterns communicate the essence and meaning generated from the information gained (Patton, 2015). The data analysis was accomplished through qualitative descriptive coding using a manual approach (Saldana, 2016). Saldana (2016) claims that coding searches for patterns, which are data that occur more than twice. Saldana argues that descriptive coding helps to summarize ideas and concepts. Descriptive coding involves the first-cycle coding of reading through the collected data. Following the initial coding and frequency counts, code results are assembled in groups of codes known as themes (Saldana, 2016).

This current study used Moustakas's (1994) following method for analyzing transcriptions as a modification of the van Kaam method of analysis of phenomenological data in its entirety.

- List and make a preliminary grouping.
- Reduce and eliminate.

- Determine invariant constituents.
- Cluster and thematize the invariant constituents.
- Perform a final identification of the invariant constituents and themes by application.
- Use the relevant, validated invariant elements and themes, construct for each co-researcher an individual textual description of the experience.
- Construct for each co-researcher an individual structural description of the experience based on the individual textual description and imaginative variation.
- Construct for each research participant a textual-structural description of the meanings and essences of the experience, incorporating the invariant constituents and themes, and
- Develop a composite description of the meanings and essences of the experience, representing the group, from the individual textual-structural descriptions (Saldana, 2016, 198).

## Results

For confidentiality and anonymity, each participant was given a pseudonym. Twelve people participated in the study: five women and seven men. The federal agencies included five federal ministries and seven federal-owned parastatals.

**Table 1: Participant Demographic Information**

Pseudonym	Gender	Location
Moe	F	Lagos
Peace	F	Lagos
Amos	M	Lagos
Rock	M	Lagos
Love	F	Lagos
Kindness	M	Lagos
Philip	M	Ibadan
Favor	F	Lagos
Ruben	M	Abuja
Fone	F	Lagos
Peter	M	Abuja
John	M	Abuja

Following are the four interview questions, the responses of some of the participants, and the codes/themes for all 12 participants for each question.<sup>1</sup>

### Interview Question 1 and Participant Responses

What do you understand followership skills to mean?

Moe: I looked at the two words and their meanings. *Following* means to follow somebody who is a leader [follow] and who had to probably obey and defer to somebody else, that is basically who a follower is [someone who obeys; who defers to somebody]. *Skills* have to do with the ability of the follower [ability to follow]. So, the person's kind of ability in terms of being able to be a subordinate may be different from that of somebody else [ability to follow]. In learning how to follow [learning to follow], you help the new employee by attaching him/her to an older hand so that they can learn on the job because the ability to follow is critical [ability to follow].

Peace: I want to believe that it means the ability [the ability to follow] for an individual to be able to follow whatever the leader or organization wants [follow]. It is about leadership being able to get people to buy into the vision or the goal that it has set. Followership skills are not common. We get to hear things about coaching and mentoring, but *followership skills* as it is in this place is not a common phrase.

Amos: Followership skill is not popular in this part of the world because what people are used to majorly is leadership. *Followership skill* is supposed to be the opposite in meaning of leadership skills. It is the ability to act in a subordinate role [subordinate role]. My definition of *followership* is that of someone playing a subordinate position [subordinate role].

**Themes Derived From the Coding Process.** The codes in the first category showed how participants see followership and included (a) follow (11), (b) ability to follow (6), (c) who defer to somebody (1), (d) who obeys someone (1), (e) learning to follow (1), and (f) choice-driven (1). This cluster is named *ability to follow*. The codes in the second category showed how participants see followership skills and included (a) skills to help in a vision (3), (b) skills to be on the same page with the leader (3), (c) skills to help in a mission (1), and (d) skills to help in objectives (1). This cluster is named *following skills*. The codes in the third category showed how participants see skills relevant to tasks and included

---

<sup>1</sup>To receive a complete transcript of all 12 participants for each of the four interview questions, please contact the lead author.



skills relevant to tasks (3) and readiness to assist (2). This cluster is named *skills relevant to tasks*.

### Interview Question 2 and Participant Responses

Does your organization train for skills to become a leader, to follow well, or to perform better on the assigned task?

Rock: The one that often occur[s] is making you become a seasoned worker [skills for assigned tasks]. As an administrator, you become an experienced administrator [skills for assigned tasks]; if you are an engineer, we will teach you or send you on a course in your core area [skills for assigned tasks]. So, we train in core areas [skills for assigned tasks]. If you are a pilot, you go and learn more like a pilot [skills for assigned tasks]. As an HR person, you learn about HR [skills for assigned tasks]. There are various training[s] for job compliance [skills for assigned tasks]. We also train people to follow their superiors [followership skills], making you a seasoned worker [skills for assigned tasks]. One is supposed to understand everything. So, the one we do most is knowing everything [skills for assigned tasks]. We try to teach you how to follow your superiors or your leader [followership skills]. We train for core competence [skills for assigned tasks].

Love: Our training interest is on the assigned task [skills for assigned tasks]. We use ad-hoc staff.

Kindness: There is an emphasis on succession plan [leadership skills]. They are trained to take over the office at any point in time as the leader exits [leadership skills]. We have a train-the-trainer exercise [leadership skills]. There is the career development movement [skills for assigned tasks], and there is performance evaluation on the job [skills for assigned tasks]. We ensure that the officers are trained to deliver at their very best [skills for assigned tasks]. Also, we make sure that the subordinate could be asked to lead in the system at any point in time. So, the training encompasses skills development in preparing the subordinate to become a leader [leadership skills] and as well to deliver at his best [skills for assigned tasks].

**Themes Derived From the Coding Process.** The codes in the first category showed what organizations train for and included leadership skills (38). This cluster is named *leadership skills*. The second category's codes showed training for assigned task and included skills for an assigned task (24). This cluster is named *skills for the assigned task*. The codes in the third category showed training for followership skills and included followership skills (13). This cluster is named *followership skills*.

### Interview Question 3 and Participant Responses

Why, in your opinion, do you think your organization would be concerned about leadership skills development and followership skills?

Philip: Yes, they would be concerned more about leadership skills because they think we do not have good leaders [no good leaders]. Also, because they are ignorant of the two dimensions [ignorance]. They will not think about it because there is nothing from the perspective of the African man [culture]. I believe it is sheer ignorance [ignorance]. Why would I not think about it, it is because I am just ignorant of it [ignorance]. I do not know it exists [ignorance]. Why would I not think about angels? I have never seen one [ignorance]. I do not know whether angels exist [ignorance]. I have not seen one [ignorance]. We never think about followership because we have never believed it exists [ignorance]. We have never thought about it [ignorance]. Maybe we are not smart enough [not smart enough].

Favor: I will say it is not possible for you to be concerned about leadership skills and not be concerned about followership skills.

Ruben: In my opinion, we do the two. That is why I said all these questions are interrelated.

Fone: When they get it right with the leadership, the government thinks that the organization will be on the right path [the government thinks leadership is all that is required]. How do you think training the leaders will make you get it right? The government tries to enforce everything [the government believes in the use of force].

**Themes Derived From the Coding Process.** The codes in the first category showed why organizations are more concerned about leadership than followership and included (a) ignorance (10), (b) the belief that leaders solve every problem (1), (c) everybody thinks of leadership (1), (d) need leadership courses to manage difficult followers (1), (e) the government thinks only about leadership (1), (f) followers are remembered for replacement (1), (g) the use of old policies (1), (h) followers are talked about indirectly (1), (i) government organizations believe in the use of force (1), (j) rely on leaders for leadership skills (1), (k) train for gaps (1), (l) followers as the missing link (1), and (m) followers are overlooked. This cluster is named *organizational role*. The codes in the second category showed why organizations are more concerned about leadership than followership and included leaders are not smart (1) and no-good leaders (1). This cluster is named *the*

*leadership challenge*. The codes in the third category showed cultural reasons why organizations are more concerned about leadership than followership and included cultural reasons (1) and African culture (1). This cluster is named *cultural reasons*.

### Interview Question 4 and Participant Responses

Please explain from experience if you think there might be skills to lead and follow in an organization.

Fone: There are followership skills [there are followership skills]. However, they are not prominent: Some are as follows: discipline [discipline as followership skills], humility [followers' humility skills], and commitment to organizational values and goals [followers' commitment to organizational goals].

John: I think there are some necessary skills required for one to be able to work and follow [there are skills to follow]. Wherever your immediate superior is, one should have that much clarity of thoughts [followers' analytical skills]. Also, they should have the ability to comprehend any given situation [followers' analytical skills]. You also will expect somebody to have a good analytical mind [followers' analytical skills] and analyze situations [followers' analytical skills]. One can look at the immediate and future possibilities of certain things that could occur and advise accordingly [followers' analytical skills].

Peter: Followership is something that has not been given attention. I believe it is an area that we need to look into [there is a need to develop followership skills].

**Themes Derived From the Coding Process.** The codes in the first category showed that followership skills exist and included (a) there are followership skills (16), (b) need for followership skills (7), and (c) the best way to follow (2). This cluster is named *followership skills concept*. The codes in the second category showed followers' skill sets and included (a) humility skills (7), (b) analytical skills (5), (c) skills to study one's boss (4), (d) skill to understand the leader (4), (e) followers' listening skills (3), (f) followers' inquisitive skills (3), (g) skills for speed (3), (h) trust building (2), (i) understanding of work culture (2), (j) emotional intelligence skills (2), (k) communication skills (2), (l) integrity skills (2), (m) skills to study rules (2), (n) teachability skills (2), (1), (o) courage following skill (1), (p) accuracy skills (1), (q) report-writing skills (1), (r) loyalty skills (1), (s) good relationship skills (1), (t) commitment skills (1), (u) followers' discipline skills (1),

(v) work ethics (1), (w) followers' patience skills (1), and (x) skills to manage your leader (1). This cluster is named *followers' skill set*.

The codes in the third category showed that leaders' skills concepts exist and included (a) need for leadership skills (2), (b) leaders' interest on the job (1), (c) leaders' respect for personal goal (1), (d) leaders are rule abiding (1), (e) leaders' guides (1), (f) goal-oriented (1), (g) leaders protect (1), (h) leaders help followers to identify weaknesses (1), (i) skills to lead (1), (j) allows followers to participate (1), and (k) willingness to transfer knowledge (1). This cluster is named *leaders' skills concept*. The codes in the fourth category showed leaders' skill sets and included (a) leaders' emotional intelligence skills (7), (b) communication skills (5), (c) team-player skills (3), (d) policy management skills (3), (e) ability to identify followers' capabilities (3), (f) intelligence quotient skills (2), (g) listening skills (2), (h) skills for understanding followers (1), (i) task assignment skills (1), (j) truthfulness skills (1), (k) patience skills (1), (l) integrity skills (1), and (m) meticulous skills (1). This cluster is named *leaders' skill sets*.

## Themes

Themes from the first question include (a) ability to follow (20), (b) following skills (8), and (c) skills relevant to tasks (5). Themes from the second question include (a) leadership skills (38), (b) skills for assigned tasks (24), and followership skills (13). Themes from the third question include (a) organizational role (21), (b) the leadership challenge (2), and (c) cultural reasons (1). Themes from the fourth question include (a) followership skill sets (26), (b) followership concept (25), (c) leadership skills concept (13), and (d) leadership skill sets (13).

## Discussion

The qualitative data provided the following answer to the research question:

Organizational support shows leaders' concern for and interest in followers' performance. Organizations must seek a concerted effort of both leaders and followers to achieve the organization's goals.

While we set out to learn how POS plays a positive role in followership skills, unanticipated results emerged. From the results of this study, we concluded that (a) organizations have difficulties with subordinates following, (b) most responses showed more emphasis on leadership skills in organizations, (c) participants' responses indicate that organizations support leadership more than followership development, and (d) participants' responses showed the existence of a followership concept.

### **Organizations' Difficulties with Subordinates' Following**

The study showed that most participants indicate that organizations have difficulties with subordinates following. This finding is in line with Gardner (1990), who argues that, apart from leaders' failures, there are also individual and collective failures among followers. Stephen and Lynne (1990) argue that followers possess apathy, cynicism, passivity, and spectator-like noninvolvement attitude. Stephen and Lynne state that when followers feel unappreciated or treated as inferiors, they tend to act as if they are very unimportant. They add that this notion would make followers withhold honest opinions, cover up problems, and avoid taking extra responsibilities. They believe that if this type of attitude spreads, it could lead to low morale, lack of productivity, and loss of human potential. It undoubtedly makes them difficult to handle in the organization. Stephen and Lynne also recount the experience of a follower: "When we feel unmotivated, they send our supervisor to a class on motivation. Why are they not helping us get the skills we need to stay productive?" (19). All these sentiments shared by followers could make them very difficult to manage in any organization. Having established this fact about the difficulty followers could cause in organizations, one could advocate for them to be given more attention in terms of training and motivation.

### **Leadership Skills**

The participants noted that their organizations emphasized leadership skills development more than followership skills development. This result supports Stephen and Lynne's (1990) study that there is much research on leadership skills development and less on followership development. Ghislieri et al. (2015)

corroborate this view, arguing that followership is a pervasive but understudied phenomenon. Ghislieri et al. also claim that an increasing number of scholars have argued that followers are a precondition for successful organizations, yet followership has received scant attention in the literature.

### **Organizational Support (Role)**

Participants in this study noted that followers do not receive the necessary support for followership skills development. Some participants were not certain if support existed for followership skills development.

### **Followership Skill Set**

Participants' comments support the notion that a followership skills concept exists.

They identified the followership skills needed for a successful organization:

- humility skills,
- analytical skills,
- skills to study one's boss,
- skill to understand the leader,
- followers' listening skills,
- followers' inquisitive skills,
- skills for speed,
- trust building,
- understanding of work culture,
- emotional intelligence skills,
- communication skills,
- integrity skills,
- skills to study rules,
- teachability skills,
- courage following skill,
- accuracy skills,
- report-writing skills,
- loyalty skills,
- good relationship skills,
- commitment skills,
- followers' discipline skills,
- work ethics,
- followers' patience skills,
- skills to manage your leader,
- skills to help in vision,
- skills to help in mission, and
- skills to be on the same page.

Some followership skills, such as trust-building skills, loyalty skills, courage following skills, good relationship skills, and integrity skills corroborate Latour and Rast's (2004) empowerment. They believe in followers displaying loyalty, functioning well in teams, showing integrity, communicating courageously, and building trust skills.

The study results also showed that communication skills and report-writing skills corroborates Stephen and Lynne's (1990) claim that interpersonal communication and information-gathering skills empower followers to function correctly in organizations.

## **Conclusion**

### **Value of Findings to Practitioners/Overall Importance of the Study**

First, the study indicates that organizations could have difficulty with their followers' ability to follow. What this implies for organizational stakeholders is how these followers get trained, just like the leaders. These trainings may now assist followers to overcome the identified challenges the organizations have with them. So, one can say that organizations should identify gaps in followership abilities and recommend them for training. Part of the development training should emphasize the importance of followership and help employees develop a positive view of being followers.

Second, since the study suggests that followership skills development does not receive expected support, organizations may now see it as essential and pay attention. It is essential because it takes both leaders and followers to accomplish organizational goals (Stephen & Lynne, 1990). One can suggest that organizations should deliberately make followership skills training plans just as they do for leadership skills development. What is important is that organizations should have policies backing the support of followership skills development.

Third, organizations that may not have known that the concept of followership skills exists could take advantage of this study. The study brought to light some followership skills.

### **Limitation of the Study**

There may be a limitation generalizing the study results to private institutions domiciled in Nigeria and beyond. Though the study was for some selected federal agencies, this may become a limitation as one thinks of other organizations.

## Recommendations for Future Research

As the subject of followership continues to grow, one would recommend first to replicate this study using a different group of participants from private-sector organizations across Nigeria. More research on the followership skills may lead to an instrument that measures the amount of each skill present in a follower.

## References

- Gardner, J. W. (1990). *On leadership*. The Free Press.
- Ghislieri, C., Gatti, P., & Cortese, C. G. (2015). Followers' active engagement: Between personal and organizational dimensions. *BPA—Applied Psychology Bulletin*, 62(270), 2–11.
- Hughes, R. L., Ginnett, R. C., & Curphy, G. J. (1999). *Leadership: Enhancing the lessons of experience* (3<sup>rd</sup> ed.). Irwin/McGraw-Hill.
- Isaac, A. N. (2014). An overview of qualitative research methodology for public health researchers. *International Journal of Medicine & Public Health*, 4(4), 318–323.
- Latour, S. M., & Rast, V. J. (2004). Dynamic followership: The prerequisite for effective leadership. *Air and Space Power Journal*, 18(4), 102–110.
- Maertz, C. P., Griffeth, R. W., Campbell, N. S., & Allen, D. G. (2007). The effects of perceived organizational support and perceived supervisor support on employee turnover. *Journal of Organizational Behavior*, 28(8), 1059–1075. <https://doi.org/10.1002/job.472>
- Moustakas, C. E. (1994). *Phenomenological research methods*. SAGE.
- Nguyen, P. H. T., & Seung-Wan, K. (2018). Servant leadership and follower creativity via competence: A moderated mediation role of perceived organizational support. *Journal of Pacific Rim Psychology*, 12(e32), 1–11.
- Patton, M. Q. (2015). *Qualitative research and evaluation methods*. SAGE.
- Saldana, J. (2016). *The coding manual for qualitative researchers*. SAGE.



Stephen, C. L., & Lynne, C. L. (1990). Beyond leadership: The importance of followership. *Futurist*, 24, 18–24.

Seth Akhilele, PhD, provides organizational support in leadership and followership development as the director general of J&J Integrated Konsult and lead facilitator for the Followership Development Institute (FDi). He holds a PhD in Organizational Leadership from Regent University and an MBA from Business School Netherland. His research interests include followership, workplace spirituality and cross-cultural leadership. He can be reached at [sakhilele@gmail.com](mailto:sakhilele@gmail.com).

Maurice A. Buford, PhD, holds a PhD in Organizational Leadership, Doctor of Ministry and Master of Divinity degrees, a Certificate of Advanced Graduate Studies in Human Resource Development, and a Bachelor of Science. Some of his publications include *The Nathan Factor: The Art of Speaking Truth to Power*, *Servant Leadership in the AME Church: Reality, Rhetoric, or Repair?*, *The Power of a Praying Worker*, *The Phenomenological Steps of a Servant Leader*, *The Servant Way: Leadership Principles* from John A. Lejeune and *Bold Followership: A Biblical Cure for Organizational Toxicity*. His research interests include servant leadership, followership, and emotional intelligence. He can be reached at [MauriceBuford@aol.com](mailto:MauriceBuford@aol.com).

Mark R. Shannon, PhD, holds a PhD in Organizational Leadership. He is a management and leadership professor and the director of the MBA and Master of Science in Strategic Leadership programs at Oklahoma Wesleyan University. He is also a professor at Regent University in the School of Business and Leadership. His research interests include authentic leadership and development, leadership coaching, organizational leadership, and ethical leadership theories. He can be reached at [DrMarkShannon@mail.com](mailto:DrMarkShannon@mail.com).

Bruce E. Winston, PhD, has been a part of Regent University since 1991, both with the School of Business and the School of Business and Leadership (SBL). He led the SBL as dean for seven years and currently serves as a professor of business and leadership and as the director of the PhD in Organizational Leadership program. His research interests include servant leadership, organizational development and transformation, leadership development, distance education, and technology in higher education. He can be reached at [brucwin@regent.edu](mailto:brucwin@regent.edu).

## **Leadership Style and SME Sustainability in Nigeria: A Multiple-Case Study\***

**Vincent Okeke  
Walden University**

**Daphne Halkias  
International School of Management Paris**

**Kenneth Levitt  
Frostburg State University**

The purpose of this qualitative multiple-case study was to explore the experiences of small and medium enterprise (SME) owner-managers in Nigeria to gain an in-depth understanding of their leadership style and its implication for the long-term performance and growth of their enterprises. The conceptual framework was anchored in two key concepts: leadership styles and leadership in SMEs, with the full range leadership model as the theoretical foundation. The research question sought to explore SME owners-managers' experiences regarding leadership styles and their implications for the long-term success of their enterprises. Interview data were collected from six SME owner-managers who employ fewer than 200 persons within the manufacturing, education, and trading sectors. The cross-case synthesis technique was used for data analysis, which allowed for within-case analysis and cross-case comparisons. This study showed that Nigerian SME owner-managers do not follow any specific leadership style. They exhibited a few characteristics of transformational and transactional leadership behaviors, leaning more toward transactional leadership. This study has significance for positive social change by providing insights into how leadership styles can improve Nigerian SMEs' performance and sustainability, thus increasing their capacity to create employment.

**Key words:** enterprise growth, leadership models, leadership in SMEs, leadership style, long-term performance, owner-managers, positive social change, sustainability, transactional leadership, transformational leadership

Despite the large body of research regarding the phenomenon of leadership style and its implications for organizational performance in large firms (Boehma et al., 2015; Boies et al., 2015), leadership style in small and medium enterprises (SMEs) remains an under-researched area of inquiry (Franco & Matos, 2015). This neglect is because of the faulty conception that SMEs are merely miniature versions of large firms (Carson, 1990; Darcy et al., 2014). Following a resource-based view, Darcy et al. (2014) found that SMEs' internal human resource capabilities are

---

\*To cite this article: Okeke, V., Halkias, D., & Levitt, K. (2021). Leadership style and SME sustainability in Nigeria: A multiple-case study. *International Leadership Journal*, 13(1), 17–46.

characteristically different from that of large firms. The strategic behavior of SME owner–managers is a defining characteristic of the leadership process within SME firms. In Nigeria, SMEs (including micro-enterprises) constitute the largest number of business enterprises, but their slow pace of growth and lack of sustainability limit their overall contribution to Nigeria's GDP (Gbandi & Amissah, 2014; Ikharehon & Briggs, 2016). The current study is imperative because the few existing studies on leadership in Nigerian SMEs (Abdullahi & Sulaiman, 2015; Longe, 2014) were not exploratory and, thus, do not understand the nature of leadership styles in Nigerian SMEs.

## Conceptual Framework

This study's conceptual framework was grounded in Bass's (1997) concept of *leadership style* and Franco and Mato's (2015) concept of *leadership in SMEs*. The full range leadership model (FRLM; Avolio & Bass, 1991) was a theoretical foundation for this study. The FRLM is comprised of transformational, transactional, and laissez-faire leadership theories. In a recent study, Franco and Matos, using the FRLM as a theoretical foundation, conceptualize *leadership* as the process of getting others to understand what needs to be done and how to get it done more effectively. The authors argue that leadership in SMEs depends on the SMEs' organizational contexts and is characteristically different from what is observed in large firms.

## Literature Review

The literature search scope covered peer-reviewed journal articles within the study's broad and specific areas, as reflected in the fundamental research concepts and methodology. The keywords and phrases used for the database search were *leadership styles*, *leadership in SMEs*, *organizational performance*, and *SMEs' sustainability*.

## Leadership Styles

*Leadership style* has been described as the manner that a leader uses to influence followers to achieve set objectives (Burns, 1978; Nanjundeswaraswamy &

Swamy, 2015), and it is seen as the most critical factor that drives organizational performance and sustainability (Almatrooshi et al., 2016; Grobler & du Plessis, 2016). Some researchers disagree with the conceptualization of leadership styles (Beyer, 1999), while some insist that personality (Deichmann & Stam, 2015; Jina et al., 2015), the essence of leadership, and its adaptability are the more critical factors in the leadership process (Silva, 2014; Yukl, 1999). There are also criticisms regarding the overwhelming influence of a researcher's ideological beliefs (Alvesson & Karreman, 2016), which have led to a multiplicity of opinions on the relevance of leadership for organizational outcomes.

Leadership styles are often used interchangeably with the underlying leadership theories. Several leadership theories exist in the management literature. Dinh et al. (2014) presented a typology of leadership theories and examined their use within the top 10 management journals, and they concluded that the neo-charismatic theories (transformational, charismatic, and transactional) were the most widely used in management and leadership research. The FRLM includes two of these neo-charismatic theories: transactional leadership and transformational leadership. The third theory, charismatic leadership, is seen to be very closely related to transformational leadership principles (Boehma et al., 2015).

*Transformational leadership theory* explains how leaders drive followers beyond personal interests using four tools: idealized influence, inspirational motivation, intellectual stimulation, and individualized considerations (Bass, 1985). *Idealized influence* reflects the leader's charisma and how this charisma is used to influence a high-performance work attitude in followers (Bass, 1999). *Inspirational motivation* connotes the degree to which a leader can articulate a vision and use that vision to inspire followers to strive for higher performance (Bass, 1999). *Intellectual stimulation* reflects a leader's ability to bring out the cognitive and creative potential of followers (Bass, 1999). *Individualized considerations* reflect the degree to which a leader can mentor followers, addressing their needs from personalized perspectives to enhance their performance (Bass, 1999).

*Transactional leadership theory* focuses on improving organizational productivity by getting followers to accomplish assigned tasks and achieve established goals

(Bass, 1985; Burns, 1978). In return, transactional leaders provide tangible rewards and assurances to followers on the achievement of self-interests, thereby reducing work-related anxiety. There are three dimensions of transactional leadership: *contingent reward*, in which employees are rewarded for meeting or surpassing set targets (Bass & Avolio, 1995); *management by exception actively*, in which leaders are actively involved in helping and monitoring followers for increased performance (Bass & Avolio, 1995); and *management by exception passively*, in which leaders support followers only when a problem arises (Bass & Avolio, 1995).

Unlike transformational and transactional leadership, a *passive-avoidant leader* does not demonstrate any specific form of leadership style (Antonakis et al., 2003; Avolio & Bass, 2004; Bass, 1999) and does not engender positive relationships with followers. Avolio and Bass (1991) identified two elements of passive-avoidant leadership: the *laissez-faire leadership style*, in which the leader exhibits an attitude of indifference toward employees and their tasks (Avolio & Bass, 1991); and *management by exception*, in which the leader applies punitive corrective measures in response to employees' deviations (Avolio & Bass, 1991).

Notwithstanding the criticisms regarding the relevance of leadership style, there is evidence in the literature suggesting that some positive organizational outcomes are attributable to the style of leadership (Nanjundeswaraswamy & Swamy, 2015; Ozer & Tinaztepe, 2014) and that some specific leadership attributes have varying levels of influence on organizational performance (Chollet et al., 2014). Also, evidence in the literature suggests that the three leadership styles in the FRLM have universal applicability and acceptance (Bass, 1997) and are seen to positively influence the performance and growth of SMEs (Asiimwe et al., 2016; Linge et al., 2016).

### **Leadership in SMEs**

The quality of leadership in SMEs is low compared to larger organizations (Arasti et al., 2014; Quan, 2015). SMEs typically operate with limited resources, such that leadership quality and style become key variables for stimulating organizational commitment (Pyngavil, 2015; Quan, 2015) and achieving positive organizational

outcomes (Garavan et al., 2016). The few studies on leadership in SMEs suggest the existence of different dimensions of leadership across different cultures. The leadership styles found to be dominant among SMEs in specific cultures are as follows: India, autocratic leadership (Pyngavil, 2015); Turkey, transformational and transactional leadership (Ozer & Tinaztepe, 2014); the Netherlands, democratic leadership (Mihai, 2015; Mihai et al., 2017); Romania, democratic leadership (Mihai et al., 2017); Malaysia, transformational leadership (Tajasom et al., 2015); Saudi Arabia, transactional leadership (Albloshi & Nawar, 2015); and Portugal, transformational and transactional leadership (Franco & Matos, 2015). With the multiplicity of leadership styles, it is reasonable to say that there are no best leadership styles. In practice, leaders may align more with a particular leadership style and less with others, especially in SMEs where leadership styles depend primarily on the SMEs' operating environments and geographical locations (Franco & Matos, 2015).

## **Method**

The research method used for this study was the multiple-case study design. Stake (2013) established that, though the multiple-case study design may not be suitable for all research purposes, it is an appropriate methodology for studies advancing the generation of theory (Eisenhardt & Graebner, 2007). Using a multiple-case study design, the researcher must first establish the unit of analysis, a person, event, organization, or another unit (Noor, 2008). The unit of analysis for this multiple-case study was the SME firm, and each SME firm selected was treated as a single case. To meet the study's selection criteria, the SME had to be owner-managed and employ 10 to 199 persons (Small and Medium Enterprises Development Agency of Nigeria [SMEDAN], 2013). Six SME firms that met the selection criteria were used in the study. For a multiple-case study, Yin (2017) recommends using six to ten cases, while Halkias and Neubert (2020) argue that five to ten participants are sufficient for a qualitative study because larger samples will not allow for an in-depth investigation of the phenomenon of interest.

The location for this study was Port Harcourt, Nigeria. The six SMEs that participated in the study were selected from the manufacturing, education, and wholesale/retail trade sectors, which account for more than 75% of SMEs in Nigeria (SMEDAN, 2013). Two SMEs were selected from each of the three sectors based on the purposeful sampling technique (Maxwell, 2013) and the snowballing selection strategy (Merriam & Tisdell, 2015). The purposeful sampling technique is used in qualitative research because it generates information of the most significant utility (Finfgeld-Connett, 2014) from individuals' lived experiences on the phenomenon under investigation (Baskarada, 2014). The snowballing selection strategy involved asking participants who met the selection criteria to provide references for other participants who would also meet the selection criteria.

### **Instrument**

The main instrument for data collection was semi-structured interviews. McIntosh and Morse (2015) recommend using semi-structured interviews over structured interviews because the former ensure a focused and consistent stream of questions with reasonable objectivity across cases while allowing sufficient flexibility for the researcher for full exploration and contextual interaction of the interviewees. Two considerations guided the development of the semi-structured interview protocol: (a) revelations regarding leadership styles from existing studies in the leadership literature; and (b) alignment of every interview question with the problem statement, purpose of the study, and research questions.

The semi-structured interview protocol contains two sections. The first section contains participants' information. The second consists of seven predetermined questions that were asked to the interviewees across all the selected cases. Answers to these seven questions addressed the main research question in the study. The questions were created in simple language such that participants' ambiguity and misrepresentation were not anticipated. Expert reviews further validated the questions. The subject matter experts' feedback was used to refine the interview questions to ensure that they were easy to understand, relevant to the study, and valid (Stake, 1995).

**Data Collection**

To address the research problem and research questions, qualitative data were collected from multiple sources (Baskadara, 2014; Vissak, 2010; Yin, 2017), including transcribed data from interviews with six SME owner–managers, the researcher’s field notes, observations, and personal reflections. Each SME owner–manager was interviewed individually and privately to allow for relaxed discussion and good audio recording. Each SME owner–manager was asked the same set of seven interview questions. The researcher used personal discretion to determine which follow-up questions were appropriate for each interviewee, based on their responses to each main interview question.

To ensure the interview data’s completeness and integrity, a digital audio recorder was used to record all interviews. During each interview session, the researcher made handwritten field notes regarding the interviewee’s attitudes, emotions, and body language that could provide more insight into the interviewee’s responses to the questions. At the end of each interview, the researcher transcribed the audio recordings and sent the interviewee’s transcript to solicit feedback regarding any discrepancies in the transcribed content. All participants were distinctly identified using a numerical classification system to maintain their confidentiality (Patton, 2015). The transcripts and the researcher’s handwritten field notes were securely stored for easy retrieval during data analysis and interpretations. Table 1 on the next page shows the demographics of the participants.



**Table 1: Participants' Demographics and Characteristics**

	<b>Business Sector</b>	<b>Year Business Commenced</b>	<b>Number of Employees</b>	<b>Gender</b>	<b>Years in Position</b>	<b>Education Level</b>
<b>P1</b>	Education	2007	40	Male	6 Years	Bachelor's degree
<b>P2</b>	Trading	1996	60	Male	22 Years	Bachelor's degree
<b>P3</b>	Manufacturing	2001	35	Male	17 Years	Bachelor's degree
<b>P4</b>	Manufacturing	2014	20	Male	4 Years	Bachelor's Degree
<b>P5</b>	Education	1993	80	Female	25 Years	Bachelor's Degree
<b>P6</b>	Trading	2013	50	Male	5 Years	Bachelor's degree

### Data Analysis

The descriptive coding strategy (Saldaña, 2016) was used to assign meanings to segments of raw data, thus providing words and phrases used for categorization and thematic analysis. The researcher adopted a consistent process for manual coding, categorization, and identification of emergent themes across the six cases (Yin, 2017). The data analysis was done in two stages: within-case content analysis (Yin, 2017) of data collected from each participant, followed by a cross-case synthesis of data and comparison of emergent themes (Yin, 2017) across the six cases.

**Within-Case Analysis of Data.** Data segmentation and assignment of codes were organized according to each interview question using the ground-up data analysis strategy (Yin, 2017) to identify relevant codes to answer the research question. The researcher grouped codes that share common meanings and patterns into categories, as exemplified by Table 2 for Question 1. Seven tables were generated in total, reflecting identified codes from the seven questions.

**Table 2: Examples of Data Extracts and Codes From Question 1**

	<b>Data Extracts</b>	<b>Codes</b>	<b>Categories</b>
<b>P1</b>	"We have a familiar rapport. I have a rapport, a good rapport with all my staff."	Familiar Good rapport	Mutual relationship
<b>P2</b>	"My relationship with my employees is that of a family. I do not really like to see my workers typically as my workers, I see them as friends and colleagues, and we relate freely."	Family Friends/Colleagues Relate freely	Collective identity Mutual relationship
<b>P3</b>	"Well, the relationship is cordial but it's a sort of situational. When you're not doing what you're supposed to do, the relationship gets rusty."	Situational Gets rusty	Contingent relationship
<b>P4</b>	"We have a very cordial relationship. For me, I look at employees as part . . . owners of the business, because without them, you can't really make . . . headway. I get involved with their welfare."	Cordial Co-owner Welfare	Mutual relationship Collective identity Employee welfare
<b>P5</b>	"From the very beginning, the goal has been kind of [a] family setup—family in the sense that you have good welfare packages."	Family Welfare packages	Collective identity Mutual relationship Employee welfare
<b>P6</b>	"My relationship with them is one that is cordial. I see them like a family and as a team."	Family Cordial Team	Collective identity Mutual relationship

**Cross-Case Synthesis and Thematic Analysis of Data.** In this study, the categorization of data was based on each interview question to understand similarities and differences across all cases (Halkias & Neubert, 2020; Yin, 2017). The researcher reported the categories identified for each participant for each question. The categories were aggregated according to the questions, and the emerging themes were identified from these categories. Frequencies were assigned to each category based on the number of occurrences across the six cases. Table 3 shows the categories, frequencies, and themes that emanated from each of the seven questions.

**Table 3: Categories, Frequencies, and Themes**

	<b>Categories</b>	<b>Frequency</b>	<b>Emergent Themes</b>
<b>Question 1</b>	Mutual relationship Collective identity Contingent relationship Employee welfare	5/6 4/6 1/6 2/6	Fostering employee sense of belonging and collective identity Focus on employee welfare as a performance motivator
<b>Question 2</b>	Employee untrustworthiness Restrictive leader influence Employee welfare	5/6 4/6 2/6	Lack of trust between SME owner–managers and their employees Overbearing influence of leaders and employee innovative behavior Employee welfare as in Q1
<b>Question 3</b>	Structured problem-solving Spiritual problem-solving Leader unsupportive behavior	5/6 1/6 2/6	Lack of employees' intellectual stimulation and independent thinking Criticism of failure and its impact on employee morale
<b>Question 4</b>	Focus on transactions Structured approach Employee welfare	6/6 5/6 2/6	Emphasis on specific transactions over long-term organizational goals Employee welfare as in Q1
<b>Question 5</b>	Task-specific training	6/6	Limited owner–manager visionary influence on employees
<b>Question 6</b>	Nonspecific targets	6/6	Setting open-ended targets for employees
<b>Question 7</b>	Nonspecific rewards Focus on transactions Punitive measures	6/6 5/6 2/6	Lack of clear and explicit reward systems Emphasis on specific transactions over organizational goals as in Q4

## Results

Ten themes emerged from the thematic analysis of data. Figure 1 shows the frequencies of emergent themes across the six cases in the study on the next page.



Figure 1. Cross-case analysis (theme frequency of occurrence by case)

### Theme 1: Fostering Employee Sense of Belonging and Collective Identity

Table 3 shows that five out of the six participants described the relationship with their employees as mutual, while four participants further emphasized collective identity within their organizations. The views of five of the participants regarding the relationship with their employees are exemplified by Participant 2's response to Question 1.

My relationship with my employees is that of a family. [I] am sure [that] when you walked into these premises, you would have noticed that there is one commonality today. Everybody is wearing a particular identity in terms of shirt. Everybody in this company today is wearing the [company] shirt, including myself. So what does that tell us? What it tells us is that I relate with my staff at that level of equality.

Participant 4 further emphasized mutual relationship and collective identity.

We have a very cordial relationship. For me, I look at employees as part . . . owners of the business, because without them you can't really make . . . headway. So I try to run a one-on-one relationship with everybody here. For me, the key word here is just mutual respect.

One discrepant case was noted concerning Question 1. Participant 3 explained that the relationship with his employees was contingent on the behavior and performance of the employees. He stated:

Well, the relationship is cordial, but it's a sort of situational. When you're not doing what you're supposed to do, the relationship gets rusty. But when you do what you are supposed to do, it's good, it's a cordial relationship, but that's it. So, the relationship you can't say is consistently cordial. So, it depends on your task, your attitude, your commitment—that makes my relationship . . . cordial with you. Once those things are dysfunctional, the relationship doesn't get cordial.

### **Theme 2: Focus on Employees' Welfare as a Performance Motivator**

The strong emphasis on employee welfare as a performance motivator was exemplified by Participant 5's response to Question 1. She stated:

From the very beginning, the goal has been kind of [a] family setup—family in the sense that you have good welfare packages. We wanted an organization where you have the interest of the staff at heart all the time. You care about their welfare and their families.

In response to Question 2, Participant 2 also emphasized the importance of employee welfare as a motivational factor. He stated:

I just try to understand the challenges staff will normally have; accommodation is one, especially [this area]. But frankly, I had to spend over 100 million Naira to build staff quarters. I have one-bedroom staff quarters, I have two-bedroom, I have three-bedroom—and they pay basically . . . nothing.

### **Theme 3: Lack of Trust Between SME Owner-Managers and Their Employees**

The lack of trust between SME owner-managers and their employees manifested in five of the six cases, as exemplified by Participant 3. He stated:

Most times Nigerian workers try to dupe you; they try to be dishonest; they try to be greedy. Now you say: what do you do? Set a standard that this is this. If you do this, [or] if you don't do this, this is what it should be.

This statement shows that the SME owner-managers may not trust their employees. Participant 1 also reinforced this statement. He stated: "Once you are dealing with human beings you have to be very careful. I have heard some very bitter experiences with employees."

**Theme 4: Overbearing Influence of Leaders and Employees' Innovative Behavior**

In his response to Question 2, Participant 2 exposed how SME owner–managers impose their experiences and opinions on their employees. He stated:

At times when it gets tough, I put on my coveralls, and I go to work. There is no staff here who will claim to be more experienced than me in what I am doing. I know it better than you because I have passed through it. I have more experience, and I ask you, why did you do this? You could have done it this way, and he says I am sorry, next time I will do it that way.

This overbearing attitude was further exemplified by Participant 6 in his response to Question 2. He stated: “I monitor on a daily basis what happens in the business in terms of the finances, sales, profits, [and] overheads.” When leaders claim to know everything, it leaves little room for them to see any value in the creative or innovative potential of their followers.

**Theme 5: Lack of Employees' Intellectual Stimulation and Independent Thinking**

This theme was identified from the responses of five of the six participants to Question 3. These participants described in different ways how they encourage their employees to follow a structured approach for solving organizational problems. Participant 2 exemplified this structured problem-solving attitude. He stated that “problems are resolved first of all along the line of reporting. If you have an issue, you report it to your immediate supervisor. If it's beyond your supervisor, he escalates it to the next person.” This structured behavior is characteristic of transactional leadership.

Participant 5 explained how her employees resorted to prayer in response to a major organizational problem: “We all noticed that this place was going downhill. We called a meeting and told everybody this is what is happening, and everybody resorted to prayers.” Participant 5 did not inspire her employees to think of creative ways of dealing with the organization's problems, instead of resorting to punitive measures like demotions and outright termination of employment. She stated:

People were already used to that way of doing things. They couldn't help themselves because it has gone too deep the way they did their job. So, we needed some outsider to come and get into the system and sort it out, and that's what they did. They just flushed out all those staffs.

**Theme 6: Criticism of Failure and Its Impact on Employee Morale**

The unsupportive attitude of owner-managers toward employee deviations manifested in two cases. For example, in response to Question 3, Participant 3 stated:

My rule is that you must have your own solution, no matter how foolish. Then I will now tell you that your decision is foolish and stupid, why did you say that this is this, why did you not think about it this way or that way?

Participant 4 also exemplified lack of support for employees' technical initiative toward resolving problems. In response to Question 3, Participant 4 stated:

Sometimes we have teething problems. We have issues where something might go bad, and they start trying [to figure out] how they can fix it. But my own way of doing it is once it is bad, can we change it or do something. But they might say, can we just adjust?

This attitude of not supporting employees' initiatives for resolving problems can affect their morale and dampen their disposition for creative thinking.

**Theme 7: Emphasis on Specific Transactions over Long-Term****Organizational Goals**

For Participant 1, achieving goals means complying with the school curriculum. This restricts the employees from looking for other ways to achieve performance and competitive advantage for their institution. Participant 1 noted that "school has a curriculum. At the beginning of every session, we sit down. I sit down with the administrator and the headteacher, and we review the curriculum." Participant 2 focuses more on team goals instead of organizational goals and vision. He stated that "every team lead sits with his team and analyzes the challenge that they have. Every team has a goal. I must sit with team leads to know what their challenges are." This means that employees are not made to think about long-term organizational goals and vision. Participant 6 emphasized the issue of money as a motivation for achieving targets. He said that "achieving goals in this part of the world—most times people are motivated with money. We have a salary structure. Nevertheless, I also go out of my way to set targets among them." Again, organizational long-term goals and vision were not emphasized.

**Theme 8: Limited Owner–Manager Visionary Influence on Employees**

This theme describes the focus by owner–managers on task-specific training and less on intellectual stimulation. There is no emphasis on inspiring the employees to believe in the organization’s vision and long-term goals. This theme is similar to Theme 7, which concerns exhibiting transactional leadership behavior. The difference is that while Theme 7 reflects an attitude toward transactions, Theme 8 reflects an attitude toward employees’ training and development. In response to Question 5, all six participants described how they organize seminars and workshops on task-specific training for their employees or how they send them for third-party-organized, job-related training. This attitude depicts transactional leadership behavior. The views of the six participants are exemplified by Participant 1, who said: “In fact, every session we have what we call workshops and seminars. We invite people from outside to teach them on modern techniques of imparting knowledge to their pupils.” Similarly, Participant 2 stated that “what we do here is that every year, there is a scheme of training as it affects your job.” The emphasis here is on job-related training rather than the vision and goals of the organization. Participant 5 notes that “we have annual workshops every year about this time before resuming another academic year. So, they learn new skills.” Participant 6 explained that “the people we represent come to do training. We also do our internal training.” Again, these statements are all related to job-specific training.

**Theme 9: Setting Open-Ended Targets for Employees**

In response to Question 6, all six participants reported setting one form of target or another for their employees, but these targets were open-ended and had no specific correlation with their organizations’ performance and long-term sustainability. In response to Question 5, Participant 1 described targets as completing the school’s curriculum within the specified period for an academic term. He stated: “Setting targets in our establishment is to make sure that [within] the 14 weeks you have in each session, you cover all the curriculum that is required to be covered within that 14 weeks for each term.” The covering of the school curriculum may not be an appropriate standalone yardstick for measuring employee job performance.



In some cases, the SME owner–managers had no specific targets. For example, Participant 4 responded that “it is setting your priorities right by making sure you are giving them the enabling environment to work. No fixed targets are here.” For Participant 6, targets are assessed relative to other employees’ performance and not based on specific performance expectations. He stated:

At the end of the month, for each staff, we print out all the sales that the staff has made, and we compare it with the other staffs. There is a minimum target that a staff should make. If you go below that, it means that you are not performing.

### **Theme 10: Lack of Clear and Explicit Reward Systems**

This theme explains the nature of the employee reward systems that exist in Nigerian SMEs. In response to Question 7, all six participants described employee reward as an essential factor that engenders employee organizational commitment. Participant 1 explained that the reward system in his organization is structured and broad-based. In his response to Question 7, he stated:

We have a standard practice. If a teacher has stayed with us and has met his target, we remunerate him, or we reward him by giving him a 5% increment in his package, but that is across [the] board. We have not had an experience of targets not being met.

Participant 4 also described the broad-based reward system in his organization, noting that “when they achieve targets, they are all happy because they know they have extra pepper; that is what they say, and it cuts across [the] board.” The experiences described by Participant 5 regarding the reward system in her organization are similar. She says that “the reward we used in those days was the Christmas bonuses, and we give all of them [a] 13<sup>th</sup>-month pay. Those who did not perform well do not earn that.” The 13<sup>th</sup>-month pay represents an additional one-month salary that is paid across the board in December.

## **Discussion**

Most of the findings from this study confirmed or extended the existing knowledge in the literature regarding leadership style and leadership in SMEs. Bass (1999) asserts that the FRLM encapsulates most of the conventional leadership styles and that every leader exhibits some form of both transformational and transactional

leadership styles, with each leader aligning more closely with one or the other. This assertion was reaffirmed in this study. Likewise, Franco and Matos (2015) found that SME owner–managers in Portugal did not faithfully follow any specific leadership style but exhibited both transformational and transactional leadership behaviors, with some aligning more with one over the other.

The current study's findings showed that Nigerian SME owner–managers do not follow any specific leadership styles. They exhibited some transformational and transactional leadership styles, with most of them leaning more toward transactional leadership behaviors. The rest of this discussion focuses on aligning findings (themes) from this study with the existing knowledge in the literature on leadership styles and leadership in SMEs.

### **Fostering Employee Sense of Belonging and Collective Identity**

This theme provided evidence that the SME owner–managers fostered a close relationship with their employees. This is consistent with Franco and Matos's (2015) findings that close relationships between SME owner–managers and their employees increased the employees' organizational commitment and job performance. The SME owner–managers interviewed in this study portrayed a strong, family-like relationship with their employees in exchange for loyalty, thus suggesting a leaning toward the individualized consideration dimension of transformational leadership. Group orientation and collective identity mediate a leader's individualized consideration (Bass, 1999) because of a perceived moral obligation to attend to employees' personal needs (Bass & Steidlmeier, 1999). This is consistent with the transformational behavior of Nigerian SME owner–managers as identified in this study. It is important to note that the dimensions of transformational leadership that engender SME performance and growth are intellectual stimulation and inspirational motivation (Boies et al., 2015) and not individualized consideration.

### **Focus on Employee Welfare as Performance Motivator**

This theme showed much emphasis on employees' social, financial, and emotional needs. The emphasis on employee welfare partially reflects idealized influence in

the transformational leadership model (Bass, 1985), which focuses on individual needs. In the transformational leadership model, the context of needs is not limited to welfare but focuses more on employees' developmental needs for higher achievements and growth (Bass, 1995). The socioeconomic climate in Nigeria is very harsh (Motilewa et al., 2015), such that SME employees in Nigeria become dependent on their organizations for socioeconomic sustenance rather than the organization depending on them for growth and sustainability. This behavior is consistent with Aritz and Walker's (2014) research findings that cultural differences affect the values that different people attach to the essence. Unfortunately, SME owner-managers in Nigeria have limited knowledge of the factors that might contribute to business sustainability (Uchehara, 2017), including the critical factor of leadership style (Nanjundeswaraswamy & Swamy, 2015; Oladele & Akeke, 2016). This reality explains why they emphasize employee welfare over the higher-order developmental needs of the employees.

### **Lack of Trust Between SME Owner-Managers and Their Employees**

Trust mediates the exchange relationship between leaders and followers, especially for the idealized influence element of transformational leadership (Zhua et al., 2013). The absence of trust between the SME owner-managers interviewed in this study, and their employees provided evidence that they do not exhibit transformational leadership behavior in this context. Mittal (2016) found that transformational leaders in SMEs create trust between them and their employees, thus providing the psychological empowerment that enhances organizational commitment. The interpretation of this theme is that the SME owner-managers do not operationalize the transformational leadership principles; instead, they obtain their employees' loyalty by ensuring a good relationship with them and attending to their immediate welfare and social needs. This approach will not create the innovative environment (Kacem & El Harbi, 2014) required for the growth and long-term sustainability (Katou, 2015) of the SME firms.

**Overbearing Influence of Leaders and Employee Innovative Behavior**

This theme indicates a leaning toward management by exception actively—a transactional leadership behavior (Bass, 1985)—by using predetermined structures and procedures to promote compliance among employees to achieve assigned tasks. Bass (1997) argues that leadership must go beyond the contingent reward/punishment mechanisms in transactional relationships in a knowledge-dominated era. When SME owner-managers impose their knowledge and experience on their employees, knowledge creation and knowledge sharing become restrictive. Thus, the organizations are limited by the owner-managers' knowledge and experience and may not survive in a competitive, dynamic, and challenging economic environment. This finding is consistent with Howell and Avolio's (1992) argument that overbearing leaders may become "idols" by seeing themselves as possessing unconventional wisdom that their employees cannot attain.

**Lack of Employees' Intellectual Stimulation and Independent Thinking**

This theme emanated from the structured problem-solving category, which means that the SME owner-managers influenced their employees to follow structured processes and procedures for addressing organizational problems. In essence, the employees are merely extending the owner-managers' knowledge and experience without bringing their initiatives into context in dealing with organizational issues, indicating a leaning toward transactional leadership behavior. According to Boies et al. (2015), employees' intellectual stimulation and inspirational motivation positively affect the team and its organizational performance. Bass (1999) suggests that when leader-member exchange starts as a transactional relationship, it needs to become transformational for more effectiveness.

**Criticism of Failure and Its Impact on Employee Morale**

Typical of transactional leadership behavior, the SME owner-managers in this study described how they reprimanded their employees when they took initiatives that went wrong or even prevented them from taking personal initiatives to deal with problems or challenges that they encounter while performing their duties. In contrast, transformational leaders are not punitive but instead support their

employees in the areas in which personal development is required to enhance their performance and growth (Bass, 1995). Research shows that SME owner–managers who influence their organizations with innovative and supportive cultures tend to achieve higher organizational performance levels (Shehu & Mahmood, 2014) and growth (Katou, 2015). In cases where transactional leadership is useful, it is substantially mediated by transformational behavior (Bass, 1999).

### **Emphasis on Specific Transactions Over Long-Term Organizational Goals**

The SME owner–managers interviewed in this study focused more on short-term transactional objectives without any clear plans for growth and long-term sustainability of their enterprises, demonstrating a leaning toward transactional leadership behavior. There is evidence that transactional leadership harms SME employees' entrepreneurial behavior (Moriano et al., 2014) and their organizations' long-term sustainability (Mekraz & Gundala, 2016; Mgeni & Nayak, 2016). Thus, the dominance of transactional leadership behavior in the Nigerian SMEs could partly explain the poor performance and slow growth rate in these firms.

### **Limited Owner–Manager Visionary Influence on Employees**

As conceptualized in the transformational leadership theory, inspirational motivation describes how leaders articulate a vision and inspire followers to believe in this vision (Bass, 1985). This approach was utterly lacking among the SME owner–managers interviewed in this study. Research shows that inspirational leadership influences organizational innovativeness in small firms (Dunne et al., 2016), and small firms characterized by visionary leadership outperform those characterized by transactional leadership (Jing, 2018). Also, in a study involving 100 retail pharmacies in Australia, Jing et al. (2014) found that organizational vision communication to employees had a significant positive impact on organizational outcomes such as financial performance, staff productivity, and staff retention in small service firms. Thus, the absence of inspirational motivation in the leadership behavior of the SME owner–manager participants in this study could, to some extent, explain the poor performance and lack of sustainability of SMEs in Nigeria.

### **Setting Open-Ended Targets for Employees and Lack of Clear and Explicit Reward Systems**

Although findings from other themes identified in this study show that the SME owner–managers lean more toward transactional leadership behavior, these two themes revealed that the SME owner–managers do not follow the contingent reward leadership mechanism as conceptualized in the transactional leadership theory. For example, some of the SME owner–managers' targets for their employees are affected by external factors, and, as such, it is difficult to measure and reward employee performance based on these types of targets. Transactional leaders set clear standards and procedures for accomplishing tasks, monitor followers, ensure full compliance with these standards and procedures, and compensate them accordingly (Bass, 1985, 1990). This outcome is consistent with Franco and Matos's (2015) finding that SME leaders in Portugal do not faithfully follow any specific leadership styles.

### **Conclusion and Recommendations for Future Research**

This research has provided insight into the nature of leadership styles in Nigerian SMEs. Findings from this research have shown that Nigerian SME owner–managers do not follow any specific leadership styles. This research supports existing evidence in the literature (Agwu & Emeti, 2014) that Nigerian SME owner–managers lack knowledge regarding the phenomenon of leadership style and its implications for their enterprises' growth and long-term sustainability. Some of the themes that emanated from this study provide future research opportunities that will allow for a more contextual examination of the nature of leadership styles in Nigerian SMEs and how the application of specific leadership styles can improve the performance and sustainability of these firms.

Since this study has revealed a close relationship between Nigerian SME owner–managers and their employees, it is crucial to evaluate how this relationship affects employee organizational commitment and job performance in Nigerian SMEs from the employer and the employee perspectives. The welfare system practiced by the SME owner–managers interviewed in this study is focused on meeting employees'

basic socioeconomic needs. More research is required to fully understand if these welfare packages significantly influence the performance and organizational commitment of SME employees. Additionally, more exploratory studies are required to understand why Nigerian SME owner–managers do not trust their employees and the various contexts that can improve trust within the exchange relationship.

This study does have some limitations. It used six cases (SMEs) and collected interview data from six SME owner–managers. Thus, this study's findings are limited to the experiences of the six participants and may not be generalizable to the larger SME population in Nigeria. The participants in this study were selected using the purposeful sampling technique. Thus, communication and self-expression were critically important for the participants' selection.

Given that the level of literacy among SME owner–managers in Nigeria is unknown, a significant number of SME owner–managers may possess much lower educational attainment levels than the six participants in this study. Thus, this study's findings may not represent the experiences of Nigerian SME owner–managers with lower levels of educational attainment. Given that the six participants in this study were chosen from one geographical location—Port Harcourt in the Niger Delta region of Nigeria—the findings may not be generalizable across Nigeria's multi-ethnic regions. Although several steps were taken to enhance the study's credibility, there is still the possibility that the participants' responses do not accurately reflect their lived experiences regarding the study phenomenon (Baillie, 2015; Patton, 2015). Participants may have been restrictive in volunteering information during the semi-structured interviews.

## References

- Abdullahi, I. I., & Sulaiman, C. (2015). The determinants of small and medium-sized enterprises performance in Nigeria. *Advances in Economics and Business*, 3(5), 184–189. <http://doi.org/10.13189/aeb.2015.030504>
- Agwu, M. O., & Emeti, C. I. (2014). Issues, challenges and prospects of small and medium scale enterprises (SMEs) in Port-Harcourt City, Nigeria. *European Journal of Sustainable Development*, 3(1), 101–114. <http://doi.org/10.14207/ejsd.2014.v3n1p101>

- Albloshi, F. A., & Nawar, Y. S. (2015). Assessing the impact of leadership styles on organisational performance. The case of Saudi private SME's. *Journal of Organizational Studies and Innovation*, 2(2), 66–77.
- Almatrooshi, B., Singh, S. K., & Farouk, S. (2016). Determinants of organizational performance: A proposed framework. *International Journal of Productivity and Performance Management*, 65(6), 844–859. <http://doi.org/10.1108/IJPPM-02-2016-0038>
- Alvesson, M., & Kärreman, D. (2016). Intellectual failure and ideological success in organization studies: The case of transformational leadership. *Journal of Management Inquiry*, 25(2), 139–152. <http://doi.org/10.1177/1056492615589974>
- Antonakis, J., Avolio, B. J., & Sivasubramaniam, N. (2003). Context and leadership: An examination of the nine-factor full-range leadership theory using the Multifactor Leadership Questionnaire. *The Leadership Quarterly*, 14(3), 261–295. [http://doi.org/10.1016/S1048-9843\(03\)00030-4](http://doi.org/10.1016/S1048-9843(03)00030-4)
- Arasti, Z., Zandi, F., & Bahmani, N. (2014). Business failure factors in Iranian SMEs: Do successful and unsuccessful entrepreneurs have different viewpoints? *Journal of Global Entrepreneurial Research*, 4(10), 1–14. <http://doi.org/10.1186/s40497-014-0010-7>
- Aritz, J., & Walker, R. C. (2014). Leadership styles in multicultural groups: Americans and East Asians working together. *International Journal of Business Communication*, 51(1), 72–92. <http://doi.org/10.1177/2329488413516211>
- Asiimwe, J. B., Kavoo-Linge, T., & Sikalieh, D. (2016). The relationship between transformational leadership style and SMEs growth in the top 100 SMEs in Kenya. *The International Journal of Business & Management*, 4(6), 85–89.
- Avolio, B. J., & Bass, B. M. (1991). *The full range leadership development programs: Basic and advanced manuals*. Bass, Avolio Associates.
- Avolio, B. J., & Bass, B. M. (2004). *Multifactor Leadership Questionnaire: Manual and sampler set* (3<sup>rd</sup> ed.). Mindgarden.
- Baillie, L. (2015). Promoting and evaluating scientific rigour in qualitative research. *Nursing Standard*, 29(46), 36–42. <http://doi.org/10.7748/ns.29.46.36.e8830>



- Baskarada, S. (2014). Qualitative case study guidelines. *The Qualitative Report*, 19(24), 1–19.
- Bass, B. M. (1985). *Leadership and performance beyond expectations*. The Free Press.
- Bass, B. M. (1990). From transactional to transformational leadership: Learning to share the vision. *Organizational Dynamics*, 18(3), 19–31. [http://doi.org/10.1016/0090-2616\(90\)90061-S](http://doi.org/10.1016/0090-2616(90)90061-S)
- Bass, B. M. (1995). Theory of transformational leadership redux. *The Leadership Quarterly*, 6(4), 463–478. [http://doi.org/1048-9843\(95\)90021-7](http://doi.org/1048-9843(95)90021-7)
- Bass, B. M. (1997). Does the transactional-transformational leadership paradigm transcend organizational and national boundaries? *American Psychologist*, 52(2), 130–139. <http://doi.org/10.1037/0003-066X.52.2.130>
- Bass, B. M. (1999). Two decades of research and development in transformational leadership. *European Journal of Work and Organizational Psychology*, 8(1), 9–32. <http://doi.org/10.1080/135943299398410>
- Bass, B. M., & Avolio, B. J. (1995). Individual consideration viewed at multiple levels of analysis: A multi-level framework for examining the diffusion of transformational leadership. *The Leadership Quarterly*, 6(2), 199–218. [http://doi.org/10.1016/1048-9843\(95\)90035-7](http://doi.org/10.1016/1048-9843(95)90035-7)
- Bass, B. M., & Steidlmeier, P. (1999). Ethics, character, and authentic transformational leadership behavior. *The Leadership Quarterly*, 10(2), 181–217. [http://doi.org/10.1016/S1048-9843\(99\)00016-8](http://doi.org/10.1016/S1048-9843(99)00016-8)
- Beyer, J. M. (1999). Taming and promoting charisma to change organizations. *The Leadership Quarterly*, 10(2), 307–330. [http://doi.org/10.1016/S1048-9843\(99\)00019-3](http://doi.org/10.1016/S1048-9843(99)00019-3)
- Boehma, S. A., Dwertmanna, D. J. G., Bruch, H., & Shamir, B. (2015). The missing link? Investigating organizational identity strength and transformational leadership climate as mechanisms that connect CEO charisma with firm performance. *The Leadership Quarterly*, 26(2), 156–171. <http://doi.org/10.1016/j.leaqua.2014.07.012>
- Boies, K., Fiset, J., & Gill, H. (2015). Communication and trust are key: Unlocking the relationship between leadership and team performance and creativity.

*The Leadership Quarterly*, 26(6), 1080–1094.  
<http://doi.org/10.1016/j.leaqua.2015.07.007>

Burns, J. M. (1978). *Leadership*. Harper & Row.

Carson, D. J. (1990). Some exploratory models for assessing small firms' marketing performance. *European Journal of Marketing*, 24(11), 8–51.  
<http://doi.org/10.1108/03090569010006056>

Chollet, B., Geraudel, M., & Mothe, C. (2014). Generating business referrals for SMEs: The contingent value of CEOs' social capital. *Journal of Small Business Management*, 52(1), 79–101. <http://doi.org/10.1111/jsbm.12034>

Darcy, C., Hill, J., McCabe, T. J., & McGovern, P. (2014). A consideration of organizational sustainability in the SME context. *European Journal of Training and Development*, 38(5), 398–414. <http://doi.org/10.1108/EJTD-10-2013-0108>

Deichmann, D., & Stam, D. (2015). Leveraging transformational and transactional leadership to cultivate the generation of organization-focused ideas. *The Leadership Quarterly*, 26(2), 204–219. <http://doi.org/10.1016/j.leaqua.2014.10.004>

Dinh, J. E., Lord, R. G., Gardner, W. L., Meuse, L. D., Liden, R. C., & Hu, J. (2014). Leadership theory and research in the new millennium: Current theoretical trends and changing perspectives. *The Leadership Quarterly*, 25(1), 36–62. <http://doi.org/10.1016/j.leaqua.2013.11.005>

Dunne, T. C., Aaron, J. R., McDowell, W. C., Urban, D. J., & Geho, P. R. (2016). The impact of leadership on small business innovativeness. *Journal of Business Research*, 69(11), 4876–4881. <http://doi.org/10.1016/j.jbusres.2016.04.046>

Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: Opportunities and challenges. *Academy of Management Journal*, 50(1), 25–32. <http://doi.org/10.5465/AMJ.2007.24160888>

Finfeld-Connett, D. (2014). Use of content analysis to conduct knowledge-building and theory-generating qualitative systematic reviews. *Qualitative Research*, 14(3), 341–352. <http://doi.org/10.1177/1468794113481790>

Franco, F., & Matos, P. G. (2015). Leadership styles in SMEs: A mixed-method approach. *International Entrepreneurship and Management*, 11(2), 425–451. <http://doi.org/10.1007/s11365-013-0283-2>

- Garavan, T., Watson, S., Carbery, R., & O'Brien, F. (2016). The antecedents of leadership development practices in SMEs: The influence of HRM strategy and practice. *International Small Business Journal*, 34(6), 870–890. <http://doi.org/10.1177/0266242615594215>
- Gbandi, E. C., & Amissah, G. (2014). Financing options for small and medium enterprises (SMEs) in Nigeria. *European Scientific Journal*, 10(1), 327–340.
- Grobler, S. W., & du Plessis, Y. (2016). Requisite leader behavioural competencies for sustainable organisational performance. *Acta Commercial*, 16(1), 347–354. <http://doi.org/10.4102/ac.v16i1.347>
- Halkias, D., & Neubert, M. (2020). Extension of theory in leadership and management studies using the multiple-case study design. *International Leadership Journal*, 12(2), 48–73. <http://dx.doi.org/10.2139/ssrn.3586256>
- Howell, J. M., & Avolio, B. J. (1992). The ethics of charismatic leadership: Submission or liberation? *Academy of Management*, 6(2), 43–54. <http://doi.org/10.5465/ame.1992.4274395>
- Ikharehon, J. I., & Briggs, J. I. A. (2016). The impact of strategic factors on the performance of small and medium scale enterprises in Nigeria: A study of some selected small and medium scale enterprises in Abuja. *International Journal of Humanities and Social Science*, 6(2), 140–149.
- Jina, S., Seo, M., & Shapiro, D. L. (2015). Do happy leaders lead better? Affective and attitudinal antecedents of transformational leadership. *The Leadership Quarterly*, 27(1), 64–84. <http://doi.org/10.1016/j.leaqua.2015.09.002>
- Jing, F. F. (2018). Leadership paradigms and performance in small service firms. *Journal of Management & Organization*, 24(3), 339–358. <http://doi.org/10.1017/jmo.2017.44>
- Jing, F. F., Avery, G. C., & Bergsteiner, H. (2014). Enhancing performance in small professional firms through vision communication and sharing. *Asia Pacific Journal of Management*, 31(2), 599–620. <http://doi.org/10.1007/s10490-013-9345-9>
- Kacem, S., & El Harbi, S. (2014). Leadership, innovation among Tunisian ICT SMEs. *Journal of Enterprising Culture*, 22(3), 283–311. <http://doi.org/10.1142/S0218495814500125>

- Katou, A. A. (2015). Transformational leadership and organizational performance. *Employee Relations*, 37(3), 329–353. <http://doi.org/10.1108/ER-05-2014-0056>
- Linge, T. K., Shikalieh, D., & Asimwe, J. B. (2016). the relationship between laissez-faire leadership style and SMEs growth in the top 100 SMEs in Kenya. *International Journal of Innovative Research & Development*, 5(7), 240–245.
- Longe, O. J. (2014). Leadership style paradigm shift and organizational performance: A case of the Nigerian cement industry. *African Research Review*, 8(4), 68–83. <http://doi.org/10.4314/afrrrev.v8i4.6>
- Maxwell, J. A. (2013). *Qualitative research design: An interactive approach* (3<sup>rd</sup> ed.). SAGE.
- McIntosh, M. J., & Morse, J. M. (2015). Situating and constructing diversity in semi-structured interviews. *Global Qualitative Nursing Research*, 2, 1–12. <http://doi.org/10.1177/2333393615597674>
- Mekraz, A., & Gundala, R. R. (2016). Leadership style and retail store performance—A case study of discount retail chain. *Journal of Business and Retail Management Research*, 10(2), 1–10.
- Merriam, S. B., & Tisdell, E. J. (2015). *Qualitative research: A guide to design and implementation*. Wiley & Sons.
- Mgeni, T. O., & Nayak, P. (2016). Impact of transactional leadership style on business performance of SMEs in Tanzania. *Amity Business Review*, 17(1), 98–109.
- Mihai, L. (2015). The particularities of leadership styles among Dutch small and medium business owners. *Annals of the Constantin Brancusi University of Targu Jiu Economy Series*, 6, 240–248. <http://www.utgjiu.ro>
- Mihai, L., Schiopoiu Burlea, A., & Mihai, M. (2017). Comparison of the leadership styles practiced by Romanian and Dutch SME owners. *International Journal of Organizational Leadership*, 6(2017), 4–16.
- Mittal, S. (2016). Effects of transformational leadership on turnover intentions in IT SMEs. *International Journal of Manpower*, 37(8), 1322–1346. <http://doi.org/10.1108/IJM-10-2014-0202>
- Moriano, J. A., Molero, F., Topa, G., & Mangin, J. L. (2014). The influence of transformational leadership and organizational identification on

- intrapreneurship. *International Entrepreneurship Management Journal*, 10, 103–119. <http://doi.org/10.1007/s11365-011-0196-x>
- Motilewa, B. O., Ogbari, M., & Aka, D. O. (2015). A review of the impacts of SMEs as social agents of economic liberations in developing economies. *International Review of Management and Business Research*, 4(3), 903–914.
- Nanjundeswaraswamy, T. S., & Swamy, D. R. (2015). Leadership styles and quality of work life in SMEs. *Management Science Letters*, 5, 65–78. <http://doi.org/10.5267/j.msl.2014.12.006>
- Noor, K. B. M. (2008). Case study: A strategic research methodology. *American Journal of Applied Sciences*, 5(11), 1602–1604. <http://doi.org/10.3844/ajassp.2008.1602.1604>
- Oladele, P. O., & Akeke, N. I. (2016). Effect of strategic leadership styles on sales and employment growth in small and medium enterprises in Nigeria. *International Journal of Information, Business and Management*, 8(2), 1–18.
- Ozer, F., & Tinaztepe, C. (2014). Effect of strategic leadership styles on firm performance: A study in a Turkish SME. *Procedia—Social and Behavioral Sciences*, 150, 778–784. <http://doi.org/10.1016/j.sbspro.2014.09.059>
- Patton, M. Q. (2015). *Qualitative research and evaluation methods* (4<sup>th</sup> revised ed.). SAGE.
- Pyngavil, R. S. (2015). Leadership dimensions and organizational commitment in small scale enterprises in Delhi. *The Indian Journal of Industrial Relations*, 50(3), 479–493.
- Quan, L. (2015). Perceptions of leadership competencies and the acquisition of them by CEOs in Vietnamese small enterprises. *Asian Social Science*, 11(4), 17–25. <http://doi.org/10.5539/ass.v11n4p17>
- Saldaña, J. (2016). *The coding manual for qualitative researchers* (3<sup>rd</sup> ed.). SAGE.
- Shehu, A. M., & Mahmood, R. (2014). The relationship between market orientation and business performance of Nigerian SMEs: The role of organizational culture. *International Journal of Business and Social Science*, 5(9), 159–168.
- Silva, A. (2014). What do we really know about leadership? *Journal of Business Studies Quarterly*, 5(4), 1–4.

- Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). (2013). *SMEDAN and National Bureau of Statistics collaborative survey: Selected findings*. <https://www.smedan.gov.ng>
- Stake, R. E. (1995). *The art of case study research*. SAGE.
- Stake, R. E. (2013). *Multiple case study analysis*. Guilford Press.
- Tajasom, A., Hung, D. K. M., Nikbin, D., & Hyun, S. S. (2015). The role of transformational leadership in innovation performance of Malaysian SMEs. *Asian Journal of Technology Innovation*, 23(2), 172–188. <http://doi.org/10.1080/19761597.2015.1074513>
- Uchehara, C. C. (2017). Ex-raying operations of small medium scale enterprises (SMEs) in Nigeria business environment: The challenges. *European Journal of Economic and Financial Research*, 2(1), 1–20. <http://doi.org/10.5281/zenodo.255799>
- Vissak, T. (2010). Recommendations for using the case study method in international business research. *The Qualitative Report Volume*, 15(2), 370–388.
- Yin, R. K. (2017). *Case study research and applications: Design and methods* (6<sup>th</sup> ed.). SAGE.
- Yukl, G. (1999). An evaluation of conceptual weaknesses in transformational and charismatic leadership theories. *The Leadership Quarterly*, 10(2), 285–305. [http://doi.org/10.1016/S1048-9843\(99\)00013-2](http://doi.org/10.1016/S1048-9843(99)00013-2)
- Zhua, W., Newman, A., Miaoc, Q., & Hooke, A. (2013). Revisiting the mediating role of trust in transformational leadership effects: Do different types of trust make a difference? *The Leadership Quarterly*, 24(1), 94–105.

Vincent Okeke, PhD, is an entrepreneur, and management researcher. He holds BS/MS degrees in Chemical Engineering, an MS degree in Finance, and a PhD in Management. After college, he received training in auditing and management consulting with PriceWaterhouseCoopers. Subsequently, he worked in the commercial functions of Shell (Nigeria and Middle East), and other international construction companies in Nigeria before engaging in private business. Driven by passion and experience, Dr. Okeke currently carries out independent research on leadership in small family-owned businesses in Nigeria and plans future collaboration with some Nigerian universities in this regard. Outside work and research, Dr. Okeke spends time with family and plays golf as time permits. He can be reached at [okekevince@gmail.com](mailto:okekevince@gmail.com).

Daphne Halkias, PhD, is a distinguished academic, researcher, and professor of management and research at the International School of Management Paris; a founding fellow of the Institute of Coaching; a Harvard Medical School affiliate; a research affiliate at the Institute for Social Sciences at Cornell University; a senior research fellow at the Center for Youth and Family Enterprise at the University of Bergamo; and a past research associate at the Centre for Migration Policy and Society at the University of Oxford. She is editor of three peer-reviewed journals, including the *International Journal of Teaching and Case Studies*. Dr. Halkias is CEO of Executive Coaching Consultants ([executivecoachingconsultants.com](http://executivecoachingconsultants.com)), an international consulting firm specializing in leadership and family business mentoring and research in cross-cultural management, sustainability, and entrepreneurship. She can be reached at [daphne.halkias@ism.edu](mailto:daphne.halkias@ism.edu).

Kenneth Levitt, PhD, is an associate professor of management at Frostburg State University. He has 25 years of college-level teaching experience in the areas of human resource management, leadership, and organizational behavior. Since starting at Frostburg in 2014, he has taught undergraduate courses in labor relations and collective bargaining, compensation, and business ethics and a graduate course in human resource management. In addition to teaching, Dr. Levitt's research has focused on factors that influence workplace attitudes and performance, such as procedural justice, emotional intelligence, employee engagement, and personality. He also has extensive human resource consulting experience with Gallup and The WorkPlace Group. He can be reached at [kjlevitt@frostburg.edu](mailto:kjlevitt@frostburg.edu).



## **Board–CEO Fit: Is There a Need for Agents and Stewards to Match the Principal?\***

**Kanu Priya**  
**Missouri State University**

This article explores the need for fit/match between the board of directors and the CEO and the possible consequences for the CEO and the organization without it. Contrary to previous investigations of agency theory versus stewardship theory that sought to claim the superiority of one or the other, this article explores the issue of fit from the angle of the paradigm that the board and the CEO follow. Understanding the need for fit between the board and CEO, like that between an employee and organizational culture, can be the first step toward understanding the mechanisms that contribute to effective performance of CEOs and retention of competent and quality leaders. This article combines cognitive research with the agency and stewardship paradigm. A four-quadrant model of board–CEO fit that outlines the possible consequences of a mismatch between the board and the CEO is provided. This model can help future researchers move from mere comparison and competition between the two theories toward an understanding of the role of the context.

**Key words:** agency theory, board of directors, CEO turnover, cognitive dissonance, corporate governance, stewardship theory

The relationship of the board of directors and the CEO is a heavily researched area (e.g., Congleton, 2014; Graham et al., 2020; Gupta & Wowak, 2017; Mandato & Devine, 2020; Weber & Wiersema, 2017; Zhu & Chen, 2015). Agency theory (Bosse & Phillips, 2016; Khoreva & Wechtler, 2020; Lan & Heracleous, 2010; Nyberg et al., 2010; Raelin & Bondy, 2013) and stewardship theory (Chrisman, 2019; Eddleston & Kellermanns, 2007; Keay, 2017; Muth & Donaldson, 1998; Vallejo, 2009) dominate and influence most research on corporate governance. There is an ongoing debate on whether agency theory is a better form of board control over the managers (Sundaramurthy & Lewis, 2003), or if stewardship theory is a better answer (Donaldson & Davis, 1991). This is especially relevant in the aftermath of corporate scandals like Enron and the institutionalization of the Sarbanes–Oxley (SOX) Act (Bianco & Lavelle, 2000; Byrnes & Kiley, 2007), and multiple corporate scandals in recent years such as the Wells Fargo (Verschoor, 2016), and Volkswagen scandals (Hotten, 2015).

---

\*To cite this article: Priya, K. (2021). Board–CEO fit: Is there a need for agents and stewards to match the principal? *International Leadership Journal*, 13(1), 47–65.



While both agency and stewardship theories have their proponents (Miller & Sardais, 2011), each theory answers different needs and requirements for a board and has a radically different viewpoint. The two frameworks have been compared (Arthurs & Busenitz, 2003; Glinkowska & Kaczmarek, 2015; Wasserman, 2006), with some supporting agency paradigm (Daily & Dalton, 1994) and others supporting stewardship (Donaldson & Davis, 1991; Finkelstein & D'Aveni, 1994). Rather than focus on which one is a better paradigm, researchers, as well as boards and management teams today realize the need for organizational fit (e.g., Franco-Santos et al., 2017). Previous research has failed to address the question of whether there is a need to determine the fit between the framework (agency theory or stewardship theory) of the CEO and that applied by the board.

Just as it is useful to determine the person–organization fit for a potential employee during the selection procedure (Cable & Judge, 1996; O'Reilly et al., 1991), it might be beneficial for boards to identify the overall fit between a board's and a manager's viewpoints and the resultant frameworks. The board can either do this during the selection of the CEO, or it can change the existing framework and governance style to match the new leader's orientation. While selection of a CEO is itself fraught with complications (Chemmanur & Fedaseyeu, 2018; Donatiello et al., 2018; Walsh & Seward, 1990), changing the framework of a board of directors might be an even more difficult—and perhaps impossible—task. Thus, it is important to keep the issue of board–manager fit in mind early on. Problems do not arise due to the application of either agency or stewardship paradigm by themselves, but rather due to the incompatible and incongruent fit between the way a board behaves as a group, and the way a CEO thinks and behaves. The question of CEO discretion and board control, and of how much is too much, is extremely important in any context. One size does not fit all, so too do the application of board control and CEO discretion (Hambrick & Finkelstein, 1987).

Thus, the purpose of this article is to urge theorists to move away from simply focusing on and discussing the overall differences between the two paradigms. Expanding on Davis et al.'s ideas (1997), this article reconciles some issues about the debate over the organizational fit between a board of directors and a CEO, and

the possible consequences of a lack of fit. More importantly, this article strives to answer why fit is important. Over the last few years, CEO firings and walkouts have increased (Aydin & Akhtar, 2019; Bianco & Lavelle, 2000; “CEO Firings Decline”, 2007; Fitzgerald, 2020; Moin, 2018). Further, CEO performance and effectiveness are two areas of paramount concern for both practitioners and researchers. In the midst of strategic and economic concerns, board–CEO incompatibility may be a major, yet overlooked, component. It thus becomes beneficial for boards to consider fit.

Finally, increasing number of corporate scandals, such as those mentioned earlier, have necessitated greater board control and accountability (Cohan, 2002; Henry & Borrus, 2005; McLean & Elkind, 2003). For example, the Wells Fargo fraudulent accounts scandal revealed that some employees were creating hundreds of fraudulent customer accounts without customer approval or knowledge. The then-CEO was aware of the fraudulent practices for years before the scandal was exposed but chose not to do anything about it (Frost & Giel, 2017). Similarly, Volkswagen tricked emissions testers by installing software in more than 11 million cars to sidestep air pollution laws (Hotten, 2015). Greater fit between a board’s and CEO’s frameworks could facilitate easier monitoring and control by the board and thus mitigate some of these problems.

## **Agency vs. Stewardship Theory**

### **Agency Theory**

An *agency relationship* is a contract under which one or more persons [the principal(s)] engage another person (the agent) to perform some service on their behalf that involves delegating some decision-making authority to the agent (Jensen & Meckling, 1976). The contractual nature of the relationship is the key. According to *agency theory*, based on the economic model, humans are rational actors who seeks to maximize their individual utility (Davis et al., 1997; Perrow, 1986).

This theory holds that human beings are self-serving and individualistic (Albanese et al., 1997; Donaldson & Davis, 1991). Human beings are opportunistic, and given a chance and discretion, a manager will engage in self-

serving and opportunistic behavior even at a cost to owners of the firm. The objective in agency theory is to reduce the agency costs that principals might incur. It is imperative to monitor and control the agents to keep any self-serving behaviors in check (Davis et al., 1997; Eisenhardt, 1989; Jensen & Meckling, 1976). The role of a board is to discipline, monitor, and determine the extrinsic sources of motivation that make an agent less risk averse and to make an agent's goal align with those of the principals.

### **Stewardship Theory**

*Stewardship theory* is based on sociological and psychological literature. It views human beings as prosocial stewards for whom collectivistic and pro-organizational behaviors yield higher utility than selfish, opportunistic behaviors (Davis et al., 1997). Within this theory then, a manager's interests align with that of the principals. Stewardship theory stresses the empowerment of stewards by giving them more discretion and seeks to enhance collaboration (Sundaramurthy & Lewis, 2003). The motivation for a steward's behavior is intrinsic with a greater degree of trust between stewards and principals. The board does not monitor or control, but instead provides advice and guidance to the CEO.

Stewardship theory contends that the successful performance of a steward is affected by whether structural and/or situational factors facilitate effective action. Empowering stewards and giving them autonomy and discretion are vitally important within this theory for a manager to perform effectively. Control only hinders performance by lowering the manager's intrinsic motivation (Davis et al., 1997; Donaldson & Davis, 1991).

The two theories have divergent viewpoints and assumptions underlying their view of people. Davis et al. (1997) identify and outline various psychological and situational factors that differentiate agency theory from stewardship theory. The management and governance of a firm is largely dependent on the theory with which the board of directors and CEO are aligned.

To view human beings as completely rational and self-serving under the agency theory is too simplistic, unrealistic, and harsh, while viewing human beings as completely cooperative and prosocial under all situations is overly simplistic. Most

individuals will tend to display both agency and stewardship at various times. Agency and stewardship characterizations can represent two poles of a continuum along which an individual's behavior can vary over a lifetime or even during a specific time period (Kidder & Buchholtz, 2002). However, individuals are generally stable in their overall choices.

### **Board–CEO Fit**

A firm's culture and value system guide its philosophy. For most firms, values—as espoused by management and the board—cascade down to the rest of the organization. The model a firm follows guides it through its management and work philosophy. It also determines the way a board acts toward a CEO: control via agency theory, or collaboration via stewardship theory (Sundaramurthy & Lewis, 2003). The board–CEO interaction is guided by the selected model or framework. A board that embraces an agency framework will call for greater control, oversight, and monitoring of the CEO and will not support the concept of CEO duality (CEO also serving as the board chairperson; Finkelstein & D'Aveni, 1994) as the board believes the leader of the firm will focus on personal self-interest instead of the principals' interest. Discipline and monitoring are the key functions of this board. A board that follows the stewardship model, on the other hand, will place greater trust in the CEO with greater gains in a collaborative, cooperative, and pro-organizational behavior (Davis et al., 1997). Such a board accepts CEO duality (Finkelstein & D'Aveni, 1994) and encourages more discretion, autonomy, and empowerment for the CEO (Sundaramurthy & Lewis, 2003).

Similarly, a leader who adopts a stewardship model will prefer more discretion and autonomy and will expect trust and collaboration from the board (Davis et al., 1997; Donaldson & Davis, 1991; Sundaramurthy & Lewis, 2003). A manager who adopts an agency model will be more self-centered and opportunistic in business dealings and decision making and most likely choose self-serving behavior.

When both principal and leader choose the agency model, the outcome is a true principal–agent relationship. Similarly, when both a principal and leader choose the stewardship model, the outcome is a true principal–steward relationship. The

dilemma occurs when either party chooses a different view (Davis et al., 1997). If a leader chooses agency and the principal chooses stewardship, the principal feels betrayed and views the leader as opportunistic. On the other hand, if a principal chooses agency and the leader chooses stewardship, the leader views the principal as opportunistic and feels betrayed and frustrated.

The mismatch between a board and CEO extends beyond feelings of betrayal of trust and frustration. It can translate into action by either the leader or the board. Thus, this article focuses on the possible consequences.

		Principal	
		Agent	Steward
Manager	Agent	<i>Mutual Agency Relationship</i> <b>1</b>	<i>Mismatch</i> <ul style="list-style-type: none"> <li>Opportunistic Behavior</li> <li>Firing of CEO</li> </ul> <b>2</b>
	Steward	<i>Mismatch</i> <ul style="list-style-type: none"> <li>Cognitive Dissonance               <ul style="list-style-type: none"> <li>Pygmalion Effect</li> <li>Low Motivation</li> </ul> </li> <li>Walking Out of CEO</li> <li>Firing of CEO</li> </ul> <b>3</b>	<i>Mutual Stewardship Relationship</i> <b>4</b>

Figure 1. Principal–manager mismatch model. Adapted from “Toward a Stewardship Theory of Management,” by J. H. Davis, F. D. Schoorman, and L. Donaldson, 1997, *Academy of Management Review*, 22(1), p. 39. Copyright 1997 by the Academy of Management.

Figure 1 is a representation of the match or mismatch between the model followed by a board and leader. When both a board and leader follow the agency model, the result is a true agency relationship (Cell 1). When both follow the stewardship model, the outcome is a true stewardship relationship (Cell 4). Cells 2 and 3 present a mismatch, or the lack of fit. In Cell 2, the principal follows the stewardship model, and the leader follows the agency model. In Cell 3, on the other hand, the principal follows the agency model, and the leader follows the

stewardship model. Cell 2 and 3 are the scenarios in which the lack of fit produces undesirable consequences (Davis et al., 1997).

## Consequences of Mismatch

### Cognitive Dissonance

A CEO may experience cognitive dissonance as a result of a mismatch with the board. Festinger (1957) first introduced the concept of *cognitive dissonance* as the discomfort experienced by an individual when there is inconsistency between two opposing beliefs or attitudes (also called cognition) that an individual holds or when there is inconsistency between the attitudes and behaviors of an individual (Festinger & Carlsmith, 1959). The person experiencing cognitive dissonance experiences a pull in two opposing directions, which leads to discomfort, and caution must be taken to reduce the dissonance or lack of harmony between the two. When there is a pull between two opposing attitudes, one must be changed or given up to decrease internal conflict. With a discrepancy between attitude and behavior, it is most likely that the attitude will change to accommodate the behavior (Festinger & Carlsmith, 1959). However, when an individual feels strongly about their values systems and attitudes, he or she might choose to change the behavior instead.

Cognitive dissonance can be seen when a person's behavior and attitude do not match, such as individuals who smoke (behavior), yet know that smoking causes lung cancer (cognition). Every time they light up, they are aware of how harmful this behavior is (discomfort). Individuals can choose to change the behavior—give up smoking. They can also choose to change their attitude by convincing themselves that the research on the relation between smoking and cancer is specious and unreliable or by minimizing the importance of the cognition, convincing themselves that life is short and that they would rather enjoy it while it lasts. The choice that an individual makes in this instance will be determined by the strength of the value (how strongly he or she believes and holds on to the belief that smoking causes cancer) versus the discomfort associated with behavior change (how difficult he or she thinks giving up smoking is, or if he or she has a support system to help with smoking cessation).

Cognitive dissonance can also be caused by *forced compliance*—when people are forced to behave in ways contrary to their cognition. For example, a manager believes that people are intrinsically good, and given opportunity, trust, and resources, they can reach their best potential without invasive oversight (cognition). However, the company that this manager works for explicitly requires managers to keep oversight over their employees by remotely logging into their computers and observing their work (behavior). In such a scenario, this manager would feel discomfort, and resultant stress, in the opposing cognition/attitude he or she has to the behavior in which he or she must engage.

In the case of board–CEO relationship, the dissonance can be between the cognitive framework the CEO follows and the behavior the board expects from him or her. Expectations of behavior do not need to be explicitly stated; in fact, people often engage in subtle behavior that provides cues to others about what is expected. In this case, how a board treats a CEO will be an implicit statement of both the paradigm that they follow and the behavior they expect from the CEO.

In essence then, our quest for a match does not account for the self-concept of a manager or the lens with which a board sees a manager. The board's and manager's behaviors, and not their perceptions, are the basis for determining the paradigm followed by each party.

### **Self-Fulfilling Prophecy and Pygmalion Effect**

Does expecting a CEO to behave a certain way produce the predicted result? Social psychological researchers have explored the phenomenon of how false definitions of the situation or expectations of behavior or performance can evoke a new behavior that makes the original false hypothesis true. Merton (1948) first introduced this phenomenon and termed it *self-fulfilling prophecy*. Extensive research followed, generating more information about self-fulfilling prophecies. Rosenthal and Jacobson's study (1968) generated interest in the field of education and social psychology when they introduced the *Pygmalion effect*—a special case of self-fulfilling prophecy. The Pygmalion effect is a self-fulfilling prophecy in the context of interpersonal relationships (Eden, 1984; Sutton & Woodman, 1989). A person, the perceiver, develops expectations of a certain behavior from another

person, the target, and communicates those expectations either intentionally or unintentionally through indirect behavior. The target individual then internalizes those expectations and modifies his or her behavior to align with the expectations (Kierein & Gold, 2000; Livingston, 1988; Sutton & Woodman, 1989).

Expectations can be a powerful tool. As discussed earlier, people rarely communicate their expectations directly and explicitly (Livingston, 2003). Perceivers' expectations guide their behaviors. Implicit suggestions; nonverbal behavior; and, in the context of the board–CEO relationship, the board's indirect behavior, would all signal a board's expectations of a CEO. Furthermore, a board's overt behavior would elicit specific behavioral responses from the CEO. Taken together, a board's behavior towards a CEO will be a very powerful and implicit mode for communicating its expectations of a CEO. Thus, the issue of the fit between the paradigms becomes all the more relevant. The framework will guide a board's overt behavior toward a CEO. One example would be the issue of tighter board monitoring, which would signal a board's adoption adherence to the agency paradigm.

### **Mismatch**

As fruitful as a match between the board and CEO can be, a mismatch can be equally, nay more disruptive in magnitude. In Figure 1, Cells 2 and 3 exhibit the mismatch when the board and the CEO have opposite cognitive paradigms. To understand the effects of mismatch, observe Cell 3—a scenario in which the principal's behavior is implicit of the agency paradigm and the manager follows the stewardship paradigm. In such a situation the board will engage in tighter controls over the CEO, most of the board's functions will include monitoring and CEO accountability (Davis et al., 1997). The manager who follows the stewardship paradigm, however, needs more trust and autonomy by the board, followed by more guidance instead of control. In such a discrepant situation, one of the situations that follow could occur.

A steward who faces too many controls and observes an implied lack of trust and perceived expectation for self-serving behavior will be demotivated to perform. In such a case, a manager could experience cognitive dissonance because of the conflict between his or her pro-organizational attitude and the implied opportunistic



behavior encouraged by the board. To reduce this conflict, the manager may quit the firm. If on the other hand, he or she chooses to conform to the expectation and engage in self-serving behavior (Kidder & Buchholtz, 2002), his or her motivations for collectivistic behavior and pro-organizational performance will be reduced in the light of the negative expectations by the board, leading to a Pygmalion effect. However, the lack of motivation to perform pro-organizationally might suffocate the value system of such a stewardship-oriented CEO, and thus lead to an actual lack of performance, which in turn might lead to a termination of employment.

Similarly, as shown in Cell 2 of Figure 1, a principal's behavior might follow the stewardship paradigm while the CEO follows the agency paradigm. The board's behavior in this case would include giving more latitude to the CEO, providing more autonomy and guidance rather than monitoring and control (Sundaramurthy & Lewis, 2003), while the manager has a more self-serving attitude. One might expect that the board's lax behavior and implied assumptions about the collaborative and cooperative nature of the CEO would produce a change in the manager's behavior to be more pro-social and collectivistic. Unfortunately, the expectations of good behavior, or rather collectivistic, prosocial, and cooperative behavior, are often harder to convey than expectations of bad behavior (Livingston, 1988). The manager may be baffled by the trusting attitude of the board. He or she may even consider it subterfuge or perceive the board as foolish and easily deceivable. In such an event, the manager would translate the lack of control as an opportunity to engage in self-serving behavior. The consequences of opportunism will, again, lead to the termination of employment for the CEO.

### **Need for a Match**

There has been much debate over which paradigm is better (Daily & Dalton, 1994; Donaldson & Davis, 1991; Eisenhardt, 1989; Finkelstein & D'Aveni, 1994), but no one seems to have addressed the possibility that both paradigms are good and both are true representatives of human beings. Believing that just one paradigm can explain the variation in functioning of CEOs and the individual differences in style and personality would be a little presumptuous. Rather debating the supremacy of

one paradigm over the other, researchers should focus on the need for synchronization between paradigms of board of directors and CEOs. What needs to be studied are the effects of matches and mismatches on CEO performance.

The purpose of this article is to not only advise researchers and practitioners of the consequences of a mismatch but also of the benefits of a good match between paradigms. Since the passing of the SOX Act in 2002, firms do not have a choice of adopting one perspective or the other. They are forced to adopt the agency paradigm for more accountability and thus tighter control and monitoring of the CEO ("Five Years Under the Thumb," 2007; Henry & Borras, 2005). Proponents of the stewardship theory would find this repugnant and support the adoption of more autonomy and less control.

There are two aspects of the current developments that both researchers and practitioners should look at independently. The first is that neither theory is universally applicable. To assume that agency theory is universally applicable and an answer to all governance issues is untrue, as is the thinking that stewardship is the complete answer to effective and best governance. As mentioned earlier, people vary on their preference for stewardship and agency, and boards should keep that in mind. Due to the various consequences of a mismatch mentioned earlier and in previous research (Davis et al., 1997), it is important for practitioners to first understand the paradigm that a board follows and then to inspect the one that the manager/CEO follows. This will be informative for effective governance. Modifying and adapting the current style of functioning of a board to fit with that of the CEO would unilaterally benefit the firm by affecting the CEO's performance. A manager who seems to display more agency characteristics would need tighter controls and monitoring, while a manager who has stewardship tendencies and behavior would flourish more with more autonomy and trust. Under true match conditions, such as in Cells 1 and 4 in Figure 1, there will be less possibility of termination of employment of the CEO. Similarly, it would be easier for a board to be accountable; in an agency setting, a board would monitor and exercise more control, while in a stewardship setting, mutual trust would facilitate greater transparency between a board and CEO (Davis et al., 1997). In a mutually

reciprocal relationship, there will be a more synchronized psychological contract for the CEO (Kidder & Buchholtz, 2002).

The second aspect worthy of attention is the debate about the suitability of the greater controls ordained by the SOX Act. Previous studies have warned against the indiscriminate assumption of opportunism (Ghoshal & Moran, 1996). Similarly, researchers have emphatically argued for stewardship theory and how having a board that follows the stewardship paradigm would enhance a CEO's performance (Davis et al., 1997; Donaldson & Davis, 1991). Nevertheless, studies have neglected to consider if a similar reciprocity is beneficial for the agency paradigm. When a manager follows the agency paradigm, the board would have to follow the same paradigm to facilitate fit.

Sadly, it seems that agency problems have increased due to a wave of scandals (Carcello et al., 2005; Cohan, 2002; Dorweiler & Yakhou, 2006; McLean & Elkind, 2003), leading to the increased cost of agency and the need for acts like SOX (Jain & Rezaee, 2006). Historically, business scandals are sometimes the product of exploration and innovation, propelling speculation that comes in waves (Gray et al., 2007). The recent waves of scandals might be characterized as such a phase. The reaction is stricter legislation that tries to address the problem. In the aftermath of corporate scandals, the application of tighter control is only a response to the ensuing realization of the increasing agency problem (Jain & Rezaee, 2006). In the present-day corporate structure, it is difficult to avoid the separation of ownership and control (Fama & Jensen, 1983) and the possible consequences of the agency paradigm (Jensen & Meckling, 1976). Thus, it becomes imperative for boards to keep tighter control.

Although there are several possible aversive consequences that even close supervision and monitoring bring, boards can avoid them if they pay careful attention and apply appropriate measures. The need, then, is not only to consider the issue of board–CEO fit, but also to develop governance practices that enhance stewardship behaviors (Kidder & Buchholtz, 2002) even in the presence and application of tighter control, monitoring, and accountability practices.

## **Conclusion**

The Sarbanes–Oxley Act was enacted after accountability scandals (e.g., Enron and WorldCom) in corporate America (Henry & Borrus, 2005). SOX forces company boards to be more accountable by monitoring CEOs more closely and applying tighter controls over them. There is a greater need to control opportunistic behavior by CEOs, but indiscriminate application of control and monitoring and overreliance on the rational and opportunistic model (Ghoshal & Moran, 1996) is not the ultimate answer. CEO firings have reached unprecedented heights in recent years (Aydin & Akhtar, 2019; Fitzgerald, 2020). Corporate scandals indicate there are other factors ailing organizations today (Bianco & Lavelle, 2000; Byrnes & Kiley, 2007; Wiersema, 2002). One factor could be the lack of fit between a board and CEO and the inability of a board to adjust its governance based on the needs of the CEO. Boards are required to determine the extent and amount of control over corporate leaders. Finally, some corporate leaders might require closer supervision, while others may excel with greater autonomy and motivation for creativity and innovation. Determining this distinction is not easy. It may be one of the major functions a board focuses on to decrease future agency costs.

## **Limitations and Future Research**

This article deals solely with a prototypical case within each paradigm: the consequences that a board faces from lack of fit and how a mismatch affects an organization. This article has not dealt with the issue of CEO performance, other than on attitude and overall behavior. These issues are important, and future research should explore them on both a conceptual and empirical level. Studies investigating the issue of fit between a board and CEO and how that affects CEO and company performance would add significantly to the literature and shed light on the factors that affect corporate governance.

## **References**

- Albanese, R., Dacin, M. T., & Harris, I. C. (1997). Agents as stewards. *Academy of Management Review*, 22(3), 609–611.

- Arthurs, J. D., & Busenitz, L. W. (2003). The boundaries and limitations of agency theory and stewardship theory in the venture capitalist/entrepreneur relationship. *Entrepreneurship: Theory & Practice*, 28(2), 145–162.  
<https://doi.org/10.1046/j.1540-6520.2003.00036.x>
- Aydin, R., & Akhtar, A. (2019, December 23). The 37 most dramatic CEO exits in 2019, a record-breaking year for executive departures. *Business Insider*.  
<https://www.businessinsider.com/biggest-ceo-departures-wework-juul-ebay-warner-bros-metlife-2019-10>
- Bianco, A., & Lavelle, L. (2000, December 11). The CEO trap: Looking for superheroes to deliver sky-high growth ensures disappointment. *Business Week*, 11(37), 86–92.
- Bosse, D. A., & Phillips, R. A. (2016). Agency theory and bounded self-interest. *Academy of Management Review*, 41(2), 276–297.  
<https://doi.org/10.5465/amr.2013.0420>
- Byrnes, N., & Kiley, D. (2007, February 12). Hello, you must be going. *Business Week*, 30–32.
- Cable, D. M., & Judge, T. A. (1996). Person–organization fit, job choice decisions, and organizational entry. *Organizational Behavior & Human Decision Processes*, 67(3), 294–311.
- Carcello, J. V., Hermanson, D. R., & Raghunandan, K. (2005). Changes in internal auditing during the time of the major US accounting scandals. *International Journal of Auditing*, 9(2), 117–127.
- CEO firings decline but remained near record levels. (2007, November 14). *RTOonline.com*.
- Chemmanur, T. J., & Fedaseyeu, V. (2018). A theory of corporate boards and forced CEO turnover. *Management Science*, 64(10), 4798–4817.  
<https://doi.org/10.1287/mnsc.2017.2762>
- Chrisman, J. J. (2019). Stewardship theory: Realism, relevance, and family firm governance. *Entrepreneurship: Theory & Practice*, 43(6), 1051–1066.  
<https://doi.org/10.1177/1042258719838472>

- Cohan, J. A. (2002). "I didn't know" and "I was only doing my job": Has corporate governance careened out of control? A case study of Enron's information myopia. *Journal of Business Ethics*, 40(3), 275–299.
- Congleton, A. (2014). Beyond business ethics: An agenda for the trustworthy teachers and practitioners of business. *Journal of Business Ethics*, 119(2), 151–172. <https://doi.org/10.1007/s10551-012-1591-0>
- Daily, C. M., & Dalton, D. R. (1994). Bankruptcy and corporate governance: The impact of board composition and structure. *Academy of Management Journal*, 37(6), 1603–1617.
- Davis, J. H., Schoorman, F. D., & Donaldson, L. (1997). Toward a stewardship theory of management. *Academy of Management Review*, 22(1), 20–47.
- Donaldson, L., & Davis, J. H. (1991). Stewardship theory or agency theory: CEO governance and shareholder returns. *Australian Journal of Management*, 16(1), 49–64.
- Donatiello, N. E., Larcker, D. F., & Tayan, B. (2018). CEO talent: A dime a dozen, or worth its weight in gold? *European Financial Management*, 24(3), 301–308. <https://doi.org/10.1111/eufm.12158>
- Dorweiler, V. P., & Yakhou, M. (2006). Corporate leadership going awry: A business ethics maze. *Business Renaissance Quarterly*, 1(3), 51–63.
- Eddleston, K. A., & Kellermanns, F. W. (2007). Destructive and productive family relationships: A stewardship theory perspective. *Journal of Business Venturing*, 22(4), 545–565. <https://doi.org/10.1016/j.jbusvent.2006.06.004>
- Eden, D. (1984). Self-fulfilling prophecy as a management tool: Harnessing Pygmalion. *Academy of Management Review*, 9(1), 64–73.
- Eisenhardt, K. M. (1989). Agency theory: An assessment and review. *Academy of Management Review*, 14(1), 57–74.
- Fama, E. F., & Jensen, M. C. (1983). Separation of ownership and control. *Journal of Law & Economics*, 26(2), 301–326.
- Festinger, L. (1957). *A theory of cognitive dissonance*: Stanford University Press.

- Festinger, L., & Carlsmith, J. M. (1959). Cognitive consequences of forced compliance. *The Journal of Abnormal and Social Psychology*, 58(2), 203–210.
- Finkelstein, S., & D'Aveni, R. A. (1994). CEO duality as a double-edged sword: How boards of directors balance entrenchment avoidance and unity of command. *Academy of Management Journal*, 37(5), 1079–1108.
- Fitzgerald, M. (2020, January 8). 2019 had the most CEO departures on record with more than 1,600. *CNBC: Markets*.  
<https://www.cnbc.com/2020/01/07/2019-had-the-most-ceo-departures-on-record-with-more-than-1600.html>
- Five years under the thumb. (2007, July 28). *Economist*, 384(8539), 73–74.
- Franco-Santos, M., Nalick, M., Rivera-Torres, P., & Gomez-Mejia, L. (2017). Governance and well-being in academia: Negative consequences of applying an agency theory logic in higher education. *British Journal of Management*, 28(4), 711–730. <https://doi.org/10.1111/1467-8551.12249>
- Frost, W., & Giel, D. (2017). Wells Fargo board slams former CEO Stumpf and Tolstedt, claws back \$75 million. *CNBC*.  
<https://www.cnbc.com/2017/04/10/wells-fargo-board-slams-stumpf-and-tolstedt-claws-back-millions.html>
- Ghoshal, S., & Moran, P. (1996). Bad for practice: A critique of the transaction cost theory. *Academy of Management Review*, 21(1), 13–47.
- Glinkowska, B., & Kaczmarek, B. (2015). Classical and modern concepts of corporate governance (stewardship theory and agency theory). *Management* (1429–9321), 19(2), 84–92. <https://doi.org/10.1515/manment-2015-0015>
- Graham, J. R., Kim, H., & Leary, M. (2020). CEO–board dynamics. *Journal of Financial Economics*, 137(3), 612–636.  
<https://doi.org/10.1016/j.jfineco.2020.04.007>
- Gray, K. R., Frieder, L. A., & Clark, G. W. (2007). Financial bubbles and business scandals in history. *International Journal of Public Administration*, 30(8/9), 859–888.
- Gupta, A., & Wowak, A. J. (2017). The elephant (or donkey) in the boardroom: How board political ideology affects CEO pay. *Administrative Science Quarterly*, 62(1), 1–30. <https://doi.org/10.1177/0001839216668173>

- Hambrick, D. C., & Finkelstein, S. (1987). Managerial discretion: A bridge between polar views of organizational outcomes. *Research in Organizational Behavior*, 9, 369–406.
- Henry, D., & Borrus, A. (2005, January 6). No escaping Sarbanes-Oxley. *Business Week Online*.
- Hotten, R. (2015). Volkswagen: The scandal explained. *BBC News*.  
<https://www.bbc.com/news/business-34324772>
- Jain, P. K., & Rezaee, Z. (2006). The Sarbanes-Oxley Act of 2002 and capital–market behavior: Early evidence. *Contemporary Accounting Research*, 23(3), 629–654.
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360.
- Keay, A. (2017). Stewardship theory: Is board accountability necessary? *International Journal of Law & Management*, 59(6), 1292–1314.  
<https://doi.org/10.1108/IJLMA-11-2016-0118>
- Khoreva, V., & Wechtler, H. (2020). Exploring the consequences of knowledge hiding: An agency theory perspective. *Journal of Managerial Psychology*, 35(2), 71–84. <https://doi.org/10.1108/JMP-11-2018-0514>
- Kidder, D. L., & Buchholtz, A. K. (2002). Can excess bring success? CEO compensation and the psychological contract. *Human Resource Management Review*, 12(4), 599–617.
- Kierein, N. M., & Gold, M. A. (2000). Pygmalion in work organizations: A meta-analysis. *Journal of Organizational Behavior*, 21(8), 913–928.
- Lan, L. L., & Heracleous, L. (2010). Rethinking agency theory: The view from law. *Academy of Management Review*, 35(2), 294–314.  
<https://doi.org/10.5465/amr.35.2.zok294>
- Livingston, J. S. (1988). Pygmalion in management. *Harvard Business Review*, 66(5), 121–130.



- Livingston, J. S. (2003). Pygmalion in management. *Harvard Business Review*, 81(1), 97–106.
- Mandato, J., & Devine, W. (2020). Why the CEO shouldn't also be the board chair. *Harvard Business Review Digital Articles*, 2–6.
- McLean, B., & Elkind, P. (2003). *Smartest guys in the room: The amazing rise and scandalous fall of Enron*. Portfolio.
- Merton, R. K. (1948). The self-fulfilling prophecy. *Antioch Review*, 8(2), 193–210.
- Miller, D., & Sardais, C. (2011). Angel agents: Agency theory reconsidered. *Academy of Management Perspectives*, 25(2), 6–13. <https://doi.org/10.5465/amp.25.2.6>
- Moin, D. (2018, November 28). CEOs face the firing squads. *WWD: Women's Wear Daily*, 1–15.
- Muth, M. M., & Donaldson, L. (1998). Stewardship theory and board structure: A contingency approach. *Corporate Governance: An International Review*, 6(1), 5–28.
- Nyberg, A. J., Fulmer, I. S., Gerhart, B., & Carpenter, M. A. (2010). Agency theory revisited: CEO return and shareholder interest alignment. *Academy of Management Journal*, 53(5), 1029–1049. <https://doi.org/10.5465/amj.2010.54533188>
- O'Reilly, C. A., III, Chatman, J., & Caldwell, D. F. (1991). People and organizational culture: A profile comparison approach to assessing person–organization fit. *Academy of Management Journal*, 34(3), 487–516.
- Perrow, C. (1986). *Complex organizations*. McGraw-Hill.
- Raelin, J. D., & Bondy, K. (2013). Putting the good back in good corporate governance: The presence and problems of double-layered agency theory. *Corporate Governance: An International Review*, 21(5), 420–435. <https://doi.org/10.1111/corg.12038>
- Rosenthal, R., & Jacobson, L. (1968). *Pygmalion in the classroom: Teacher expectation and pupils' intellectual development*. Holt, Rinehart & Winston.

- Sundaramurthy, C., & Lewis, M. (2003). Control and collaboration: Paradoxes of governance. *Academy of Management Review*, 28(3), 397–415.
- Sutton, C. D., & Woodman, R. W. (1989). Pygmalion goes to work: The effects of supervisor expectations in a retail setting. *Journal of Applied Psychology*, 74(6), 943–950. <https://doi.org/10.1037/0021-9010.74.6.943>
- Vallejo, M. (2009). The effects of commitment of non-family employees of family firms from the perspective of stewardship theory. *Journal of Business Ethics*, 87(3), 379–390. <https://doi.org/10.1007/s10551-008-9926-6>
- Verschoor, C. C. (2016). Lessons from the Wells Fargo scandal. *Strategic Finance*, 98(11), 19–20.
- Walsh, J. P., & Seward, J. K. (1990). On the efficiency of internal and external corporate control mechanisms. *Academy of Management Review*, 15(3), 421–458. <https://doi.org/10.2307/258017>
- Wasserman, N. (2006). Stewards, agents, and the founder discount: Executive compensation in new ventures. *Academy of Management Journal*, 49(5), 960–976. <https://doi.org/10.5465/amj.2006.22798177>
- Weber, L., & Wiersema, M. (2017). Dismissing a tarnished CEO? Psychological mechanisms and unconscious biases in the board's evaluation. *California Management Review*, 59(3), 22–41. <https://doi.org/10.1177/0008125617712257>
- Wiersema, M. (2002). Holes at the top: Why CEO firings backfire. *Harvard Business Review*, 80(12), 70–78.
- Zhu, D. H., & Chen, G. (2015). CEO narcissism and the impact of prior board experience on corporate strategy. *Administrative Science Quarterly*, 60(1), 31–65. <https://doi.org/10.1177/0001839214554989>

Kanu Priya, PhD, is an assistant professor of management at Missouri State University. She teaches graduate courses in strategy, leadership, and international business. Her research focuses on leadership and on personality and identity of CEOs and leaders. She is an active executive coach and leadership development consultant for corporate clients. Dr. Priya has experience working across different cultures and has most recently taught and worked in the United States, India, and China. She is an associate editor for the *Organization Management Journal* and the president of the Rocky Mountain Academy of Legal Studies in Business. She can be reached at [KanuPriya@MissouriState.edu](mailto:KanuPriya@MissouriState.edu).

## **Overcoming the Three Great Untruths: Developing Leaders Amidst the Coddling of the American Mind\***

**Jeffrey L. McClellan  
Frostburg State University**

Lukianoff and Haidt (2015) describe how three great untruths are creating an impact on higher education: “what doesn’t kill you makes you weaker”; “always trust your feelings” and “life is a battle between good people and evil people” (4). They outline how the acceptance of these great untruths is shaping student behavior in such a way that it weakens the academy’s ability to pursue truth. Sadly, the impact of these untruths could also potentially weaken students’ leadership way of being and delimit the capacity of institutions to develop students as leaders by undermining four core mindsets of effective leadership: commitment, control, challenge, and an outward mindset. For educators and leaders in higher education to reverse this trend, they will need to help students recognize and understand how these untruths limit their development as individuals and leaders, assist them in altering the mindsets these untruths create, encourage more effective coping practices, and model the way through their own leadership and administrative practices that encourage and foster hardy, outward-oriented mindsets.

**Key words:** American mind, higher education, leadership, leadership education, leadership development

The transformation of society through the development of “fully rounded, intellectually sophisticated and caring person[s]” and researching and responding “to pressing real world problems” (Chan, 2016, 10) are two of the major purposes of higher education. Ideals of personal and societal transformation dominate mission statements for universities across the United States. Whether they emphasize the role of the institution in the transformation of the student or the institutional responsibility to transform society—or both—these documents espouse an ideal that centers on the need for higher education to both develop leaders and to serve as a leader for change (Komives & Sowcik, 2020a). Higher education institutions have increasingly become more intentional about leadership development through both academic and extracurricular programs that focus on interdisciplinary leadership education and development (Downing, 2020; Oberg &

---

\*To cite this article: McClellan, J. L. (2021). Overcoming the three great untruths: Developing leaders amidst the coddling of the American mind. *International Leadership Journal*, 13(1), 66–92.

Andenoro, 2019). These programs are growing in number and quality. However, they face some significant challenges.

Lukianoff and Haidt (2015) argue that “something strange is happening at America’s colleges and universities. A movement is arising, undirected and driven largely by students, to scrub campuses clean of words, ideas, and subjects that might cause discomfort or give offense.” (para. 1). The strange shift is rooted in what they believe to be a fundamental generational shift that has given birth to what they now call the three great untruths. These untruths represent a challenge to the goals of higher education and the role of higher education in leadership development. This article examines these untruths, explores how they impede the fostering of a leadership way of being that is needed to promote effective leadership development, and examines ways that higher education institutions can overcome the effects of this generational trend.

### **The Coddling of the American Mind**

Lukianoff and Haidt (2018) argue that the rising generation of students, known as iGen, are different from the generation that preceded them. Raised in an era of social media influences based on the personal cellular device revolution, these young people grew up amid a number of key social forces that have defined their outlook and approach to life and their attitudes and behaviors in the higher education environment. These social forces include

rising political polarization and cross-party animosity; rising levels of teen anxiety and depression; changes in parenting practices; the decline of free play; the growth of campus bureaucracy; and a rising passion for justice in response to major national events, combined with changing ideas about what justice requires. (Lukianoff & Haidt, 2018, 15)

These forces, though they affect individual iGen members differently, contribute to the creation of a dominant mindset characterized by what Lukianoff and Haidt refer to as the three great untruths.

The three great untruths consist of the following mindsets: (a) avoid difficult ideas or experiences because “what doesn’t kill you makes you weaker”; (b) let your emotions control you because you should “always trust your feelings” and the

thoughts they feed you; and (c) “life is a battle between good people and evil people” so you need to clarify who is who and fight to win (Lukianoff & Haidt, 2018, 4). Lukianoff & Haidt (2018) argue that these untruths are contradictions of actual truths that are essential to personal and social well-being. The first mindset, “what doesn’t kill you makes you weaker” is a clear contradiction to the notion that human beings must face and overcome challenges to grow (4). Human beings, by nature, are anti-fragile. This means that unlike “fragile” things, they do not break easily and permanently (Lukianoff & Haidt, 2018, 23). They are also not simply “resilient” because they do not just survive challenging and difficult circumstances (Lukianoff & Haidt, 2018, 23). Instead, the authors suggest that people require challenging things to grow and become whole, which makes them anti-fragile. Consequently, a mindset of avoidance of things that cause mental, emotional, and physical discomfort breeds a context of “safetyism” that leads to overprotection (Lukianoff & Haidt, 2018, 30). The authors note that

a culture that allows the concept of ‘safety’ to creep so far that it equates emotional discomfort with physical danger is a culture that encourages people to systematically protect one another from the very experiences embedded in daily life that they need in order to become strong and healthy. (29)

Thus, an increased effort to minimize peanut allergies has actually led to an increase in peanut allergies because the ability of the body to manage the allergen is dependent upon its exposure to the allergen, just as the ability to develop antibodies for a virus is dependent on exposure to the virus.

As evidence of this social trend, Lukianoff and Haidt (2018) discuss how the litigious nature of society, combined with increased awareness of ways to improve safety such as safety belts, car seats, and childproofing, have increased the role of policymakers and administrators in the minimization of safety risks. Parents, as part of their efforts to ensure the safety of their children, have followed suit. Gradually, the emphasis on physical safety has shifted to emotional safety. As the authors explain, research has shown that the definitions of psychological disorders have deepened and broadened over time (Haslam, 2016). For example, the term *trauma*, which used to apply only to the psychological results of physical harm, now includes emotional harm. According to Haslam (2016), this led to the creation

of definitions of “new kinds of experience as harming and new classes of people as harmed, and it identifies these people as needful of care and protection” (14). Haslam believes that this shift could increase the tendency of individuals to experience less moral agency because of an increased sense of victimization. He also believes that it could lead to increases in “unjustified accusations and litigation, as well as excessive and disproportionate enforcement regimes” (14). In other words, students might come to see themselves as individuals suffering from disorders beyond their control and victims who need policymakers to protect them from not only physical but also emotional harm. This would suggest a likely diminished sense of internal locus of control and self-efficacy in the face of emotional challenges, due to emotional disorders, and an appeal to authority to address the challenges they face.

Lukianoff and Haidt (2018) also discuss the increase in safe zones designed to protect students from ideas they find offensive, the introduction of trigger warnings for experiences that might contain ideas that could be offensive, and the implementation of administrative responses to perceived verbal harm in an effort to protect students from experiences they might find offensive. Other scholars document similar and related trends associated with increases in the use of counseling and accommodation services (Twenge, 2017, 2018), external locus of control among students (Twenge & Campbell, 2008), concern for emotional safety (Twenge, 2018), concerns related to emotional safe spaces on campuses (Flensner & Von der Lippe, 2019; Gayle et al., 2013; Pujol, 2016), and the frequent appeals to authority on university campuses to correct problems (Pujol, 2016; Twenge, 2018).

According to Lukianoff and Haidt (2018), the second great untruth—“always trust your feelings”—leads individuals to trust the emotional information that the subconscious stream feeds the cognitive decision-making process as preeminent (4). Decision scientists suggest that the brain is made up of two cognitive processes: the emotional and the rational (Hamilton, 2016; Lehrer, 2009). The emotional brain constantly scans the environment for threats, and based on evolutionary and experiential responses, drives the body into a natural fight, flight,

or freeze response (LeDoux, 1996). These responses, developed for life in an environment of constant primeval threats, are largely unhealthy in the modern world and tend to result in cognitive distortions that lead to emotional disorders based on emotional, logically unsound reasoning. These distortions include catastrophizing, overgeneralizing, and negative filtering (Lukianoff & Haidt, 2018). The result of such thought patterns is a rise in emotional disorders that increase the safety orientation and contribute to the overprotective culture.

As evidence of this untruth's impact on higher education, Lukianoff and Haidt (2018) discuss the increasing emphasis on microaggressions, which they do recognize as a legitimate issue. However, they suggest this concept becomes problematic when individuals assume that anytime they are offended by an action, it represents a microaggression that needs to be addressed regardless of the intention of the other. This postmodernist tendency to allow for purely subjective unpleasant experience to define reality has led, in some cases, to the vilification of those whose thoughts differ from one's own. The result is a further increase in the safetyism culture as partially evidenced by increasing "disinvitation" of speakers on college campuses based on the perceived offensiveness of their messages (Behrent, 2019; Lukianoff & Haidt, 2018)

This untruth is, however, hardly new or limited to this generation of college students. Indeed, the postmodern notion that one's subjective perception supersedes any notion of objective reality has grown in popularity and significance across society (Jarvis, 2001; Taylor, 2005). As Narvaez (2010) explains, moral thinking is based in both intuitive and rational processes. In the past, a person's dependence on "gut feelings and heuristics [was] often ridiculed as irrational" (164). However, "the pendulum is swinging in the other direction and reasoning is often considered unnecessary" (Narvaez, 2010, 164). The result is an increased emphasis on the acceptance of individual reality and judgment based solely on an actor's feeling of the "'rightness' of their actions, a 'moral mandate' or truthiness" (Narvaez, 2010, 164). In other words, what one feels to be right represents his or her truth and cannot be dismissed or rejected.

H. Gardner (2010) explains how leaders' ability to change the minds of those they lead is becoming increasingly based on resonance, or the ability to make people "feel" something is right, as opposed to reason, research, or any other mind change factors. The result is that facts no longer seem to matter. The news is "fake" if one feels it is, and emotional resonance determines one's reality among the rising generation (Twenge, 2018). Furthermore, the corporatization of higher education with its customer service ethic and fear of litigation contributes to the tendency of administrators to respond to student concerns without engaging in the kind of critical thinking and dialogue that should typify the academy (Lukianoff & Haidt, 2018; Twenge, 2018).

Unfortunately, this willingness to allow oneself to be reactively driven by one's emotional perceptions and thoughts, especially when these are driven by anxiety, fear, and anger, leads to thought patterns characterized by such common cognitive distortions as emotional reasoning, catastrophizing, overgeneralizing, blaming. Lukianoff and Haidt (2018) explain that individuals who habitually think "in such ways would develop schemas that revolve around maladaptive core beliefs, which interfere with realistic and adaptive interpretations of social situations" (38). Furthermore, such habitual patterns of thought could result in increased anxiety and depression, which is now so common among this generation (Twenge, 2017, 2018; Twenge & Campbell, 2008).

The third untruth—"life is a battle between good people and evil people" (Lukianoff & Haidt, 2018, 4)—is rooted in the tribal and social nature of human beings. As Lukianoff and Haidt (2018) explain, we have a natural tendency to think in terms of in-groups and out-groups.

Tribalism is our evolutionary endowment for banding together to prepare for intergroup conflict. When the "tribe switch" is activated, we bind ourselves more tightly to the group, we embrace and defend the group's moral matrix, and we stop thinking for ourselves. A basic principle of moral psychology is that "morality binds and blinds," which is a useful trick for a group gearing up for a battle between "us" and "them" (58).

Reinforced by the powerful us-versus-them storytelling of leaders (H. Gardner & Laskin, 1995) in a polarized society, this untruth contributes to our perception of



others as enemies and threats to safety and the safety of one's in-group, especially when it is reinforced by the other two mindsets.

As evidence for this mindset, Lukianoff and Haidt (2018) point to the increasing conflict and fear related to politics and political discussions on university campuses because of common enemy identity politics and the emerging call-out culture. Further evidence can be found in the increasing rates of individualism and narcissism among college students (Twenge & Campbell, 2008). Research suggests that increased narcissism relates to increased difficulty in getting along with others and aggressive response to perceived threats (Twenge & Campbell, 2008). It also increases the likelihood that individuals will either avoid relationships and groups, where they might be exposed to different ideas, or specifically seek out social situations and groups that reinforce their perceptions as opposed to threatening them. Both approaches appear common among current college students (Twenge, 2018). However, this trend towards us vs. them tribalism is not unique to this generation. Indeed, the polarization of American society is a widely documented issue with significant implications for how we associate with each other, especially with dissimilar others (Heltzel & Laurin, 2020). Geher (2018) argues that

we are a polarized people and we are surrounded by those who agree with us on a daily basis. So, when we hear people espousing "the other" views, we truly don't understand it. After all, we live in our own bubbles surrounded by people who agree with our view of the world lock, stock, and barrel. (para. 6)

As a result, the tendency to villainize the other increases, and people are more willing to accept the us-versus-them stories of political leaders (H. Gardner & Laskin, 1995) that dominate politics today.

When this untruth is combined with the other untruths, the resultant whole of these mindsets, insofar as they are embraced, creates a context wherein students become highly sensitive to perceived threats to safety, intolerant of ideas that they view as harmful, and ready to go to war to protect themselves and others. Furthermore, to the extent that these untruths are not intentionally rejected and principles of academic inquiry, academic freedom, and critical thinking do not continue to be actively supported by faculty and administrators, an academic

environment could emerge in which protecting others from discomfort trumps the search for truth, which ultimately delimits the educational mission of institutions of higher education (Lukianoff & Haidt, 2015, 2018). This is not to say that academic efforts are not being made to counteract these untruths; much of higher education's traditional processes are designed to do this. Nonetheless, there is ample evidence to suggest that these processes are being challenged by the cultural implications of these untruths (Behrent, 2019; Lukianoff & Haidt, 2015, 2018; Twenge, 2018). Furthermore, and more to the point of this article, while these untruths threaten the pursuit of truth in higher education, the implications for leadership education and development is significant and worth exploration.

### **Leadership Development**

Over the past few years, the proliferation of programs dedicated to leadership studies has been significant (Komives & Sowcik, 2020a). Likewise, numerous student leadership development programs have emerged (Komives & Sowcik, 2020b). Consequently, "from academic programs to co-curricular and extra-curricular leadership development programs, students have a wide choice of leadership development opportunities" (Dunn et al., 2019, 94). These trends likely aim to address the declining satisfaction of employers with the graduates of higher education institutions and the increasing disappointment people seem to feel with the quality of leadership in society. Some have even argued that we face a leadership crisis (Burns, 1995; J. Gardner, 1995; Greenleaf et al., 1996; Owen, 2013). However, for these programs to be effective, those who implement them must clearly articulate their learning and development goals, develop a framework for their efforts, and respond to the needs of the students with whom they are working.

Leadership education, training, and development are subtly distinct constructs. Nonetheless, as Stech (2008) explains, "an ideal program to create leaders should incorporate all three: educating participants to provide a knowledge base, training them to acquire the desired skills, and assisting them in developing insight into their own beliefs and values and their effect on others" (43). Education focuses on the critical analysis and understanding of theory; training provides for contextual

skill development; and development focuses on “gain[ing] insight into self and understand[ing] the effect a person has on others” (Stech, 2008, 44) to lead more effectively. Bringing these three approaches together requires a fundamental understanding of leadership and its application.

While no universal definition of leadership exists, there is some consensus that *leadership* involves social influence that is directed toward the achievement of a goal (Hughes et al., 1995; Hunt, 2004). Furthermore, social influence occurs in moments defined by the interaction that takes place between a leader and a follower or followers within a specific context. Thus, leadership encompasses more than just what a leader does, as leadership is also relational, procedural, and systemic (Kellerman, 2016; Komives et al., 2006; Komives et al., 2009; Northouse, 2019). Furthermore, the role of leader and follower can shift from moment to moment based on who is influencing whom, regardless of one’s hierarchical position (Uhl-Bien et al., 2014). Nonetheless, to each of these moments, both the person who is influencing and the person being influenced bring a way of being, way of thinking, and way of acting. The nature of these three things has an impact on the effectiveness of the leadership moment (for purposes of simplicity, the focus of the following discussion will be on the leader, though the follower’s way of being, thinking, and acting are equally important).

A leader’s way of being is made up of the underlying elements of the individual’s identity that are critical in relation to leadership because they ground and direct the leader’s thoughts and actions. Important aspects of one’s way of being may include the person’s view of the world, mindset, motives, mood, attitude, and values. One of the critical components is mindset (Dunn et al., 2016; Ho & Odom, 2015). Klein (2016) defines *mindset* as “a belief that orients the way we handle situations” (para. 1) that can change relatively quickly and have powerful consequences on our attitudes and actions. He argues that certain mindsets “distinguish people who are successful at what they do” from “those who continually struggle” (Klein, 2016, para. 1). With regard to leadership, four mindsets have been found to be powerful contributors.

The first three mindsets associated with effective leadership that will be addressed here are commitment, control, and challenge, or, taken altogether, hardiness. The concept of hardiness is closely associated with resilience and has been found to be a major factor in determining how much strain people experience in high stress situations, as well as their performance in challenging contexts (Kobasa et al., 1982; Lambert & Lambert, 1999; Maddi, 1987; Maddi & Khoshaba, 2005; Westman, 1990). It has also proven to be a significant contributor to leadership effectiveness in a variety of contexts (Eid et al., 2009; Lloyd & Attella, 2000; Maddi & Khoshaba, 2003; Maddi & Kobasa, 1984; McClellan, 2013, 2020; Stein & Bartone, 2020). As mentioned, *hardiness* is made up of the three essential mindsets of commitment, control, and challenge, which influence the way that people perceive and respond in the world and affect their effectiveness.

According to Stein and Bartone (2020), a mindset of *commitment* is characterized by passionate engagement and an unwillingness to surrender in the face of challenges based on the perception of “life as overall meaningful and worthwhile” (11). It means “looking at the world as interesting and useful even when things are difficult” and pursuing one’s work with a high level of involvement, social engagement, and self-reflection (Stein & Bartone, 2020, 11). This type of mindset is central to a leader’s ability to develop and communicate passionate commitment to a vision and to sustain meaningful engagement of oneself and followers amidst challenges. It responds to a follower’s need for hope (Rath & Conchie, 2008)

*Control* refers to a mindset characterized by a belief in one’s ability to influence one’s fate. This mindset causes individuals to “strive to positively influence the outcomes of the changes going on around [them]” (Maddi & Khoshaba, 2005, 18). This leads to a proactive engagement with the world based on high levels of locus of control, confidence, self-efficacy, and personal mastery that is characteristic of successful individuals and leaders (Benard, 2004; Covey, 1989; Goleman et al., 2002; Luthans & Avolio, 2003; Northouse, 2004; Quinn,

2004; Senge, 1990; Sutcliffe & Vogus, 2003). This approach contributes to followers' need for trust and stability. (Rath & Conchie, 2008)

*Challenge* refers to an individual's tendency to "see change and disruptions in life as interesting opportunities to learn and grow" (Stein & Bartone, 2020, 11). Individuals with a challenge mindset

understand that problems are a part of life, and they set out to solve them, rather than run away from them. For these people, taking on new challenges is an interesting way to learn about themselves and their own capabilities, while also learning about the world. (Stein & Bartone, 2020, 11)

This concept is closely related to the growth mindset described by Dweck (2016) as essential to success and contributes to a leader's ability to inspire hope and trust in followers (Rath & Conchie, 2008).

The final mindset for effective leadership, which responds to followers' needs for compassion (Rath & Conchie, 2008), is the outward mindset. The *outward mindset* is characterized by an ability to see others as valuable human beings instead of objects (Arbinger Institute, 2015, 2018, 2019). Individuals with this mindset realize others matter just as much as they do. Consequently, they do not treat them as assets or tools to use for their own benefit, but rather as individuals with their own "needs, objectives, and challenges" (Arbinger Institute, 2019, 35). This mindset, in a work environment, causes an individual to be "accountable to accomplish his own objectives and to do so in a way that makes it easier, not harder for his colleagues [or followers] to succeed in their responsibilities as well" (Arbinger Institute, 2019, 35). This mindset and its resultant concern for others' well-being and success is a central element of effective leadership (Boyatzis & McKee, 2005; Greenleaf, 2002; Keith, 2008; McClellan, 2014; Sipe & Frick, 2009).

These four mindsets represent key elements of a healthy, resilient way of being and are essential for effective leadership. However, they are seriously undermined by the great untruths and, consequently, may delimit the leadership development capacity of students who have been culturally affected by these untruths.

## Implications of the Great Untruths

Each of the three great untruths has a significant impact on the mindset of students and their potential to lead effectively. As outlined previously, these mindsets invite students to assume that challenges in life are threatening and should be avoided, emotional responses should be trusted and the thoughts they generate should be followed, and people are either good or evil depending on whether they agree with one's own beliefs and ideals.

With regard to the first great untruth, viewing challenges as threatening and to be avoided and lashing out at others in the face of challenges are forms of regressive coping. *Regressive coping* refers to any behavior that involves avoiding problems or challenges, such as engaging in activities that serve to distract one from problems that need to be addressed, disregarding the value of human relationships, or fighting against the problem via overly emotional methods that often serve to worsen the problem rather than to solve it (Eschleman et al., 2010; Khoshaba & Maddi, 2005; Maddi & Khoshaba, 2005; Stein & Bartone, 2020). For Maddi and Khoshabba (2005), "there are two expressions to this non-resilient coping." (92). The first, which is considered the more passive, occurs when stressors or challenges are "not thought about" and "avoided by engaging in activities irrelevant to the task" (Maddi & Khoshaba, 2005, 92). Over time, individuals who cope in this way "learn to avoid any change that might expose their limitations and areas of needed growth" (Maddi & Khoshaba, 2005, 92). The second form of regressive coping is more active. Individuals, when threatened by challenging situations, "feel like a victim and strike out against those who seem like oppressors"; consequently, they respond with "apprehension, fear, and anger" to any stressor regardless of its intensity (Maddi & Khoshaba, 2005, 92–93). These two forms of regressive coping almost exactly describe the behaviors and responses described by Lukianoff and Haidt (2015) in their discussion of iGen members' responses to the safety challenges they perceive. The issue with such responses is that they do not address or overcome the challenge. Furthermore, they are likely to reinforce the diminished sense of hardiness that contributed to the response and impair the leadership mindsets of commitment, control, and

challenge that are so essential to effective leadership (Stein & Bartone, 2020). Finally, they contribute to an increase in the negative emotions associated with the second great untruth.

While the expression “let your emotions be your guide” may be true in certain situations, it is certainly not the case when one simply encounters ideas or situations that create feelings of discomfort. For example, some research suggests that intuitive emotional decision-making is effective in familiar situations when emotions are not extreme (Gladwell, 2005; Hamilton, 2016; Lehrer, 2009). However, the negative cycles of emotional responsiveness characterized by the great untruths generally trigger strong negative emotions of fear and anger due to encountering novel ideas and thoughts. This begins as individuals experience discomfort associated with ideas that they perceive as threatening and unsafe. Students’ beliefs that these offenses are threats to themselves and others trigger strong emotional responses that, if kept unchecked, can lead to emotional overload. Hallowell (2010) explains that “the deep regions [of the brain] interpret the messages of overload they receive from the frontal lobes in the same way they interpret everything: primitively” (86). This triggers the emotional brain to take control of the situation and can lead to an emotional hijack situation (Goleman, 1995; LeDoux, 1996). As the cognitive brain and body succumb to emotional control, “the brain and body are locked in a reverberating circuit while the prefrontal lobes lose their sophistication” (Hallowell, 2010, 86). The result is a diminution in mental control and clarity in which individuals revert to “simpleminded black and white thinking; perspective and shades of grey disappear. Intelligence dims,” and the brain loses its capacity to think clearly (Hallowell, 2010, 86). While emotional hijackings of this nature can be caught and managed, trusting one’s emotions in such situations is not likely to lead to more effective decision-making and leadership. In fact, the truth is quite the opposite.

Stein and Bartone (2020) explain that “having a higher level of control means being able to better control or regulate your emotions and impulses” (87). Individuals who are high in control recognize that situations and events do not cause emotions, but rather it is what individuals say to themselves about situations

and events that “determines our feelings and actions” (Stein & Bartone, 2020, 105). Commitment provides motivation and increases capacity to maintain such control in the face of challenges. Challenge encourages one to approach difficult situations with optimism and learn from them as opposed to responding in fear and anger. Thus, those who choose to let their emotions be their guide in situations of perceived unsafety, demonstrate low levels of hardiness and reinforce resiliency-diminishing habits. The result is, once again, a decrease in the mindsets of hardiness associated with effective leadership.

Unlike the first two untruths, which negatively relate to hardy mindsets, the third untruth, reinforces an us-versus-them mentality and promotes an inward mindset that focuses on seeing others as obstacles as opposed to valuing others with their own valid needs, challenges, and desires (Arbinger Institute, 2019). This shift is based on the natural tendency of human beings to create in-groups and out-groups (Lukianoff & Haidt, 2018). However, this tendency, in and of itself, does not necessarily create the problem. It is as individuals come to perceive the other as either a threat or obstacle to one’s goals, and as leaders or groups of followers experience what H. Gardner and Laskin (1995) refer to as the “us-versus-them” and/or “good versus evil” story that individuals can find themselves “dehumanizing the other” via the spiral of injustice. The spiral of injustice, as explained by Elliot (2018),

examines the devolution of humanity when “the other” is seen as apart from the norm and, therefore, not equal. If the perception of difference exists, actions to demean will exist. The downward spiral from language to avoidance, discrimination, violence, and elimination illustrates the destruction of a core value—“Do unto others as you would have them do unto you. (3–4)

The resultant perspective, or inward mindset, diminishes effective leadership when it becomes a pattern of behavior.

Unfortunately, it is not just the untruths and students’ responses to them that reinforce the diminution of the mindsets that accompany effective leadership; it is also the way organizational leaders within the university environment model and reinforce these negative mindsets through paternalistic leadership that reinforces detrimental patterns based on these untruths.



Lukianoff and Haidt (2018) discuss how administrative leaders in higher education have contributed to the acceptance of the untruths and their diminishing effects on effective leadership mindsets. They outline how they have unintentionally encouraged bad intellectual habits by modeling them in their own decision-making as they respond to trends such as the increasing corporatization of higher education, the shift to a customer service mindset, a more lawsuit-prone society, and an increasingly competitive environment for student enrollment and retention. These trends encourage a “keep them happy” and “safer is better” approach to issues that arise. In some cases, this has led to policies that restrict “unsafe” forms of speech and bias reporting processes and increase bureaucratic structures and processes for handling problems that students could and probably should be resolving on their own.

These efforts reflect an approach to social support in leadership referred to as *overprotection*, which is a “counterfeit reaction that happens when you rush in to take care of the other person’s stressful problem” (Khoshaba & Maddi, 2005, 91). The problem is that this can “make the other person feel weak, passive, and incapable of managing living problems” (Khoshaba & Maddi, 2005, 91). As a result, people become dependent. Furthermore, overprotection provokes “regressive coping in them by undermining their self-confidence and opportunities for self-mastery” (Khoshaba & Maddi, 2005, 91). Of course, many of these students were overprotected prior to coming to college by parents and other leaders. Nonetheless, examples of such leadership are disconcerting because this approach to leadership represents poor leadership practice and reinforces poor followership behaviors. The impact of such negative leadership on followers can be significant in its direct effects and because, due to the contagious nature of leadership behavior, followers often unconsciously adopt many of the approaches to leadership of their leaders, even when they are ineffective and actively criticized by followers (Zenger, 2013). Consequently, overprotective leaders not only weaken the leadership mindsets of students; they also model the way for them to become overprotective leaders themselves (Prince, 1995).

## **Overcoming the Great Untruths**

If the current trends continue, it seems possible that in the absence of intentional efforts to alter the mindset of many students, many young people are likely to graduate without developing the mindsets necessary for effective leadership. If leadership educators wish to alter this course, they will need to engage in intentional leadership development efforts designed to combat the three great untruths. This would involve

- increasing awareness among students and administrators of the great untruths and their impact on students and their leadership,
- helping students develop and choose healthy mindsets,
- encouraging healthy coping behaviors, and
- improving the leadership context that surrounds them to better model and support effective leadership development.

Awareness is the first step for change and the first principle of leadership. To bring about change, one must first be aware of the need for change (Kegan & Lahey, 2001; Kotter, 1996; Patterson et al., 2008, 2011). To make effective leadership decisions, leaders must be aware of themselves, those they lead, and the environment in which they find themselves (Goldsmith et al., 2003; Goleman, 2013; Greenleaf, 2002; Palmer & Crawford, 2013; Senge, 1990). As Goleman (2013) states, “the most robust entity takes in the greatest amount of relevant information, understands it most deeply, and responds most nimbly” (156). To help students become more robust and resilient as individuals and develop the mindsets of effective leaders, educators must help them see how the three great untruths affect their mindsets, behavior, and ultimately, their performance. This can be done by educating them about the great untruths and their impact. Then they can see the impact of these mindsets on themselves and others. The more aware they become of these mindsets and their use of them, the more they will limit the impact they have on their thought and behavior patterns. Classroom instruction, mindfulness activities, and academic coaching processes are promising tools for increasing awareness.

As students increase their awareness of the great untruths, they can then be taught and coached in the development of healthy mindsets of hardiness and an outward orientation. As mindsets are situational in nature and can be chosen, as opposed to simply operating beyond awareness, they can be learned. Hardiness can be developed through intentional instructional practices and coaching, which can have a positive impact on student success and retention as well as performance in sports, the workplace, and life in general (Maddi & Khoshaba, 2003, 2005; Maddi et al., 2001; Stein & Bartone, 2020). Likewise, an outward mindset and empathic responsiveness can also be learned (Arbinger Institute, 2015, 2019; Feshbach & Feshbach, 2009). Fine (2019) suggests that “multicultural and inclusive leadership education can prompt students to make the turn from a focus on self to a focus on others, lessening ethnocentrism and promoting empathy for others’ lived experiences” (92).

Changing mindsets requires that individuals increase their awareness of their mindset on a moment-to-moment basis, change their thought processes and patterns using mindfulness practices (Boyatzis & McKee, 2005; Palmer & Crawford, 2013) and intentional thought-guiding processes such as cognitive behavioral therapy (Lukianoff & Haidt, 2018), and develop and practice empathic listening skills (Arbinger Institute, 2019; Sipe & Frick, 2009). In addition, mindsets can be altered by changing behavior in ways that encourage healthy coping behaviors and civil dialogue.

Healthy coping behaviors, according to Maddi and Khoshaba (2005), focus on solving problems, as opposed to avoiding or emotionally lashing out at them, by taking “the necessary mental and action steps to solve problems effectively” (85). Doing so requires that individuals broaden their perspectives by avoiding the narrow problem-focused perspective and examining it within the broader context of the situation; deepen their understanding, by analyzing the problem more rationally to better understand it; and take decisive action by shifting the focus away from the problem to the solution and generating plans for resolving it with action based on these plans (Maddi & Khoshaba, 2005). Dialogue and civil discourse practices incorporate methods of interaction that encourage openness,

mental flexibility, and a willingness to engage in conflict-oriented dialogue with civility (Bohme, 1996; Gerzon, 2006).

Finally, leaders must model the way (Kouzes & Posner, 1995). Patterson et al. (2011) summarizes the problem: “bad habits are almost always a social disease—if those around us model and encourage them, we’ll almost always fall prey” (17). By practicing overprotective paternalistic leadership, leaders model bad habits; by constructing unhealthy organizational climates, they encourage and support them. Leaders must, therefore, promote change by engaging in hardy, outward-mindset leadership and fostering hardy, outward-mindset organizational climates. According to Stein and Bartone (2020), one of the leadership models that best supports hardy attitudes among followers is Heifetz’s (1994) adaptive leadership model. Heifetz suggests that

exercising leadership from a position of authority in adaptive situations means going against the grain. Rather than fulfilling the expectation for answers, one provides questions; rather than protecting people from outside threats, one lets people feel the threat in order to stimulate adaptation; instead of orienting people to their current roles, one disorients people so that new role relationships develop; rather than quelling conflict, one generates it; instead of maintaining norms, one challenges them. (126)

When coupled with the practices of servant leadership, which emphasizes the need to see others as people and serve them, leaders can more successfully model the way (Greenleaf, 2002; Sipe & Frick, 2009; Spears & Lawrence, 2004).

Servant leadership represents another viable model for leadership that combats the untruths because of its emphasis on the motive to serve as foundation for the leader’s actions (Greenleaf, 2002). “The great leader is seen as servant first, and that simple fact is the key to his greatness” ((Greenleaf, 2002, 21). This motive is based on “a natural feeling that one wants to serve, to serve first” (Greenleaf, 2002, 27). It contributes to both the sense of purpose the leader experiences, which supports hardiness, and fosters an outward mindset through the leader’s focus on serving others. In addition, it gives birth to action as “conscious choice brings [the leader] to aspire to lead” (Greenleaf, 2002, 27).

This difference in motivation also alters the behavioral approach to servant leadership (Lad & Luechauer, 1998). Leaders focus on listening to become aware

of the needs of others and the situation in which they are called to lead (Greenleaf, 2002; Spears, 2002). They then persuade others to participate in the creation of a common sense of vision and to cocreate that vision through two-way coaching and the creation and practice of community (Greenleaf, 2002; Sipe & Frick, 2009; Spears, 2002).

Obviously, adaptive and servant leadership are models that encourage leadership that develops and supports hardiness and an outward mindset. However, other similar models, such as transformational leadership, authentic leadership, the social change model of leadership, relational leadership, path-goal leadership, are similarly relevant (Bass & Riggio, 2006; George et al., 2007; Heifetz, 1994; Heifetz & Laurie, 1997; Komives et al., 2009).

As academic leaders model and encourage the development of hardiness in their leadership practices and educational efforts, they can also promote a hardy organizational context by ensuring that the culture and climate structure are aligned with the principles of commitment, control, and challenge (Maddi et al., 1999; Maddi & Khoshaba, 2005) and are designed to reflect an outward mindset (Arbinger Institute, 2019). Additionally, they can train and develop their staff and faculty in these mindsets (Arbinger Institute, 2015, 2018; McClellan, 2020)

## **Conclusion**

While universities are becoming increasingly focused on developing students as leaders as part of their fundamental mission to educate students and transform society, they are facing significant challenges that delimit their ability to do so. These challenges are coming in the form of mindsets that students bring with them to the college environment based on the three great untruths: whatever doesn't kill you makes you weaker, trust your feelings, and the world is made of friends and enemies. These untruths weaken the capacity of students to develop into effective leaders. To overcome these challenges, higher education leaders must help students recognize and understand the impact these untruths have on their development as individuals and leaders. In addition, they need to assist them in altering these mindsets through effective development processes that encourage

effective coping as opposed to regressive coping processes. Finally, they must model the way through the practice of adaptive leadership and creation of contexts that encourage hardiness and outward mindsets. To the extent that leaders and leadership educators can accomplish these objectives, they will better achieve their educational mission in the current and future contexts of higher education.

## References

- Arbinger Institute. (2015). *The anatomy of peace : Resolving the heart of conflict* (2<sup>nd</sup> ed.). Berrett-Koehler.
- Arbinger Institute. (2018). *Leadership and self-deception: Getting out of the box* (3<sup>rd</sup> ed.). Berrett-Koehler.
- Arbinger Institute. (2019). *The outward mindset: How to change lives and transform organizations* (Expanded 2<sup>nd</sup> ed.). Berrett-Koehler.
- Bass, B. M., & Riggio, R. E. (2006). *Transformational leadership* (2<sup>nd</sup> ed.). Lawrence Erlbaum Associates.
- Behrent, M. C. (2019, Winter). A tale of two arguments about free speech on campus: What are the terms and limits of the current debate? *Academe*. <https://www.aaup.org/article/tale-two-arguments-about-free-speech-campus#.X9ePFdhKjb0>
- Benard, B. (2004). *Resilience: What we have learned*. WestEd.
- Bohme, D. (1996). *On dialogue*. Routledge.
- Boyatzis, R. E., & McKee, A. (2005). *Resonant leadership: Renewing yourself and connecting with others through mindfulness, hope, and compassion*. Harvard Business School Press.
- Burns, J. M. (1995). The crisis of leadership. In J. T. Wren (Ed.), *The leader's companion: Insights on leadership through the ages* (pp. 8–10). The Free Press.
- Chan, R. Y. (2016). Understanding the purpose of higher education: An analysis of the economic and social benefits for completing a college degree. *Journal of Education Policy, Planning and Administration (JEPPA)*, 6(5), 1–40.
- Covey, S. R. (1989). *The seven habits of highly effective people*. Simon & Schuster.

- Downing, M. S. (2020). Crossing university boundaries: Academic affairs & student affairs partnerships for experiential student leadership learning. *Journal of Leadership Education*, 19(1), 1–15. <http://doi.org/10.12806/V19/I1/A1>
- Dunn, A. L., Ho, S. P., Odom, S. F., & Perdue, E. R. (2016). Influence of formal academic leadership programs on undergraduates' leadership mindset: An assessment of a corps of cadets program. *Journal of Leadership Education*, 15(4), 57–74. <http://doi.org/10.12806/V15/I4/R5>
- Dunn, A. L., Moore, L. L., Odom, S. F., Bailey, K. J., & Briers, G. A. (2019). Leadership education beyond the classroom: Characteristics of student affairs leadership educators. *Journal of Leadership Education*, 18(4), 94–109. <http://doi.org/10.12806/V18/I4/R8>
- Dweck, C. S. (2016). *Mindset: The new psychology of success* (Updated ed.). Random House.
- Eid, J., Bartone, P. T., Johnsen, B. H., & Nissestad, O. A. (2009). Predicting transformational leadership in naval cadets: Effects of personality hardiness and training. *Journal of Applied Social Psychology*, 39(9), 2213–2235.
- Elliot, T. S. (2018). The spiral of injustice. In Wassmuth Center for Student Rights (Ed.), *The spiral of injustice: When humanity devolves* (pp. 3–5). Wassmuth Center for Human Rights.
- Eschleman, K. J., Bowling, N. A., & Alarcon, G. M. (2010). A meta-analytic examination of hardiness. *International Journal of Stress Management*, 17(4), 277–307.
- Feshbach, N. D., & Feshbach, S. (2009). Empathy and education. In J. Decety & W. J. Ickes (Eds.), *The social neuroscience of empathy* (pp. 85–97). MIT Press.
- Fine, L. E. (2019). Changes in student discourse after a multicultural leadership course: Engaging difference, considering others, embracing process, practicing resistance. *The Journal of Leadership Education*, 18(3), 82–96.
- Flensner, K. K., & Von der Lippe, M. (2019). Being safe from what and safe for whom? A critical discussion of the conceptual metaphor of “safe space.” *Intercultural Education*, 30(3), 275–288. <http://doi.org/10.1080/14675986.2019.1540102>
- Gardner, H. (2010, October 27–30). *Keynote plenary: Leadership 2.0: Good work in the 21<sup>st</sup> century—An action plan for mind, body, and spirit*. [Paper presentation]. 12<sup>th</sup> Annual International Leadership Association Global Conference, Boston, MA, United States.

- Gardner, H., & Laskin, E. (1995). *Leading minds: An anatomy of leadership*. Basic Books.
- Gardner, J. (1995). The cry for leadership. In J. T. Wren (Ed.), *The leader's companion: Insights on leadership through the ages* (pp. 3–7). The Free Press.
- Gayle, B. M. D., Cortez, D., & Preiss, R. W. (2013). Safe spaces, difficult dialogues, and critical thinking. *International Journal for the Scholarship of Teaching and Learning*, 7(2), Article 5. <https://doi.org/10.20429/ijstl.2013.070205>
- Geher, G. (2018, August 14). The polarization of America: Each year we become more fractured and polarized. *Psychology Today*. <https://www.psychologytoday.com/us/blog/darwins-subterranean-world/201808/the-polarization-america>
- George, B., Sims, P., McLean, A. N., & Mayer, D. (2007). Discovering your authentic leadership. *Harvard Business Review*, 85(2), 129–138.
- Gerzon, M. (2006). *Leading through conflict: How successful leaders transform differences into opportunities*. Harvard Business Review Press.
- Gladwell, M. (2005). *Blink: The power of thinking without thinking* (1<sup>st</sup> ed.). Little, Brown and Co.
- Goldsmith, M., Greenberg, C. L., Robertson, A., & Hu-Chan, M. (2003). *Global leadership: The next generation*. Prentice-Hall.
- Goleman, D. (1995). *Emotional intelligence: Why it can matter more than IQ*. Bantam Books.
- Goleman, D. (2013). *Focus: The hidden driver of excellence*. HarperCollins.
- Goleman, D., Boyatzis, R., & McKee, A. (2002). *Primal leadership: Realizing the power of emotional intelligence*. Harvard Business School Publishing.
- Greenleaf, R. K. (2002). *Servant leadership: A journey into the nature of legitimate power and greatness* (25<sup>th</sup> Anniversary ed.). Paulist Press.
- Greenleaf, R. K., Frick, D. M., & Spears, L. C. (1996). *On becoming a servant-leader*. Jossey-Bass.
- Hallowell, E. M. (2010). Overloaded circuits. In *HBR's 10 Must Reads on managing yourself* (pp. 79–96). Harvard Business Review Press.
- Hamilton, R. (2016). *How you decide: The science of human decision making: Course guidebook*. The Great Courses.



- Haslam, N. (2016). Concept creep: Psychology's expanding concepts of harm and pathology. *Psychological Inquiry*, 27(1), 1–17.  
<https://doi.org/10.1080/1047840X.2016.1082418>
- Heifetz, R. A. (1994). *Leadership without easy answers*. Belknap Press of Harvard University Press.
- Heifetz, R. A., & Laurie, D. (1997). The work of leadership. *Harvard Business Review*, 75(1), 124–134.
- Heltzel, G., & Laurin, K. (2020). Polarization in America: Two possible futures.  
<https://doi.org/10.1016/j.cobeha.2020.03.008>
- Ho, S. P., & Odom, S. F. (2015). Mindsets of leadership education undergraduates: An approach to program assessment. *Journal of Leadership Education*, 14(1), 92–106.
- Hughes, R. L., Ginnett, R. C., & Curphy, G. R. (1995). What is leadership? In J. T. Wren (Ed.), *The leader's companion: Insights on leadership through the ages* (pp. 39–43). The Free Press.
- Hunt, J. G. (2004). What is leadership? In J. Antonakis, A. T. Cianciolo, & R. J. Sternberg (Eds.), *The nature of leadership* (pp. 19–47). SAGE.
- Jarvis, P. (Ed.) (2001). *The age of learning: Education and the knowledge society*. Kogan Page.
- Kegan, R., & Lahey, L. L. (2001). *How the way we talk can change the way we work: Seven languages for transformation*. Jossey-Bass.
- Keith, K. (2008). *The case for servant leadership*. The Greenleaf Center for Servant Leadership.
- Kellerman, B. (2016). Leadership—It's a system, not a person! *Daedalus*, 145(3), 83–94.
- Khoshaba, D. M., & Maddi, S. R. (2005). *Hardittraining: A comprehensive approach to mastering stressful circumstances* (4<sup>th</sup> ed.). The Hardiness Institute.
- Klein, G. (2016, May 1). Mindsets: What they are and why they matter. *Psychology Today*. <https://www.psychologytoday.com/us/blog/seeing-what-others-dont/201605/mindsets>
- Kobasa, S. C., Maddi, S. R., & Kahn, S. (1982). Hardiness and health: A prospective study. *Journal of Personality and Social Psychology*, 42(1), 168–177.

- Komives, S. R., Longerbeam, S. D., Owen, J. E., Mainella, F. C., & Osteen, L. (2006). A leadership identity development model: Applications from a grounded theory. doi:10.1353/csd.2006.0048
- Komives, S. R., & Sowcik, M. (2020a). How academic disciplines approach leadership development. *New Directions for Student Leadership*, 2020(165), 11–21. <https://doi.org/10.1002/yd.20365>
- Komives, S. R., & Sowcik, M. (2020b). The status and scope of leadership education in higher education. *New Directions for Student Leadership*, 2020(165), 23–36. <https://doi.org/10.1002/yd.20366>
- Komives, S. R., Wagner, W., & Associates. (2009). *Leadership for a better world: Understanding the social change model of leadership development* (1<sup>st</sup> ed.). Jossey-Bass.
- Kotter, J. P. (1996). *Leading change*. Harvard Business School Press.
- Kouzes, J. M., & Posner, B. Z. (1995). *The leadership challenge: How to keep getting extraordinary things done in organizations* (2<sup>nd</sup> ed.). Jossey-Bass.
- Lad, L. J., & Luechauer, D. (1998). On the path to servant-leadership. In L. Spears (Ed.), *Insights on leadership: Service, spirit, and servant leadership* (pp. 54–67). John Wiley & Sons.
- Lambert, C. E., & Lambert, V. A. (1999). Psychological hardiness: State of the science. *Holistic Nursing Practice*, 13(3), 11–19.
- LeDoux, J. E. (1996). *The emotional brain: The mysterious underpinnings*. Touchstone Books.
- Lehrer, J. (2009). *How we decide*. Houghton Mifflin Harcourt.
- Lloyd, P. J., & Attella, M. D. (2000). Positive leadership that inspires: Theoretical and empirical perspectives from positive psychology, existential theory, and hardiness research. *The Psychologist-Manager Journal*, 4(2), 155–165.
- Lukianoff, G., & Haidt, J. (2015, September). The coddling of the American mind. *The Atlantic*. <https://www.theatlantic.com/magazine/archive/2015/09/the-coddling-of-the-american-mind/399356/>
- Lukianoff, G., & Haidt, J. (2018). *The coddling of the American mind: How good intentions and bad ideas are setting up a generation for failure*. Penguin Press.

- Luthans, F., & Avolio, B. (2003). Authentic leadership development. In K. S. Cameron, R. E. Quinn, & J. E. Dutton (Eds.), *Positive organizational scholarship: Foundations of a new discipline* (pp. 241–261). Berrett-Koehler.
- Maddi, S. R. (1987). Hardiness training at Illinois Bell Telephone. In J. P. Opatz (Ed.), *Health promotion evaluation: Measuring the organizational impact* (pp. 105–115). National Wellness Institute.
- Maddi, S. R., & Khoshaba, D. M. (2003). Hardiness training for resilience and leadership. In D. Paton, J. M. Violanti, & L. M. Smith (Eds.), *Promoting capabilities to manage post-traumatic stress: Perspectives on resilience* (pp. 43–58). Charles C. Thomas.
- Maddi, S. R., & Khoshaba, D. M. (2005). *Resilience at work: How to succeed no matter what life throws at you*. AMACOM.
- Maddi, S. R., Khoshaba, D. M., Jensen, K., Carter, E., Lu, J. L., & Harvey, R. H. (2001). Hardiness training for high-risk undergraduates. *NACADA Journal*, 22(1), 45–55.
- Maddi, S. R., Khoshaba, D., & Pammenter, A. (1999). The hardy organization: Success by turning change to advantage. *Consulting Psychology Journal: Practice and Research*, 51(2), 117–124.
- Maddi, S. R., & Kobasa, S. C. (1984). *The hardy executive: Health under stress*. Dow Jones-Irwin.
- McClellan, J. L. (2013). Servant leadership and psychological hardiness. *International Journal of Servant Leadership*, 9(1), 107–129.
- McClellan, J. L. (2014). On becoming a natural servant: A theoretical and philosophical basis for the emergence of natural servanthood. *International Journal of Servant Leadership*, 8(1), 87–105.
- McClellan, J. L. (2020). Hardy leadership: A model for leadership development in a global society. *Journal of International Business Disciplines*, 15(1), 1–14.
- Narvaez, D. (2010). Moral complexity: The fatal attraction of truthiness and the importance of mature moral functioning. *Perspectives on Psychological Science*, 5(2), 163–181. <https://doi.org/10.1177/1745691610362351>
- Northouse, P. G. (2004). *Leadership: Theory and practice* (3<sup>rd</sup> ed.). SAGE.
- Northouse, P. G. (2019). *Leadership: Theory and practice* (8<sup>th</sup> ed.). SAGE.

- Oberg, M. G., & Andenoro, A. C. (2019). Overcoming leadership learning barriers: A naturalistic examination for advancing undergraduate leader development. *Journal of Leadership Education*, 18(3), 53–69. <https://doi.org/10.12806/V18/I3/R4>
- Owen, H. (2013). Introduction: Leadership crisis—What leadership crisis? In H. Owen (Ed.), *New thinking on leadership: A global perspective* (pp. 1–8). Kogan Page Limited.
- Palmer, W., & Crawford, J. (2013). *Leadership embodiment: How the way we sit and stand can change the way we think and speak*. CreateSpace.
- Patterson, K., Grenny, J., Maxfield, D., McMillan, R., & Switzler, A. (2008). *Influencer: The power to change anything*. McGraw-Hill.
- Patterson, K., Grenny, J., Maxfield, D., McMillan, R., & Switzler, A. (2011). *Change anything: The new science of personal success* (1<sup>st</sup> ed.). Business Plus.
- Prince, H. T., II. (1995). Moral development in individuals. In J. T. Wren (Ed.), *The leader's companion: Insights on leadership through the ages* (pp. 484–492). The Free Press.
- Pujol, J. (2016). The United States safe space campus controversy and the paradox of freedom of speech. *Church, Communication and Culture*, 1(1), 240–254. <https://doi.org/10.1080/23753234.2016.1234124>
- Quinn, R. E. (2004). *Building the bridge as you walk on it: A guide for leading change*. Jossey-Bass.
- Rath, T., & Conchie, B. (2008). *Strengths based leadership: Great leaders, teams, and why people follow*. Gallup Press.
- Senge, P. M. (1990). *The fifth discipline: The art and practice of the learning organization*. Currency-Doubleday.
- Sipe, J. W., & Frick, D. M. (2009). *Seven pillars of servant leadership: Practicing the wisdom of leading by serving*. Paulist Press.
- Spears, L. C. (2002). Introduction: Tracing the past, present, and future of servant leadership. In L. Spears & M. Lawrence (Eds.), *Focus on leadership: Servant leadership for the 21<sup>st</sup> century* (pp. 1–18). John Wiley & Sons.
- Spears, L. C., & Lawrence, M. (2004). *Practicing servant-leadership: Succeeding through trust, bravery, and forgiveness* (1<sup>st</sup> ed.). Jossey-Bass.

- Stech, E. (2008). Leadership education, training, and development: What should we be doing and what can we be doing? *Journal of Leadership Education*, 7(1), 43–46.
- Stein, S., & Bartone, P. T. (2020). *Hardiness: Making stress work for you to achieve your life goals*. John Wiley & Sons.
- Sutcliffe, K. M., & Vogus, T. J. (2003). Organizing for resilience. In K. S. Cameron, J. E. Dutton, & R. E. Quinn (Eds.), *Positive organizational scholarship: Foundations of a new discipline* (pp. 94–110). Berrett-Koehler.
- Taylor, M. L. (2005). Generation next: Today's postmodern student—Meeting, teaching, and serving. In *A collection of papers on self-study and institutional improvement, Vol. 2. Becoming a learning focused organization: The learning environment* (pp. 99–107). Higher Learning Commission NCA.
- Twenge, J. M. (2017). Have smartphones destroyed a generation? *The Atlantic*, 320(2), 58–65.
- Twenge, J. M. (2018). *iGen: Why today's super-connected kids are growing up less rebellious, more tolerant, less happy—And completely unprepared for adulthood—And what that means for the rest of us*. Atria Books.
- Twenge, J. M., & Campbell, S. M. (2008). Generational differences in psychological traits and their impact on the workplace. *Journal of Managerial Psychology*, 23(8), 862–877. <https://doi.org/10.1108/02683940810904367>
- Uhl-Bien, M., Riggio, R. E., Lowe, K. B., & Carsten, M. K. C. (2014). Followership theory: A review and research agenda. *The Leadership Quarterly*, 25(1), 83–104.
- Westman, M. (1990). The relationship between stress and performance: The moderating effect of hardiness. *Human Performance*, 3(3), 141–155.
- Zenger, J. (2013, December 5). The results are in: Bad leadership is contagious. *Forbes*. <https://www.forbes.com/sites/jackzenger/2013/12/05/the-results-are-in-bad-leadership-is-contagious/#12aa3e615f8f>

Jeffrey L. McClellan, PhD, is an associate professor of management at Frostburg State University in Frostburg, Maryland. He also teaches courses at DHBW in Germany and the PUCE in Ecuador. He is an experienced consultant, teacher, trainer, and speaker. He teaches leadership and management with research interests in servant leadership, leadership development and education, organizational leadership, and leadership in Latin America. Dr. McClellan earned his PhD from Gonzaga University in Leadership Studies. He lives in Hagerstown, MD. He can be reached at [jlmcclellan@frostburg.edu](mailto:jlmcclellan@frostburg.edu).

## CASE STUDY

### An Internationally Based American Entrepreneur and Expansion Challenges in the United States\*

Chris Kimble, Jane Ives, Sarah Smith Orr, and  
Martin H. Sours (Deceased)

The purpose of the case study is to profile Trans-Technology Pte. Ltd. (Trans-Tec), its entrepreneurial founder/leader, and its growth, with a focus on the business disciplines of entrepreneurship and innovation, strategic management, global business, and cross-cultural leadership/management. Trans-Tec's founder Christopher Fussner has built a successful company by leveraging not only his drive and vision, but his regional/area knowledge within the context of a growing part of the world economy, the Pacific Rim countries of Southeast and East Asia. He has taken the company to the Americas region considered part of the Pacific Rim: the United States, Canada, and Mexico. Questions raised by this decision include (but are not limited to) the degree of risk such a strategic move entails at this point of worldwide economic globalization, the multiple risks that operations in Mexico entail within the Mexican society, and the dynamic and volatile nature of the relationship between the U.S. and Mexican economies. Trans-Tec has a long history of taking highly automated factory-automation technology products, manufactured by the Yamaha Corporation in Japan, and distributing them with accompanying training and support for a new and expanded class of end users. The company's goals include maintaining its market leadership in Asia, while establishing a new and growing market presence within the Americas, specifically within the North America Free Trade Agreement (NAFTA) region. This case provides the opportunity to consider the costs and benefits for the company to expand toward a new, and possibly more profitable, trajectory to additional countries in the Pacific Rim Americas region. This case also explores long-term/future considerations for a family-owned business when the founder/entrepreneur has been its only leader.

**Key words:** entrepreneurship, cross-cultural management, globalization, global leadership, multinational organizations

Drucker (1985), recognized as the father of modern management, describes entrepreneurship as “neither a science nor an art. It is a practice . . . [and] a means to an end” (viii). He explains that “innovation is the specific instrument of entrepreneurship. It is the act that endows resources with a new capacity to create wealth” (30). Drucker continues, noting that “whatever changes the wealth-producing potential of already existing resources constitutes innovation” (31). He also discusses four specific entrepreneurial strategies:

---

\*To cite this article: Kimble, C., Ives, J., Orr, S. S., & Sours, M. H. (2021). An internationally based American entrepreneur and expansion challenges in the United States. *International Leadership Journal*, 13(1), 93–116.

- “Being ‘Fustest with the Mostest’”;
- “‘Hitting Them Where They Ain’t’”;
- “Finding and occupying a specialized ‘ecological niche’”; and
- “Changing the economic characteristics of a product, a market, or an industry (209).

In brief, according to Drucker (1985), in the strategy, “Fustest with the Mostest” leadership, potentially dominance, is the aim of the entrepreneur in a new market or industry (210). He explains that the “Hitting Them Where They Ain’t” is a “creative imitation” strategy that “waits until somebody else has established the new, but only approximately. Then it goes to work” (221). The “ecological niche” referenced above, “aims at control” of the market or industry.

Finally, as Drucker completes his more detailed description of the four strategies listed above, with each deserving a separate chapter, he refers to the first three as the means to introduce innovation. For the final strategy, which he simply references as “Changing Values and Characteristics,” he explains that

the strategy itself is the innovation. The product or service it carries may well have been around a long time . . . but the strategy converts this old, established product or service into something new. It changes its utility, its value, its economic characteristics. While physically there is no change, economically there is something different and new. (243)

Drucker’s work sets the stage for this case study about Trans-Technology Pte. Ltd. (Trans-Tec) and its entrepreneurial founder and leader Christopher Fussner, who effectively utilizes the strategies, processes, and actions Drucker (1985) describes.

The theme of leadership is woven throughout this case. In particular, the case study explores how Trans-Tec has thrived through transformative and culturally intelligent leadership practices, and thus continued its success as a leader in its field. Bass (1998) explains that *transformational leadership* is represented by a set of four behaviors (Bass, 1998)—idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. In short, the four behaviors in action involve leaders who serve as idealized role models; espouse and act on a shared vision; inspire and motivate; promote and empower creative

problem solving; and fulfill followers' potential through educational development, mentoring, and coaching (Riggio et al., 2004).

The expansion of the global economy has generated much research during the past several decades. Identifying differences between individuals and organizations that succeed in today's multicultural, globalized world and those that fail has generated the exploration and formation of theoretical and applied concepts relative to cultural intelligence.

Livermore (2015) explored the characteristics of individuals who successfully accomplish their objectives, whatever the cultural context. He states that "awareness is the first step, but it's not enough. A culturally intelligent leader can effectively manage people and projects whatever the cultural context" (26). The need for a leader to understand human nature and a range of personalities is a given. Meyer (2014) guides leaders—both neophyte and more expert—to understand how cultural differences impact international business practices and leadership. According to her, what matters most is that:

leaders [need] to be prepared to understand a wider, richer array of work styles than ever before and to be able to determine what aspects of interaction are simply a result of personality and which are a result of differences in cultural perspective. . . . We now need the ability to decode cultural differences in order to work effectively with clients, suppliers, and colleagues from around the world. (252–253)

Glimpses of the introductory concepts stated above are seen throughout this case study on Trans-Tec's rise and the work of Fussner, its entrepreneurial, visionary, leader.

## **Research Design**

The research design for this case study included acquiring an understanding of the company and a theoretical framework through a literature review related to entrepreneurship, leadership, and cultural leadership competencies as related to Trans-Tec. Personal interviews between co-author Kimble and Fussner provided a significant level of information in the development of this case study. The interviews and review of documents provided by the company brought the researched information and insights together. Existing assumptions were identified



that prompted future questions leading to additional research as the company considers “what’s next.”

This case study explores the national and global business operations, decision-making processes, and corporate policies that a global multinational business leader must deal with effectively. It also provides an understanding of a global business leader’s ability to successfully work with and across many cultures in the highly competitive global economic competition.

Yin’s (2018) work on case study research served as a key resource for this research note. Yin describes three types of research-based case studies. This one follows the exploratory case study model, which served as a blueprint for dealing with the case questions to be studied, considering what data were relevant to collect and use, and analyzing the results.

### **Trans-Tec’s Founder and Leader**

Christopher Fussner is president, entrepreneur, owner, and founder of Trans-Tec, a leading independent distributor of surface-mount technology (SMT) and semiconductor capital equipment in Southeast Asia. Headquartered in Singapore, Trans-Tec has additional offices in eight other Asian countries: China, India, Indonesia, Malaysia, the Philippines, Thailand, Vietnam, and Japan (see Figure 1 for locations).

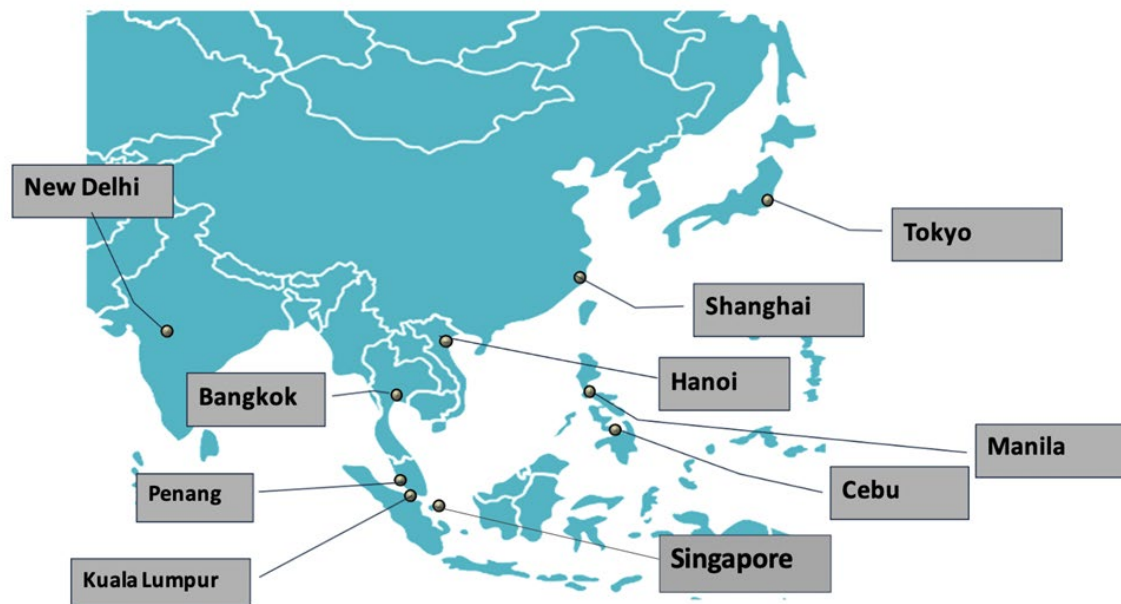


Figure 1. Trans-Tec's Asian presence (national/regional headquarters)

Fussner is a transformational leader with expertise in global business and global relationship management. *Transformational leadership* “is a process that changes and transform people. It is an exceptional form of influence that moves followers to accomplish more than what is usually expected of them” (Northouse, 2016, 161). Fussner, like the transformational leaders defined in the theoretical frameworks cited in this case, is a leader who develops positive, rich, emotional relationships with followers that build commitment to a common purpose or cause and contribute to their development as individuals and future leaders (Riggio et al., 2004).

After a life-changing global adventure during his college years, Fussner returned home with a new focus on Asian studies. He graduated from George Washington University with an undergraduate degree in Asian studies and history (these fields of study gave Fussner a spiritual dimension often overlooked in the classic leadership literature; see Filson, 2006). He went on to earn a master's degree in international management from the Thunderbird School of Global Management. Fussner has maintained close ties with both schools throughout the years. He organized and directed Thunderbird's Southeast Asia Business winter term in Singapore and Thailand; taught in the Elliott School of International Affairs at George Washington University and serves on their Advisory Council; lectured in

the Thunderbird Global Entrepreneurship program; served on the Board of Fellows for Thunderbird's School of Global Management; and funded Thunderbird's Southeast Asia Initiative, which includes recruiting students, establishing business relationships, and strengthening the alumni network in the region.

Fussner's journey to success has been eventful. He began his international career in West Africa as a program assistant with Catholic Relief Services. He then served as a refugee resettlement officer with the Church World Service in Malaysia, where he was responsible for the Vietnamese refugee resettlement process. His commitment to service and philanthropic work has continued to this day through his work on the Board of the Vietnam Education Foundation and his work with and funding of a mobile medical clinic in Nepal that reaches about 40,000 people in the area.

Fussner also worked as an English teacher for the Hyundai Corporation in Seoul, South Korea, and then for Amistar Corporation, a high-technology equipment supplier in Korea and Singapore. There, he was responsible for sales and service for Amistar's electronics manufacturing industry machines in Australia, the Far East, and India. Amistar would prove to be the impetus for starting Trans-Tec. After spending several successful years at Amistar, Fussner was "re-orged" out of a position with the firm. This created the opportunity become an entrepreneur and start his own business, Trans-Tec. Ironically, Trans-Tec currently has higher sales than Amistar, and Trans-Tec has been asked to represent Amistar's new product line. Additionally, and most importantly for the purposes of this study, Trans-Tec now carries the lines of the processing equipment from the Yamaha Corporation, especially the SMT innovation lines, which include productivity, process and quality control hardware systems. (See Appendix A for Fussner's complete professional biography.)

Fussner's life experiences provide an exceptional background for his understanding of and capability for effectively leading diverse teams of people with different backgrounds, cultures, genders, and ages, all which contribute to multicultural workgroups and teams. Revisiting research, it illustrates the importance of not just an awareness, but a working understanding of and the necessity of a culturally intelligent frame of mind to lead organizational entities,

creating potential for innovation. According to Thomas and Peterson (2018), “cultural diversity genuinely has the potential to promote effective problem solving and creativity” (156). As this case elucidates, Fussner’s life experiences, cultural intelligence, leadership, and business development in diverse cultures has led to Trans-Tec’s story of success in Asia, the Americas, and Europe.

### **The Evolution of Trans-Tec—A Profile of Success**

Fussner founded Trans-Tec in Southeast Asia in 1988, creating a market by taking advantage of the web of states that form the Association of Southeast Asian Nations (ASEAN), and as Drucker (1985) would point out, “being the ‘Fustest with the Mostest’ (210). The firm was then in the position to serve as Yamaha’s distributor, thus establishing a long-term corporate relationship. Founded in 1967, ASEAN did not take on significance as an international business center until after the Vietnam War. The regional association has grown from its initial five members to the current ten states with a Secretariat and a Regional Forum. ASEAN, as a regional association, was an unimportant sidenote to Trans-Tec’s corporate development. Singapore was initially chosen as the headquarters location for the company because it was a free port dating back to British colonial times. It is a strong financial center with a 17% corporate tax rate, facilitating financial transactions, and was the initial core location of the SMT industry in the region after World War II. As another example of Drucker’s (1985) four entrepreneurial strategies, “Hitting Them Where They Ain’t” (220), Fussner saw this dynamic emerging early, and chose Singapore, the *de facto* economic and business center of the region, for his corporate headquarters. By 2014, the company enjoyed \$80 million in annual sales.

Each of the ASEAN member countries offers different kinds of business settings, while all are increasingly linked to the need to employ advanced IT capabilities. The Philippines, for example, thrives on back office and call center activities because of the widespread use of English by all educated citizens. Thailand (the largest manufacturing center of hard-disk drives in the world) is creating an increasingly diverse manufacturing base, including original equipment

manufacturer (OEM) components for white goods and automobiles. Vietnam is replacing China in key areas of manufacturing and services where the control of labor costs is essential, but the workforce must also be skilled and well educated. Using this ASEAN base, Fussner laid the foundation for long-term growth by deepening his position in Southeast Asia, then moved on to compete in the continental giants of China and India from a position of intra-regional strength, “finding and occupying a specialized ‘ecological niche’” (Drucker, 1985, 233).

As Trans-Tec continues to expand throughout the Asia–Pacific region, Fussner has balanced two equally necessary operating strategies and melded them together. On the one hand, business throughout the region is increasingly driven by global norms and procedures, including standard international business law. These global norms allow Trans-Tec to maximize its operations throughout the region in markets of varying sizes and stages of development, “changing the economic characteristics of a product, a market, or an industry,” (Drucker, 1985, 243).

At the same time, Fussner’s vast experience in developing countries has allowed him to conduct business with sensitivity to the culturally “high context style” of Asian countries (Meyer, 2014, 48). This is more in tune with local “village” lifestyles that rely on a leader the workforce identifies as the source of guidance and security. Such complexity in viewpoint and styles has allowed Fussner to operate successfully in increasingly Islamic Malay cultures (Malaysia and Indonesia) while retaining his core of skilled and technically proficient overseas Chinese employees. This complex matrix of personal and corporate values lies at the heart of Trans-Tec’s success in this part of the world because of Fussner’s ability to navigate through sometimes conflicting corporate values.

Trans-Tec’s success story in Asia, North America, and Europe is a result of the great leadership of Fussner, a transformational leader with expertise in global business and relationship management. Chris Kimble, Fussner’s long-term sales manager, articulates one example of Fussner’s leadership:

During the 2009 sub-prime crisis, all of Trans-Tec’s suppliers and many of Trans-Tec’s customers drastically cut on head-count. This reduced the technical expertise on both sides of the equation. Trans-Tec made a conscious decision to keep all employees and instituted a graduated salary-reduction

program of 20%-10%-5%, based on position in the company, with top management taking the biggest reductions. This allowed the company to keep its skill levels high. When the economy came back, Trans-Tec was in a superior position to provide service and technical expertise to both its customers and its suppliers. (personal communication, May 2020)

One of Fussner's core business strategies at Trans-Tec is to provide superior service to his customers, both as an absolute corporate value and relative to competitors. Drucker (1985) places great emphasis on the role of superior customer service as a key strategy of the entrepreneur, describing it as "the ultimate purpose of a business, indeed, of economic activity" (243).

Fussner's commitment to education has also been a lifelong endeavor. One of his key undertakings has been to incorporate an educational component in his operations, an activity included under Bass's (1998) individualized consideration. Trans-Tec provides corporate training to technicians and engineers on the equipment being sold. The company also holds free seminars for their customers. Each focuses on a technological issue in the technology capital equipment field. What is unique about these seminars is that they are purely educational and not sales oriented. As a result, they not only build brand (company) awareness, but general goodwill that is spread by word of mouth—an important element in the culture of Asian business. Another component of the company's education initiative has been the establishment of application centers that are a combination of labs, universities, and demo rooms. Fussner describes the application center in Singapore as being more of a lab "where engineers come to us with their boards and components and their problems in their process, and we work to provide them with the solutions" (personal communication, June 6, 2016). Fussner has also described how the application center in Thailand is quite different and operates more like a university where people come in for training on equipment usage.

Over the years, there have been periods when Trans-Tec handled products that were not "best in class," but maintained the company's success by offering:

- superior after-sales service, in such cases, after-sales means for years and years, and;

- long-term payment programs, basically financing the customer's purchases without the clients having to go to local banks for loans. Trans-Tec is able to do this because of its standing \$90-million bridge loan with the Hong Kong and Shanghai Bank (HKSB).

### **Expansion—The Americas Region of the Pacific Rim Region**

**Background and Rationale for Trans-Tec in Mexico.** Beginning with the North American Free Trade Agreement (NAFTA) of 1994, the Mexican economy had liberalized by 2012 to include free trade agreements with 44 countries, more than any other nation-state. Firms from advanced technology countries like Germany have invested in Mexico.

Thomson (2012) details the shift of manufacturing entities to Mexico from India and China, featuring Siemens as a prime example. He notes that “the shift in production at Siemens is part of a little-publicised manufacturing revolution in Mexico taking place across a range of industries from cars and aircraft to refrigerators and computers” (para. 6). In fact, by early 2012, Mexican imports made up 14.2% of manufactured imports into the United States, compared to just 11% in 2005 (Thomson, 2012). In contrast, China's share of U.S. imports went from a high of 29.3% in 2009 to 26.4% in 2012 (Thomson, 2012). Thomson goes on to describe Mexico's diversification of its customer base, noting that “suddenly, it seems, Mexico has become the preferred center of manufacturing for multinational companies looking to supply the Americas and, increasingly, beyond” (para. 8).

Further evidence of Mexico as a geopolitical location for great economic rivalry in the early 21<sup>st</sup> century was the June 2013 visit to Mexico by the new president of the People's Republic of China (PRC), Xi Jinping, scheduled as part of his Latin American economic tour (Malkin, 2013). The trip was billed as taking advantage of the U.S. government's historic neglect of Latin American relations, but the reality was to launch “a new phase in the relationship between the two countries (Cordoba & Guthrie, 2013). The accords signed during this visit include agreements covering agriculture, energy (oil) mining, infrastructure development, and education, as well as specialty agreements covering tequila and pork. What were not specified in the reports were the broad-based agreements in these basic fields and preconditions

to the establishment of Chinese manufacturing subsidiaries, including electronics. What seems clear is the movement of Chinese advanced industries into the backyard, so to speak, of the United States.

**The Yamaha SMT Lineup.** Trans-Tec America's core business has been its sales and service for the products of the Yamaha Intelligent Machine (IM) Division of Yamaha Motor Corporation. The IM Division produces high-end factory automation robotics used in the electronics and semiconductor industries. Examples include screen printers, chip-shooters, IC placers, automated optical inspection (AOI) equipment, and others. All these products fall into the category of surface-mount technology equipment. SMT equipment is the key area of factory automation technology used in the manufacturing of electronic assemblies found in all electronic products. Smartphones, computers, tablets, computer peripherals, automotive electronics, and all consumer electronic products use these assemblies (see Figure 2 for an example). The worldwide market for SMT equipment is estimated to be approximately \$3.5 billion each year.



Figure 2. Example of SMT assembly

Yamaha Motor Corporation (YMC) is a Japanese multinational corporation generating an annual revenue of approximately \$4 billion and employing more than 55,000 people worldwide. YMC has two core areas of technology—small



engine/motor technology originating from its motorcycle development and fiber-reinforced plastic (FRP) process technology originating from boat manufacturing. YMC has also expanded into developing control technology and component technology to build a multi-axial business structure while pursuing globalization of its corporate activities. Small engine technology has now been implemented in new fields, such as marine engines, recreational vehicles (RVs), and other power products, while FRP process technology is now used for pool manufacturing and personal vehicle exteriors. YMC produces a wide variety of products, including motorcycles, marine products, power products, and surface mounters.

The IM Division, which represents 3% of YMC's total yearly revenues, is the key supplier for Trans-Tec. Trans-Tec has focused primarily on their customers' locations and needs, even more than the pure geographic location of Trans-Tec's brick-and-mortar facilities. In Mexico's case, there are very few homegrown Mexican electronics companies. Of the approximately 200 companies in the technology fields that form the customer base for the YMC product line, only four are Mexican owned. The vast majority of companies are owned by firms based in the United States, Japan, and Europe (one is currently Chinese owned). Japanese, German, and U.S.-based firms are the norm. By using Trans-Tec's unique employee composition, the company is able to talk to clients in their own language, using their home-country cultural styles, and with the ability to access the key people in the home country's headquarters. Because nearly all electronic production facilities in Mexico are foreign-owned, overseas connections with decision-makers at all levels in the United States, Asia, and Europe are critical to the success of any enterprise. Local contacts, especially with government regulators and local production facilities, are equally important. Even though Trans-Tec has already experienced some success in Mexico, the real success of the company has been its global outreach. The firm has placed excellent, well-trained, and motivated personnel in Mexico. These include top-level executives, engineers, and people on the operating floor in charge of delivering product and training customers. Trans-Tec covers the local customers (other operating firms in Mexico) and the headquarters of customer firms at the same time.

***The Move to North America.*** The move to North America was in response to YMC's strategic need. Trans-Tec has had a 30+-year relationship with YMC, so Trans-Tec's status and position as an Asian company closely fits the traditional, post-World War II Japanese business model of a long-term relationship. When YMC lost its distributor company for the Mexico/North American market eight years ago, it approached Trans-Tec to expand into that market. From its low-cost operating base in Arizona, Trans-Tec now serves the entire North American market, facilitated by the duty-free aspects of NAFTA. Trans-Tec takes ownership of YMC's SMT line, with no risk to YMC, allowing Trans-Tec to expand and truly "go global."

Within Mexico itself, there are four key geographic areas in which customers operate facilities that constitute the market for Trans-Tec. These are the Northwest, defined as the Tijuana/Mexicali area next to the key California market; the North, defined as the Juarez, Nogales, and Chihuahua urban areas; Central Mexico, meaning Guadalajara, the so-called "Silicon Valley of Mexico" and only area some distance from the U.S. border; and the Northeast, which is comprised of Monterey (the industrial heart of Mexico), and Matamoros and Reynosa on the Texas border.

Into these industrial centers Trans-Tec products flow, including capital equipment used to manufacture electronic assemblies and goods, such as cell phones, hard-disk drives, and flat-screen televisions. Trans-Tec's business model is that of a distributor. A distributor does not manufacture or design the equipment; rather, the company buys and resells the technology, while also providing services such as installation, training, and maintenance, as well as the sales of spare parts. This business model provides an opportunity for the company to create business (and profits). In a traditional supplier–distributor relationship, a minimum profit is guaranteed for the distributor to provide the financial resources for it to provide all required services to the customer. Distributors are responsible for the development of markets and customers. The technology, or brand of product, comes from the principal, but the business transactions happen between the distributor and customer.

Chandler, located in the Phoenix, Arizona, metropolitan area was selected as the North American headquarters location over California because of the state's business-friendly environment. The deciding factors included easy access to Mexico by both air and a major interstate highway to Nogales; lower real estate costs compared to California; overall lower business costs, such as the business tax structure; and the business law context in Arizona, which is a "right-to-work" state (now referred to as an "at-will" work environment). The at-will work environment is an important point, as an entrepreneurial organization requires flexibility, especially in the hiring, firing, and development of personnel.

**SWOT Factors.** Trans-Tec's strengths for entering the North American market revolved around its global market knowledge for assembly equipment, coupled with its specific product and technology knowledge. Also, its longstanding profitability in the Asia-Pacific market provided the company with the financial resources to start operations and build a market presence while deferring profitability. This was especially important during market cycle downturns when cash flow is reduced. The Trans-Tec experience has shown that cash flow is more important than periods of service breakdown and difficulties with sourced product.

The company faced the difficulty of entering a mature market, with few to no new market entrants or startups. Such a business environment meant that Trans-Tec had to take market share away from established companies that had brand loyalties and longstanding relationships in place. Trans-Tec's assets in such an environment included the financing of sales, technical support (perhaps the strongest aspect of the company's operations), and the global reach of the company linking back to the Asia-Pacific market region (a mature market). The name "Yamaha"—as the source of Trans-Tec's product mix—was not as recognized in Mexico as in East and Southeast Asia, so the process of building name recognition and saving costs for the Mexican customer were more important than in some other geographic areas.

Despite the strengths in entering the North American market, there were challenges, especially related to the U.S. market entry, which emerged during the staffing process. The United States has significant legal implications when it comes

to the interview process. Many questions arose, specifically regarding age, family status, and health. In Trans-Tec's initial interviews, the company was told several times that "you can't ask those questions." Subsequently, the company lawyer provided interview process guidelines consistent with U. S. labor law. The sense of family is a key element of the company's culture. Trans-Tec approaches each new hire as an addition to its family, but U.S. labor laws make this approach problematic.

Nevertheless, opportunities did exist at the time of market entry. In a new market, every customer and every purchase order represent a growth opportunity. Because globalization, coupled with rapidly changing technologies and new demands, produced a dynamic business environment, new demands for new products created constant turnover and selling opportunities for the company. New customers were the key to sustaining profitability.

Finally, established competitors were already aware of the demands of the Mexican market. By entering the market late, so to speak, Trans-Tec had to work hard to build brand recognition as well as leverage its reputation as a reliable supplier. Outperforming the competition by emphasizing an old-fashioned work ethic, coupled with constant and consistent follow-up, became the core marketing and corporate strategy. Ultimately, the firm generated more sales and revenue (cash flow) because the regulatory and tax environments in North America are not as favorable to businesses as what Trans-Tec was used to in the Asia-Pacific region.

To meet the competition, Trans-Tec now operates two application laboratories for its North American market. One is in Atlanta, Georgia, and is owned directly by YMC. The other is in its Chandler headquarters. These sites offer potential customers the opportunity to observe the SMT equipment in operation under optimal conditions. This is a powerful sales technique, as Trans-Tec can demonstrate how its equipment will increase operating efficiencies in the customer's plants. The firm has also begun to explore options for further expansion into Latin America, with a possible new site in Costa Rica. The shortage of decision-making personnel has held back this analysis, and while Panama has a long history of international business operations, it lacks an established electronics industry. See Figure 3 for Trans-Tec's current global presence.

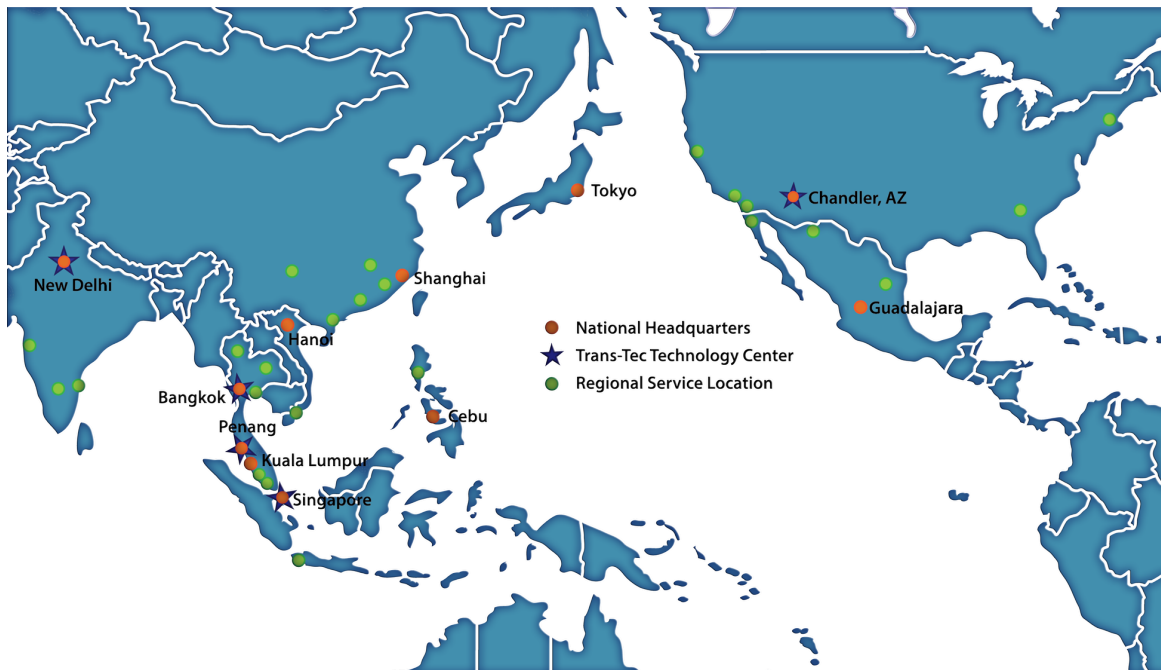


Figure 3. Trans-Tec's global presence

### Implications and Conclusions—Pathways for the Future

The operations of Trans-Tec have demonstrated many of the basic building blocks of the company's success to date. The firm continues to preach and practice "think globally but act locally." This translates into a comprehensive capability of the firm to provide sales and service throughout Mexico. With a single machine marketed by Trans-Tec costing around \$300,000, engineering talent must be available and is a major cost to the firm. To make a machine last 7 to 12 years and thereby justify the cost, sales and service—including spare parts—must be available.

With all of Trans-Tec's products manufactured in Japan, the company serves as a critical bridge from the manufacturer to the end user. Using Mexico as a base of operations and distribution, the North American headquarters is in Chandler, Arizona, which has a long tradition of hosting U.S. high-tech firms (Motorola, Intel, and Boeing). Chandler is also the hub of a group of cities that are working to create a marketing image as a high-tech center within the greater Phoenix metropolitan area. Under a framework known as East Valley Partnership, a consultant recommended that a new name be created that includes a reference to Phoenix

but drops the local reference to “East Valley,” as that term has no meaning outside of the greater Phoenix area (Nelson, 2013).

All U.S. Trans-Tec branches are related to sales, but engineers and training remain the core of the sales support elements of the company, differentiating it from other firms in the industry. The advantages of the Chandler headquarters also include proximate access to Mexico and relatively inexpensive real estate costs, which help offset the higher costs of doing business in the United States compared to Asia and Mexico.

In the first year of business in North America, the firm had gross sales receipts of \$7 million. Even with the expansion of representatives into the United States and Canada, the firm expects that 69% of sales will come to the established firms operating in Mexico. This implies that the manufacturing base in Mexico is strong, anchored by foreign capitalized firms as discussed above. A key challenge for replicating the company’s success in the Asia–Pacific region is establishing brand awareness. That explains why Trans-Tec America has a significant presence on the web, including graphics of training, support, and pictures of the company’s founder (see <https://trans-tec-america.com/>).

### **Trans-Tec’s Future: Key Questions**

Trans-Tec’s leaders (see Appendix B) need to consider some questions for the firm’s future. For example, from 2012 to 2017, revenue grew from \$0 to \$30 million. What should be the plan to get to \$60 million? Is it an increase in headcount or in product lines? How can and what should be considered for expansion in the United States? What are the benefits and risks involved in expansion? Finally, what are the economic and political pressures that could change the firm’s current business strategies?

Additionally, Trans-Tec is fundamentally a family business. Fussner, as founder/entrepreneur, has held the leadership role for 35 years. Implications for the company’s future from a human resource and leadership perspective need to be considered. For example, from a business model rooted in a culture of “family,” what may be the long-term impact on the employee base—many of whom have been with this internationally diverse company for 20-plus years? What kind of

succession plan should be in place? What may be the viable options for the future: New management or new ownership? Are there other options?

## References

- Bass, B. M. (1998). *Transformational leadership: Industrial, military, and educational impact*. Erlbaum.
- Cordoba, J., & Guthrie, A. (2013, June 4). Mexico, China move to jump-start trade. *The Wall Street Journal*.
- Drucker, P. F. (1985). *Innovation and entrepreneurship*. Harper & Row.
- Filson, B. (2006). Leadership, tribal spiritual wisdom and the leadership talk. *ActionLeadership.com*.  
[http://www.actionleadership.com/Leadership\\_Article\\_Detail.cfm?ArticleID=2](http://www.actionleadership.com/Leadership_Article_Detail.cfm?ArticleID=2)
- Livermore, D. (2015). *Leading with cultural intelligence: The real secret to success* (2<sup>nd</sup> ed.). American Management Association.
- Malkin, E. (2013, June 4). Chinese president makes bridge-building trip to Mexico. *The New York Times*.  
<https://www.nytimes.com/2013/06/05/world/americas/xi-makes-bridge-building-trip-to-mexico.html>
- Meyer, E. (2014). *The culture map: Breaking through the invisible boundaries of global business*. Public Affairs.
- Nelson, G. (2013, June 9). Self-image of East Valley needs big boost, Crow Says. *The Arizona Republic*.
- Northouse, P. G. (2016). *Leadership: Theory and practice* (7<sup>th</sup> ed.). SAGE.
- Riggio, R. E., Bass, B. M., & Orr, S. S. (2004). Transformational leadership in nonprofit organizations. In R. E. Riggio, & S. S. Orr (Eds.), *Improving leadership in nonprofit organizations* (pp. 49–62). John Wiley & Sons.
- Thomas, D. C. & Peterson, M. F. (2018). *Cross-cultural management: Essential concepts* (4<sup>th</sup> ed.). SAGE.

Thomson, A. (2012, September 20). China's unlikely challenger: Mexico. *Financial Times*, p.11.

Yin, R. K. (2018). *Case study research and applications: Design and methods* (6<sup>th</sup> ed.). SAGE.

Chris Kimble served in a key leadership role for Trans-Tec for 14 years (2002–2016) as the director of sales. During that time, while partnering with Chris Fussner, he led an exceptional sales team with two foundational principles: always take care of the customer and our customer relations are for the long term. Further, the sales team focused on “doing the deal,” not the contract. Flexibility and creativity were primary frames for strengthening and building lasting relationships with clients, earning trust. As a values-based business, Mr. Kimble and his team knew that customers need the best possible deals they can get for their own profitability, and in some cases, survival. Their customers didn't want their suppliers to lose money, but to to be healthy and remain healthy themselves. Mr. Kimble's professional career of over 35 years has been in the electronics industry, mainly in Asia. The timing for the launch of Trans-Tech's business “startup” in North America referenced in the case study marked Mr. Kimble's first “work” in North America in 25 years. He is currently working with three companies while being based in Thailand. Mr. Kimble holds a BA in Japanese Literature from Arizona State University. He can be reached at [chriskimble99@gmail.com](mailto:chriskimble99@gmail.com).

Jane Ives, PhD, is currently serving, through George Washington University, as the director of the Grameen Bank & Trust, Bangladesh, Undergraduate and Graduate Student Internship Program, and the Undergraduate and Graduate Global Student Research and Consultancy Internship Program with the Nepal Global Business, Microfinance, and International Development Student Internship Program. She earned her PhD from the University of London and an MSc from the London School of Economics. Dr. Ives has served as an undergraduate and MBA business professor for many years at the University of Massachusetts–Boston, Northeastern University, Suffolk University, Bentley University, Harvard University, Boston University, Bryant University, Arizona State University, and the University of Aix Provence in France, among other academic institutions in the United States, Europe, Asia, the Middle East, and South America. She also served as a Fulbright professor at National Taiwan University and Japan's Osaka University. Dr. Ives served as the co-author and editor of *The Export of Hazard: Transnational Corporations and Environmental Control Issue* (2017). She has authored several articles on leadership and global business and is a frequent speaker at global leadership and business conferences in the United States, Asia, and Europe. Dr. Ives has also worked for the World Health Organization in Switzerland; the Swedish Center for Working Life in Sweden; the USIA in Turkey, and the United Nations Development Program in The Congo and Ethiopia. She can be reached at [jives@comcast.net](mailto:jives@comcast.net).

Sarah Smith Orr, PhD, teaches various courses on leadership behaviors related to effective achieving styles, cross-cultural leadership, entrepreneurship with focus on social mission systems, and innovation. Dr. Orr, who earned her PhD and MBA from Claremont Graduate University, currently serves as teaching faculty with UCLA's Extension Program and the University of Nevada, Reno, in the Economics Department. She is the owner of Smith Orr & Associates, a consulting business founded in 1989, specializing in leadership development, strategic partnerships, entrepreneurial initiatives, and education. Additionally, she works with social entrepreneurs, NGOs and nonprofit organizations in the areas of innovation and leadership. Among her international clients, she has had a multiyear relationship working in country and remotely with Fundación Escuela Nueva based in Colombia. Previously, Dr. Orr served as the executive director of the Kravis Leadership Institute and visiting professor in Claremont McKenna College's Psychology



Department, where she taught Foundations of Leadership and Leading Social Innovation. As an adjunct professor and recipient of Faculty Member of the Year (2011) at the Peter F. Drucker and Masatoshi Ito Graduate School of Management at Claremont Graduate University, she taught courses in social sector leadership; innovation; and building sustainable, community-based organizations. Dr. Orr has held top/senior positions in numerous social sector organizations, such as the United Way, located in New York, Texas, Pennsylvania, and California, and has been a founder of several community-based leadership development initiatives. She has served as a book co-editor and author of numerous book chapters including in *The Role of Entrepreneurs in The Political Economy of The Pacific Rim* (2015). She is a frequent presenter at global leadership conferences in the United States, Europe, and South America. She can be reached at [orrss@me.com](mailto:orrss@me.com).

Martin "Marty" H. Sours, PhD, was a professor emeritus in the Global Business Studies Emeritus College, Thunderbird School of Global Management at Arizona State University. Dr. Sours, now deceased, who completed a significant portion of work on this case, passed away in 2018. Dr. Sours earned a BS in Political Science from the University of California (UC) at Berkeley. At UC Berkeley, he also completed his Navy ROTC, which led to 26 years of commissioned service in the U.S. Navy and U.S. Navy Reserves, including both surface and amphibious warfare. Prior to serving in the U.S.N.R., Dr. Sours pursued a career in academia by earning his MA and PhD in International Relations from the University of Washington. He began his academic career as an associate professor of international studies at Thunderbird Graduate School of International Management, now known as the Thunderbird School of Global Management at Arizona State University. While teaching, he also served as Thunderbird field director for China studies programs in Beijing, Shanghai, Nanjing, and Qingdao, China. He was also a visiting professor in international business and international affairs in the Graduate School of Foreign Trade, Sung Kyun Kwan University, Seoul, South Korea, in 1973; MITI-Sponsored Institute of International Studies and Training (Boeki Kensu Center), Japan, in 1977; Tunghai University, Taichung, Taiwan, in 1982; School of International Studies, Yonsei University, Seoul, South Korea, in 1992. He served as faculty field studies program supervisor in South Korea and Japan through 2007. Dr. Sours served as a member of the board of directors for the California Alumni Association, Berkeley, California, from 1998 through 2001.

**Appendix A: Christopher J. Fussner, Professional Biography**

Christopher J. Fussner is an international businessman, philanthropist, and contributor to various nonprofit organizations. He possesses deep knowledge of and experience in Asia, having lived and worked in the region for 38 years.

Mr. Fussner founded, in 1988, and owns Trans-Technology Pte. Ltd. (Trans-Tec), headquartered in Singapore. Trans-Tec is a major distributor of surface mount technology and semiconductor capital equipment and has 235 employees worldwide and offices in China, India, Japan, Malaysia, Mexico, Thailand, the United States, and Vietnam. He has had extensive experience in negotiating and establishing joint ventures, strategic alliances, licenses, distribution networks, and sales worldwide. Mr. Fussner is also founder and owner of Certain Cellars Pte. Ltd. in Singapore, an importer and distributor of fine wines. Prior to forming these companies, Mr. Fussner headed Asia sales for Amistar Corporation, based in Seoul, South Korea, and Singapore. As such, he was responsible for sales and service for electronics manufacturing industry machines in Australia, Asia, and India.

Mr. Fussner began his international career in 1978 in Ouagadougou (Upper Volta) Burkino Faso, where he was involved in aid work for Catholic Relief Services. He subsequently joined Church World Services from 1979 to 1980, devoting his time as a refugee resettlement officer in Malaysia and was responsible for the resettlement process of Vietnamese refugees. Mr. Fussner also taught English at the Hyundai Corporation in Seoul, South Korea. As a young man, Mr. Fussner also worked in New York as a steamfitter, waiter, busboy, paperboy, and gardener.

Mr. Fussner received his B.A. in History and East Asian Studies from the George Washington University Elliott School of International Affairs (1979), and his M.I.M. (Master of International Management) from the Thunderbird School of Global Management in Phoenix, Arizona (1982). He is proficient in Chinese and French with some knowledge of Korean and Spanish.

Mr. Fussner is recognized as an experienced observer and astute analyst of Southeast Asian affairs. He has lectured on topics related to Southeast Asia and U.S. relations with Asia at The George Washington University; Thunderbird Global

Entrepreneurship Program; University of Southern California; Georgia State University; Harvard University; San Francisco State University; Brandeis University; Dwight D. Eisenhower School for National Security; and other institutions. He was the keynote speaker at PACIBER (Pacific Asian Consortium for International Business and Research) in Kona, Hawaii, in 2010 and in San Francisco, California, in 2014.

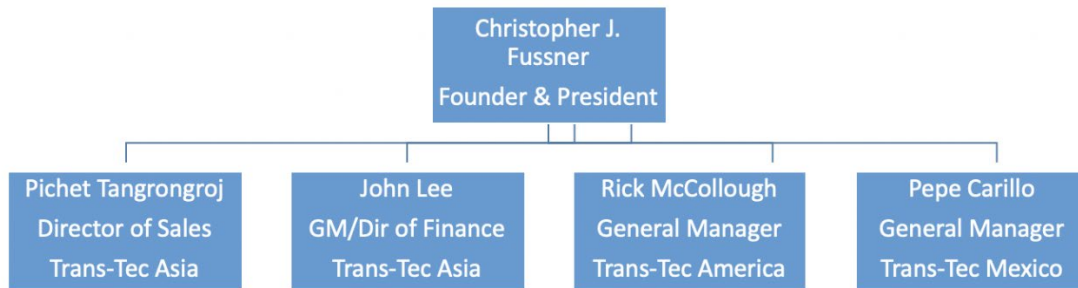
Mr. Fussner has also served on many nonprofit boards and organizations, including:

- International Republican Institute (IRI), Board of Directors (2017–).
- Republican National Committee (RNC) Representative to the International Democrat Union (IDU) (2011–), a global organization of more than 50 international political parties around the world. In this capacity, he has attended various IDU executive board meetings in Finland, Bosnia-Herzegovina, South Korea, Sri Lanka, Spain, and Ghana and was a member of the IDU observer mission to Dhaka, Bangladesh.
- IRI International Election Observer in Mongolia (2016) and Timor Leste (2017).
- Republicans Abroad, Global Chairman (1998–2014).
- American Chamber of Commerce (AMCHAM) in Singapore, Member (1990–); Governor for Cultural Affairs, (1996–2000).
- The George Washington University, Elliott School International Affairs International Advisory Council member (1996–2004).
- Vietnam Education Foundation (VEF), Board of Directors, appointed by President George W. Bush; Chairman (2011–2012).
- Rubin Museum of Art, New York City (Himalayan Art), Board of Trustees (2018–).

Mr. Fussner is also a longtime philanthropist and contributor to various organizations, including the Singapore Repertoire Theater “Shakespeare in the Park,” Singapore Symphony Orchestra (SSO), Singapore Dance Theater, Rubin Museum of Art, The George Washington University, Elliott School International Affairs Program, Chinese Foreign Policy Program, Grameen Bank Microfinance Internship Program, and Grand Teton Music Festival. Of particular note is his sponsorship of the Jesuit Mobile Medical Clinic in Kathmandu, Nepal, which

reaches 120,000 patients in rural areas in Nepal annually for the past 20 years. He also provided significant help for earthquake relief in Nepal in 2013, for which he was awarded the St. Ignatius Loyola Circle Award.

## Appendix B: Trans-Tec Executive Organization Chart (Global)



(As of August 2020)

## ESSAYS

### Business Continuity Planning Actually Works!\*

Giulia Rizzo  
Emlyon Business School

*New research shows that planning for disaster helps to deal with any disaster.*

Business continuity management (BCM) is a relatively young branch of management science with roots in information technology and computer mainframe operations of the 1970s. More recently, BCM has moved toward the general resilience of business operations in the face of acute changes that jeopardize an organization's ability to function normally. One central element of BCM is the establishment of a *business continuity plan (BCP)*, in which predetermined recovery actions with a preset timeframe are assigned to each business-critical function. For instance, if weather floods a regional office, a procedure might be in place for relocating critical personnel to headquarters within three days. BCPs often rely on scenarios to better imagine possible issues and solutions; for example, flooding and pandemics will not affect organizations in the same way nor call for the same measures.

The goal of a BCP is to prepare for disaster and crisis and help the organization overcome any situation as fast as possible; therefore, it is a key leadership tool. The COVID-19 pandemic, which is currently affecting a very large number of organizations in similar ways at the same time, has created a unique occasion to perform consistent empirical research into crisis management. In my most recent research (Rizzo, 2020), I surveyed 120 organizations in relation to their management of the COVID-19 crisis, asking questions about the existence of a BCP and the deemed success of their management of the crisis at that point in time (June–July 2020). The results were fascinating.

---

\*To cite this article: Rizzo, G. (2021). Business continuity planning actually works! *International Leadership Journal*, 13(1), 117–119.

The results revealed that 33% of all organizations did not appear to have a BCP in place, which may just reflect organizational size, maturity, and context, as our survey population included very diverse organizations, including smaller ones that are less likely to have a BCP.

However, among those respondents who confirmed the existence of a BCP in their organizations, only 37% had foreseen a scenario similar to the COVID-19 pandemic. Fully 63% of the BCPs had not envisaged something like COVID-19, which was surprising given the fact that “the pandemic” was, for a period in the 2000s, considered by risk professionals to be perhaps the most obvious scenario to be included in risk assessments.

I then examined whether organizations with a BCP were deemed by the respondents, who were managers employed by the organizations, to have “managed the COVID-19 crisis well.” In the first instance, the correlation was assessed by comparing the “managed the COVID-19 crisis well” ratings for those organizations with no BCP with those with a BCP that had foreseen a scenario similar to COVID-19. The results were undisputable: on a scale from 1 to 5, with 5 being the best, the latter organizations scored an average 1.1 points better than those without a BCP—4.5 to 3.4. So, imagining a certain crisis scenario and planning for it seems to have an unequivocally positive effect should the anticipated crisis happen.

What was even more interesting, however, was that organizations with BCPs that did not plan for a scenario like COVID-19 still showed much better outcome scores, as these organizations had an overall average rating of 4.3, which is still 0.9 points higher than the organizations with no BCPs. It is clear, then, that the preparation of a BCP, even if it does not foresee the exact crisis scenario, is hugely beneficial to an organization. It actually accounts for most of the possible benefits.

At this stage, I can only hypothesize as to what explains this correlation. It could be that the act of preparing a BCP derives most—but not all—of its benefits from defining what actions need to be taken in case of a crisis. As Sibony (2020) states:

it is a lot easier to repurpose a plan written for another scenario than to improvise a new one. Leaders do not use uncertainty as an excuse to give up plans. They view it as an additional reason to plan for the contingencies they

can anticipate—and to be flexible in adjusting the plans later. (“Leaders Have Ready-made Plans” section)

Indeed, it may also be that establishing a BCP trains the minds of managers to deal with a crisis and creates a crisis-ready attitude, regardless of its type. Another possibility is that an organization’s decision to prepare a BCP displays a general preexisting maturity that will also translate into a greater ability to deal with crises.

While further research is needed to clarify such correlations and possible causalities, leaders should undoubtedly consider establishing a BCP as a key exercise in risk management, protecting their organization and, ultimately, increasing its financial stability while maintaining its societal utility through times of change and turmoil.

### Questions for the Practitioner

1. Does your organization have a business continuity plan?
2. What sources do you consider when assessing future threats to business continuity?
3. Which activities are beneficial to your organization simply for the process of carrying them out?
4. What lessons has COVID-19 taught your organization so far?

### References

Rizzo, G. (2020). *Is crisis management a form of change management?* [Unpublished master’s thesis]. Emlyon Business School.

Sibony, O. (2020, April 28). Strategy In unpredictable times : Four lessons from the COVID-19 crisis. *Forbes*.

<https://www.forbes.com/sites/hecparis/2020/04/28/strategy-in-unpredictable-times-four-lessons-from-the-covid-19-crisis/#66f0224b29b7>

Giulia Rizzo, PhD, earned her Master of Laws and PhD in Public Law from Rome II University and her executive MBA at the emlyon business school (Lyon). She is a bar-registered lawyer in Italy and a practitioner in the fields of law, banking, and customer service relations with a past as a researcher, university lecturer and author of a reference book about service concession law in Italy, *La Concessione di Servizi* (2012). Dr. Rizzo can be reached at [giulietta.rizzo@gmail.com](mailto:giulietta.rizzo@gmail.com).



## **E-Coaching: Building Better Employee Soft Skills\***

**Joseph C. Santora**  
*International Leadership Journal*

Messy, fragile, fragmented, chaotic, and disruptive are all words that clearly capture the condition of our world today. A more professional description of the world can be seen through the lens of words such as volatile, uncertain, complex, and ambiguous (VUCA). Current transformational shifts in internal and external environments as a result of VUCA may take many years to assess their full impact on the world. In fact, their consequences will forever alter the ways in which we function and manage our personal and professional lives. In effect, we will be compelled to readjust existing operational boundaries to meet the demands of a new normal. It is within this VUCA context that the clarion call exists for an e-coaching approach that can recognize crises and convert them into unique opportunities for companies to flourish and gain a competitive edge or added value.

Electronic coaching, or e-coaching, should become the new normal to improve the development of soft management and leadership skills required by employees. The timing is perfect. We have learned much—positive and negative—about e-everything from the COVID-19 pandemic. This essay discusses e-coaching as a way to improve employee development skills in an organization by exploring workplace issues such as trust, power, empowerment, and virtual teams to strengthen employee engagement in an age of remoteness and create a more effective, stable workplace community.

Unfortunately, many companies are underprepared for major evolutionary shifts for various reasons. They often react rather than take a proactive stance in a situation. For example, a recent company trend has been shared office space configurations with a collective space, while eliminating individual spaces to encourage more collaboration among employees. The COVID-19 pandemic has

---

\*To cite this article: Santora, J. C. (2021). E-coaching: Building better employee soft skills. *International Leadership Journal*, 13(1), 120–123.

changed that trend. We have now become fully acclimated to working with a remote community, all made easily possible and accessible by e-platform delivery systems such as Microsoft Teams, Skype, and Zoom. We now work, teach, and even consult with medical practitioners this way. But how do we effectively monitor and evaluate employee productivity in the remote workplace? To what degree have criteria been identified, selected, and implemented to ensure collaborative employee learning? How do we develop and foster employee engagement remotely when employee engagement registers some 30% (Harter, 2020)? Though it may take some effort, e-coaching may be the solution for companies in our new age of remoteness (Younger, 2020).

## **E-Coaching**

*E-coaching* is an interactive remote coaching method for low- and mid-level employees. This individual and/or small group coaching has the capacity to create unique teaching and learning moments for employees. For example, e-coaches working in individual or small group sessions with employees refine employee skills such as developing and building trust between and among employees (Crush, 2020), improving collaborative skills and refining working relationships in virtual teams (Clapperton, 2015), creating cooperative and collaborative learning opportunities, facilitating employee empowerment (Matthews, 2020) and decision-making skills, and teaching employees that with power comes responsibility (Everett, 2017). E-coaching sessions should not be overly lengthy. A one-hour weekly session scheduled as part of the workday should suffice and yield many employee and company benefits. These sessions can easily replace often useless employee training workshops and the soon-to-be forgotten, but highly popular and informative employee watercooler discussions (see Mance, 2020). In both the short and long term, e-coaching can be highly effective and more cost-effective than traditional company coaching methods.

E-coaching can provide an opportunity to capitalize on traditional and new company initiatives. It should be conducted by an independent coach, not a company insider. These independent e-coaches should report to the director of

human resources, and the e-coaching process should be an institutionalized program within the company. E-coaching should be a strategic imperative for all companies. If done properly by trained e-coaches, it can surely strengthen the infrastructure of a company by developing employee skills, increasing engagement among employees, and increasing productivity and company financials through more highly committed employees. Company managers and employees may even grow to like remote coaching. Unfortunately, it often takes a major crisis for managers and employees to realize and appreciate the positive impact and value that e-coaching can provide to a company. We should really give it a chance.

## References

- Clapperton, G. (2015, August 4). The pros and cons of virtual working. *Raconteur*. <https://www.raconteur.net/business-innovation/the-pros-and-cons-of-virtual-working>
- Crush, P. (2020, May 21). How to truly lead in a crisis. *Raconteur*. <https://www.raconteur.net/business-innovation/leadership-through-crisis>
- Everett, C. (2017, December 15). Business leaders must learn to let go and give staff power. *Raconteur*. <https://www.raconteur.net/business-innovation/business-leaders-must-learn-to-let-go-and-give-staff-power>
- Harter, J. (2020, February 4). Four factors driving record-high employee engagement in the U.S. *Workplace*. <https://www.gallup.com/workplace/284180/factors-driving-record-high-employee%20engagement.aspx>
- Mance, H. (2020, May 15). The rise and fall of the office. *Financial Times*. <https://www.ft.com/content/f43b8212-950a-11ea-af4b-499244625ac4>
- Matthews, V. (2020, May 26). The key to an empowered workforce. *Raconteur*. <https://www.raconteur.net/technology/flexible-workforce-empowerment>
- Younger, J. (2020, April 22). Freelance coaching is growing as managers face post-COVID leadership challenges: Meet AceUp. *Forbes*. <https://www.forbes.com/sites/jonyounger/2020/04/22/your-leaders-need-help-adapting-to-our-new-world-of-work-meet-aceup/>

Joseph C. Santora, EdD, is the founder and editor of the *International Leadership Journal* ([internationalleadershipjournal.com](http://internationalleadershipjournal.com)) and an executive educator. His research interests include succession, family business, corporate governance, leadership, and coaching. Dr. Santora has consulted with more than two dozen organizations worldwide and has written some 200 articles, cases, and reviews, for which he has won several awards. He received his doctorate from Fordham University. He can be reached at [jcsantora1@gmail.com](mailto:jcsantora1@gmail.com).