International Leadership Journal

IN THIS ISSUE

ARTICLES

International Leadership Journal

Contents

Volume 13, Issue 2, Summer 2021

From the Editor

June 2021

Welcome to the 39th issue of the *International Leadership Journal,* an online, peer-reviewed journal. I hope that you all are safe and healthy as we begin to turn the corner on the COVID-19 pandemic in many countries.

This issue contains five articles. In the first article, Leary and Miller showcase the insidious relationships between the dysfunctional attributes of passive, laissez-faire leadership, employee burnout, and related psychological stressors. They recommend a more rigorous assessment of leadership candidates to uncover the toxic attributes of laissez-faire leadership and education of current leaders on the perils of toxic leadership.

Toader and Howe investigated the leadership experiences of early cohort millennials in an international professional auditing services firm in Romania. Their qualitative, exploratory case study showed that indicated that early cohort millennial leaders follow a three-stage leadership development process, embedded in their adult development. The participants also exhibited all components of transformational leadership, particularly individualized consideration and the ethical component of idealized influence.

In just two years, the Air Force's Leader Development Course (LDC) has provided an impactful learning experience and created a rising demand for LDC content and delivery methods. The LDC's key challenge is sustaining the "flagship" leadership course and setting conditions for expansion of product lines. Using document analysis, Hinck examined the LDC's strategic leadership issue using a framework of conceptual, technical, and interpersonal competencies. He recommends eight steps to address the strategic issue using leadership and change models.

In a qualitative, single-case study, Nkando and Levitt explored the concept of power distance to increase understanding and general awareness of its perceived effects on the process of an organizational change in a multicultural environment. They found that that the cultural aspect of power distance has an impact on the various elements of cross-border organizational change, such as utilization of hierarchy, relationships, and interactions; power balance; organizational structure; and change communication.

In the final article, Waweru summarizes her investigation of the impact of self-leadership competencies on small and medium-sized enterprises (SMEs) in Kenya during the COVID-19 pandemic. Specifically, the qualitative study investigated the self-leadership competencies adopted by SME leaders to cope with the challenges of COVID-19, anchored on the situational theory of leadership. The results indicated that business leaders who practiced various self-leadership approaches were able to adjust their work practices and sustain their enterprises.

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.

Joseph C. Santora, EdD
Editor

ARTICLES

The Toxic Relationship Between Laissez-Faire Leadership and Employee Burnout: No Longer a Well-Kept Secret[*]

Terence Leary and Matthew Miller
Florida Gulf Coast University

This article showcases the insidious relationships between the dysfunctional attributes of passive, laissez-faire leadership, employee burnout (emotional exhaustion, increased cynicism, and reduced personal efficacy), and related psychological stressors (e.g., workplace bullying). Until recently, these associations with potentially toxic consequences were not adequately addressed. Consequently, from an organizational perspective, few solutions exist to ameliorate outcomes associated with such deleterious relations. From a hiring perspective, we recommend a more rigorous assessment of leadership candidates to uncover the toxic attributes of laissez-faire leadership. Developmentally, current leaders should be educated on the perils of toxic leadership and how best to enhance employee engagement and minimize burnout.

Key words: burnout, laissez-faire, leader dysfunctions, passive leadership, workplace bullying

Leadership

Improved organizational effectiveness is achieved by nurturing leadership strengths and overcoming weaknesses to enhance employee engagement and minimize burnout (Leary et al., 2013). Historically, the popularity and delusional optimism of positive psychology, when overzealously practiced, led to an excessive focus on building leader strengths (Kaiser, 2009), to the detriment of overcoming weaknesses. Due to the primary focus on strengths, the ensuing crisis obscured the harsh reality that leadership weaknesses exist, have a statistically significant impact on burnout (Leary et al., 2013), and accelerate the likelihood of leader derailment (Gentry et al., 2007; Leary et al., 2013; Lombardo et al., 1988). A one-sided, strength-only perspective is misguided and simplistic; in contrast, simultaneously addressing weaknesses provides a balanced perspective from which to effectively develop leaders (Hogan et al., 2010; Kaiser, 2009).

---

[*]To cite this article: Leary, T., & Miller, M. (2021). The toxic relationship between laissez-faire leadership and employee burnout: No longer a well-kept secret. *International Leadership Journal, 13*(2), 3–15.

Leary et al. (2013) note that Hogan et al. (2010) clarified Benson and Campbell's (2007) conceptual distinction between functional dispositions (strengths) and dysfunctional dispositions (weaknesses). Hogan et al. (2010) suggest that the traditional five-factor model (FFM; Kaiser, 2009) represents functional personality characteristics (Cullen, 2001). The FFM dimensions include extraversion, emotional stability, openness to experience, agreeableness, and conscientiousness. High scores reflect strengths ("presence of the right stuff") and describe social performance (reputation) at its best. In fact, the results of a meta-analysis linking personality to leadership using the FFM suggest a significant relation between these functional dimensions and leadership effectiveness (Bono et al., 2007; Judge et al., 2002).

Conversely, dysfunctional dispositions ("presence of the wrong stuff") reflect a negative side of one's personality (Borden & Buckingham, 2000). The presence of these tendencies does not reflect the absence of functional characteristics; rather, it represents a distinctly different construct from the FFM, neither subsumed by the FFM dimensions nor measured on the same continuum. Dysfunctional characteristics aligned with counterproductive behaviors neutralize or degrade job performance and interfere with the ability to capitalize on any strengths revealed through the FFM (Kaiser, 2009). Historically, little attention was paid to dysfunctional dispositions as correlates of employee outcomes and perceptions, since most researchers concentrated on the lack of functional characteristics rather than the presence of dysfunctional traits and the resultant behaviors displayed by leaders. Dysfunctional leader behaviors can be either overt, active, and manifest (e.g., emotional outbursts, verbally abusive comments, condescending nuances, and visible mood changes) or covert, passive, and indirect, also known as laissez-faire (e.g., unclear expectations, conflict avoidance, unavailability, subtle uncivil acts, and inaction; Harold & Holtz, 2015; Skogstad et al., 2007; Skogstad et al., 2014).

Burnout

According to Maslach et al. (1996), *burnout* is a prolonged response to chronic emotional and interpersonal stressors on the job. The syndrome is defined by three dimensions (Maslach et al., 1986). The first, *emotional exhaustion,* is the depletion of emotional and physical resources. The second, *increased cynicism,* from an interpersonal perspective, reflects a callous, uncivil, and dehumanized perception of others. The third dimension, *reduced personal efficacy,* reflects a feeling of dissatisfaction relative to job accomplishments (Conte & Landy, 2019). The development of this statistically sound model led to a standard definition of burnout, comprising the three cited core dimensions; this empirically based multidimensional model predominates in the burnout field (Conte & Landy, 2019; Leiter & Maslach, 1988; Maslach et al., 2001).

   Burnout was initially derided as non-scholarly "pop psychology" (Schaufeli et al., 2010) However, through relentless empirical investigations by Freudenberger (1974) and Maslach (1976), the construct quickly gained credibility in psychology and psychiatry. Initially, this research was prompted by a plethora of burnout cases in the human services and education fields due to quantitative job demands (few resources to accommodate high customer demands) and substandard emotional support from leaders. During the 1990s, as this construct gained momentum, the research scope was extended to occupations beyond human services and education (e.g., private sector and government). More recently, impactful results from longitudinal studies elucidated and showcased the relations between passive, dysfunctional leadership attributes and the toxic effects of burnout and stress-related issues, such as workplace bullying (Ågotnes et al., 2018; Glambek et al., 2018).

Laissez-Faire Leadership, Burnout, and Related Stressors

In stark contrast to laissez-faire leadership, competent, successful leaders communicate effectively, operationally define expectations, organize, motivate teams, and set realistic standards for accomplishment (Leary et al., 2013). The literature on leader incompetence is remarkably coherent and converges quite well; failed managers have troubled relationships with their staff, use poor

judgment, and cannot build teams (Benson & Campbell, 2007; Hogan et al., 2010; Leary et al., 2013; McCall & Lombardo, 1983). Manifested as an abundance of dysfunctional dispositions, managerial incompetence is devastating to employee engagement and job satisfaction and contributes significantly to employee burnout (Leary et al., 2013). Adjusted for inflation (U.S. Bureau of Labor Statistics, 2020), the estimated costs of failed managers, derived from DeVries and Kaiser (2003), ranged from $708,000 to $3.85 million per leader in 2020. Moreover, 75% of working adults rate their direct superior as the most stressful aspect of their job, degrading their quality of life (Curphy, 2008; Hogan et al., 2010). Incompetent managers cause misery among their subordinates and pose major health hazards, causing enormous medical costs (Ashforth, 1994; Harold & Holtz, 2015; Hetland, 2005; Skogstad et al., 2007; Tepper, 2000). Furthermore, astronomical costs associated with employee turnover (projected costs: $680 billion) are linked directly to substandard leadership and ancillary fallout from lack of career development and unhealthy work–life balance (Tarallo, 2019).

When describing destructive leaders, the focus has historically been on overt, active, and manifest behaviors rather than the laissez-faire covert, passive, and indirect forms (Skogstad et al., 2007). Overt, active manifestations range from routine, uncivil, and irritating behaviors (e.g., raised voice, curt responses) exhibited during times of elevated stress/crisis (Benson & Campbell, 2007; Leary et al., 2013) to extreme, toxic behaviors such as callous, serious outbursts and public humiliation. Examples of extremely toxic leaders include "Chainsaw Al" Dunlap, a disgraced American executive who engineered a massive accounting scandal at Sunbeam Products, and "Queen of Mean" Leona Helmsley, the American hotelier who was known for tyrannical outbursts and ultimately incarcerated for federal income tax evasion. Both displayed a grandiose sense of self and a lack of empathy, savagely berated employees, and decimated workplace morale (Kellerman, 2004; Leary & Ashman, 2018). Unsurprisingly, most research has historically focused on more visible and outrageous leaders like these.

Conversely, the effects of passive dysfunction, relative to laissez-faire leaders, have rarely been studied (Barling & Frone, 2017; Skogstad et al., 2014). Two

conceptual reasons for this neglect include the illusory perception that leaders who do nothing (laissez-faire) can do no harm (negligent impact) and the perceived absence of their intent to harm, in contrast to their active and manifest counterparts, as cited above. However, laissez-faire leaders are indecisive, are physically and/or mentally absent when their presence is needed (DeRue et al., 2011), and are negligent during major crises. Egregious examples include the *Challenger* space shuttle disaster (Caprino, 2017; Raval, 2014; Tufte, 2003) and the Flint, Michigan, water crisis (Silverman, 2016). Once briefed, leadership failures to act decisively by aborting the ill-fated Challenger shuttle take-off or remediating toxic water supplies in Flint led to the death of all five astronauts and two payload specialists aboard the *Challenger* and serious health conditions due to lead poisoning in Flint. In both cases, once informed, disengaged leaders did not act decisively to preempt these catastrophes and were mentally aloof/inattentive to both impending disasters. Laissez-faire leadership thus had a catastrophic impact on the well-being of employees and/or constituents in both situations (Barling & Frone, 2017; Skogstad et al., 2007).

In the workplace, laissez-faire leaders demonstrate *volitional activity* with respect to avoiding subordinates (unavailability) when assistance is needed, simultaneously reflecting *inactivity* (not taking initiative) toward subordinates who require immediate assistance; in effect, the leaders are unresponsive to critical employee needs (Skogstad et al., 2014). Laissez-faire leaders create role ambiguity (no direction), role conflict (inadequate clarification; incompatible demands), and through sustained inaction, exacerbate interpersonal conflict among their subordinates. The consequence, psychological burnout, has serious behavioral and psychological ramifications for employees. Skogstad and colleagues (2007, 2014) reported cross-sectional evidence that laissez-faire leadership was positively related to not only role conflict and role ambiguity but also the acceleration of bullying in the workplace. Given that 75% of working adults rate their direct supervisor as the most stressful aspect of their job, eroding their quality of life (Barling & Frone 2017; Curphy, 2008; Hogan et al., 2010; Leary et al., 2013), chronic exposure to passive leadership accelerates this degradation

through perpetual exposure to workplace stressors. In fact, Hetland (2005) demonstrated a systematic relation between passive avoidant leadership and chronic exposure to work stressors and employee burnout. Therefore, laissez-faire leadership accelerates employee burnout, which leads to an extreme state of psychological strain due to prolonged exposure to these chronic job stressors, role ambiguity, and role conflict (Conte & Landy, 2019).

Psychologically, during the first phase of burnout, emotional exhaustion, the diversion of energy from a state of eustress, or positive stress, to distress, exacerbated by the insidious ramifications of laissez-faire leadership, creates a negative affective state, or frustration, experienced by the employee. The chronic state of frustration, unless remedied, intensifies, which may lead to withdrawal and cynicism (depersonalization) and/or may escalate to anger (Leary et al., 2013). Increased cynicism, the second phase of burnout, evolves into a callous, dehumanized perception of others; interpersonal engagement with others deteriorates. Workplace incivility or a low-intensity, callous approach to treating coworkers (e.g., eye rolling, ignoring, and/or excluding others), which flourishes under passive leadership (Harold & Holtz, 2015), illustrates this deterioration. Leaders who engage in such covert, passive-aggressive behaviors create a spiraling effect so that their team members model this practice. In other words, victims of workplace incivility become perpetrators of behavioral incivility, and these cynical actions prevail organizationally. In fact, 94% of employees who are treated with incivility tend to respond in kind to their associates (Porath & Pearson, 2010, 2013). Laissez-faire leaders will overlook, ignore, and subtly reinforce these uncivil acts as dysfunction proliferates. Reduced personal efficacy or low personal accomplishment, the third phase of burnout, coincides with diminished organizational performance. Ultimately, 48% of victims intentionally reduce their work effort, 38% intentionally decrease the quality of their work, 66% experience reduced job performance, and 78% report their reduced level of commitment (Harold & Holtz, 2015).

More recently, seminal work on related workplace stressors illustrates the devastating impact of laissez-faire leaders who, through inaction, perpetuate

counterproductive behaviors, such as workplace bullying (Ågotnes et al., 2018; Glambek et al., 2018), a special type of workplace violence. *Bullying* is defined as repeatedly harassing, offending, socially excluding, or assigning humiliating tasks to a person of subordinate status (Conte & Landy, 2019). Bullying takes place in situations where stress and interpersonal frustration prevail, combined with a lack of proper management intervention (Ågotnes et al., 2018). This focus in recent studies shifts from the immediate leader as a perpetrator of bullying to the laissez-faire leader who ignores subordinates being bullied by other workers/leaders. In effect, through inaction or a lack of intervention, the leader's failure to mediate maintains and reinforces such damaging acts in the workplace. Significant findings indicate that laissez-faire leadership enables coworker conflicts to escalate to workplace bullying, leading to not only workplace insecurity of victims but also myriad detrimental outcomes, hazardous to employee well-being (Ågotnes et al., 2018; Glambek et al., 2018).

Conclusion and Recommendations

A plethora of research on both visible "bright-side" leader characteristics ("the good stuff") and overt "dark-side" dysfunction (e.g., angry outbursts) has camouflaged the negative impacts of covert, laissez-faire leadership attributes on burnout and related stressors. As a result, until recently, a paucity of research linked such passive leadership attributes to toxic outcomes. The impact of an illusory perception that leaders who do nothing can do no harm is analogous to an undetectable cancer that proliferates. Seminal work on such topics as laissez-faire leadership and incivility (Harold & Holtz, 2015), burnout and related stressors (Ågotnes et al., 2018), and the failure of passive leadership to preempt major catastrophes, among others, clearly dispels the myth that laissez-faire leadership has a negligible, harmless impact. Its outcomes are toxic, can be catastrophic, and significantly contribute to burnout and related stressors; this toxic relation is no longer a secret. Meaningful solutions now exist to alleviate this dilemma and thus improve organizational effectiveness.

From a hiring perspective, leadership candidates should be scrutinized for toxic attributes associated with laissez-faire leadership. A "strength-only" perspective is not only misguided and overly simplistic but also obscures the harsh reality that laissez-faire leadership is dysfunctional and can be quite toxic. Both the Hogan Developmental Survey (HDS) (Hogan & Hogan, 2009) and the Multifactorial Leadership Questionnaire (MLQ; Avolio et al., 2004) are credible assessments that screen for dark-side characteristics associated with laissez-faire leadership. Occasionally, uninformed executive recruiters are hoodwinked by inaccurate preconceptions; for example, the failure to identify covert attributes and/or the belief that such attributes are harmless may lead to a flawed assessment of a candidate's qualifications, resulting in hiring a leader who will turn out to be unsuccessful (Conte & Landy, 2019). A more balanced, comprehensive, and evaluative process provides rigor to the selection process, decreasing the likelihood of selection bias or error (Leary & Ashman, 2018).

From a developmental perspective, leadership training programs should focus not only on nurturing leadership strengths but also the perils associated with laissez-faire leadership; that is, the dire consequences of failing to prevent the outcomes of inaction and avoidance. Leaders should learn to detect and act on egregious behaviors (e.g., bullying) at the incipient stage to prevent subsequent burnout. An awareness of organizational consequences related to incivility, other covert dysfunctional patterns of leadership, and catastrophes associated with these toxic patterns is key to enhancing employee engagement and minimizing burnout. Subsequent research should explore the conditions under which passive leadership has a minimal dysfunctional impact. In other words, do certain employees, such as self-reliant achievers versus novice employees who require more direction and support, work more effectively with laissez-faire leaders? Ultimately, the development of effective intervention techniques to identify and eliminate burnout and related stressors, such as bullying, is critical to long-term organizational effectiveness.

References

Ågotnes, K. W., Einarsen, S. V., Hetland, J., & Skogstad, A. (2018). The moderating effect of laissez-faire leadership on the relationship between co-worker conflicts and new cases of workplace bullying: A true prospective design. *Human Resource Management Journal, 28*(4), 555–568. https://doi.org/10.1111/1748-8583.12200

Ashforth, B. (1994). Petty tyranny in organizations. *Human Relations, 47*(7), 755–778. https://doi.org/10.1177/001872679404700701

Avolio, B. J., Bass, B. M., & Zhu, F. W. W. (2004). Multifactor leadership questionnaire: Manual and sampler set. *Mind Garden*.

Barling, J., & Frone, M. R. (2017). If only my leader would just do something! Passive leadership undermines employee well-being through role stressors and psychological resource depletion. *Stress and Health, 33*(3), 211–222.

Benson, M. J., & Campbell, J. P. (2007). To be, or not to be, linear: An expanded representation of personality and its relationship to leadership performance. *International Journal of Selection & Assessment, 15*(2), 232–249. https://doi.org/10.1111/j.1468-2389.2007.00384.x

Bono, J. E., Foldes, H. J., Vinson, G., & Muros, J. P. (2007). Workplace emotions: The role of supervision and leadership. *Journal of Applied Psychology, 92*(5), 1357–1367. https://doi.org/10.1037/0021-9010.92.5.1357

Borden, M., & Buckingham, M. (2000, December 18). Trying to overcome a weakness? This man says, 'Please, stop.' *CNN.* https://money.cnn.com/magazines/fortune/fortune_archive/2000/12/18/293130/index.htm

Caprino, K. (2017, November 10). Former NASA director shares leadership lessons from catastrophic spaceflight disasters. *Forbes.* https://www.forbes.com/sites/kathycaprino/2017/11/10/%EF%BB%BFformer-nasa-director-shares-leadership-lessons-from-catastrophic-spaceflight-disasters/

Conte, J. M., & Landy, F. J. (2019). *Work in the 21st century: An introduction to industrial and organizational psychology* (6th ed.). Wiley.

Cullen, D. (2001, February 12). Focus on strengths to maximize workers' output [Review of the book *Now, discover your strengths,* by M. Buckingham & D. O. Clifton]. *USA Today*.

Curphy, G. J. (2008). Dr. Gordy test results*. Curphy Consulting,* http://www.leadershipkeynote.net/

DeRue, D. S., Nahrgang, J. D., Wellman, N., & Humphrey, S. E. (2011). Trait and behavioral theories of leadership: An integration and meta-analytic test of their relative validity. *Personnel Psychology*, *64*(1), 7–52. https://doi.org/10.1111/j.1744-6570.2010.01201.x

DeVries, D. L., & Kaiser, R. B. (2003). Going sour in the suite: What you can do about executive derailment [Workshop presentation]. *Maximizing Executive Effectiveness Meeting of the Human Resources Planning Society*, Miami, FL, United States.

Freudenberger, H. J. (1974). Staff burnout. *Journal of Social Issues, 30*(1), 159–165.

Gentry, W. A., Mondore, S. P., & Cox, B. D. (2007). A study of managerial derailment characteristics and personality preferences. *Journal of Management Development*, 26(9), 857–873. https://doi.org/10.1108/02621710710819348

Glambek, M., Skogstad, A., & Einarsen, S. (2018). Workplace bullying, the development of job insecurity and the role of laissez-faire leadership: A two-wave moderated mediation study. *Work & Stress, 32*(3), 297–312.

Harold, C. M., & Holtz, B. C. (2015). The effects of passive leadership on workplace incivility. *Journal of Organizational Behavior, 36*(1), 16–38.

Hetland, H. (2005). *Leading to the extraordinary? Antecedents and outcomes of transformational leadership* [Unpublished doctoral dissertation]. University of Bergen.

Hogan, R., & Hogan, J. (2009). *Hogan development survey manual.* Hogan Assessment Systems.

Hogan, J., Hogan, R., & Kaiser, R. B. (2010). Management derailment. In S. Zedeck (Ed.), *APA handbooks in psychology®. APA handbook of industrial and organizational psychology, Vol. 3. Maintaining, expanding, and*

contracting the organization (pp. 555–575). American Psychological Association. https://doi.org/10.1037/12171-015

Judge, T. A., Bono, J. E., Ilies, R., & Gerhardt, M. W. (2002). Personality and leadership: A qualitative and quantitative review. *Journal of Applied Psychology, 87*(4), 765–780

Kaiser, R. B. (Ed.). (2009). *The perils of accentuating the positive.* Hogan Press.

Kellerman, B. (2004). *Bad leadership: What it is, how it happens, why it matters.* Harvard Business School Press.

Leary, T., & Ashman, J. (2018). Narcissistic leadership: Important considerations and practical implications. *International Leadership Journal, 10*(2), 62–74.

Leary, T. G., Green, R., Denson, K., Schoenfeld, G., Henley, T., & Langford, H. (2013). The relationship among dysfunctional leadership dispositions, employee engagement, job satisfaction, and burnout. *The Psychologist-Manager Journal, 16*(2), 112–130. https://doi.org/10.1037/h0094961

Leiter, M. P., & Maslach, C. (1988). The impact of interpersonal environment on burnout and organizational commitment. *Journal of Organizational Behavior, 9*(4), 297–308. https://doi.org/10.1002/job.4030090402

Lombardo, M. M., Ruderman, M. N., & McCauley, C. D. (1988). Explanations of success and derailment in upper-level management positions. *Journal of Business & Psychology, 2*(3), 199–216. https://doi.org/10.1007/BF01014038

Maslach, C. (1976). Burned-out. *Human Behavior, 9*(5), 16–22.

Maslach, C., Jackson, S. E., & Leiter, M. P. (1996*). MBI: The Maslach burnout inventory: Manual*. Consulting Psychologists Press.

Maslach, C., Jackson, S. E., Leiter, M. P., Schaufeli, W. B., & Schwab, R. L. (1986). *Maslach burnout inventory* (Vol. 21, pp. 3463–3464). Consulting Psychologists Press.

Maslach, C., Schaufeli, W. B., & Leiter, M. P. (2001). Job burnout. *Annual Psychological Review, 52*, 397–422.

McCall, M. W., & Lombardo, M. M. (1983). *Off the track: Why and how successful executives get derailed* (Technical Report No. 21). Center for Creative Leadership.

Porath, C. L., & Pearson, C. M. (2010). The cost of bad behavior. *Organizational Dynamics*, 39, 64–71.

Porath, C. L., & Pearson, C. M. (2013). The price of incivility: Lack of respect hurts morale—and the bottom line. *Harvard Business Review*, January–February, 115–121.

Raval, S. (2014, September 8). Challenger: A management failure. *Space Safety Magazine*. http://www.spacesafetymagazine.com/space-disasters/challenger-disaster/challenger-management-failure/

Schaufeli, W., Leiter, M., & Maslach, C. (2010). Burnout: 35 years of research and practice. *IEEE Engineering Management Review, 38*(4), 4–18. https://doi.org/10.1109/emr.2010.5645750

Silverman, S. (2016, January 16). The Flint water crisis: A failure of leadership. *Philadelphia Business Journal*. https://www.bizjournals.com/philadelphia/morning_roundup/2016/01/the-flint-water-crisis-a-failure-of-leadership.html

Skogstad, A., Einarsen, S., Torsheim, T., Aasland, M. S., & Hetland, H. (2007). The destructiveness of laissez-faire leadership behavior. *Journal of Occupational Health Psychology, 12*(1), 80–92. https://doi.org/10.1037/1076-8998.12.1.80

Skogstad, A., Hetland, J., Glasø, L., & Einarsen, S. (2014). Is avoidant leadership a root cause of subordinate stress? Longitudinal relationships between laissez-faire leadership and role ambiguity. *Work & Stress*, *28*(4), 323–341.

Tarallo, M. (2019, August 16). How to reduce employee turnover through robust retention strategies. *SHRM*. https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/how-to-reduce-employee-turnover-through-robust-retention-strategies.aspx

Tepper, B. J. (2000). Consequences of abusive supervision. *Academy of Management Journal, 43*(2), 178–190. https://doi.org/10.5465/1556375

Tufte, E. R. (2003). *The cognitive style of PowerPoint: Pitching out corrupts within*. Cheshire, CT: Graphics Press.

U.S. Bureau of Labor Statistics. (2020, November 16). Retrieved November 16, 2020, from https://www.usinflationcalculator.com/

Terence Leary, PhD, is a graduate of the highly regarded GE Corporate Relations program and has held executive-level human resources positions both internal and external to GE. Dr. Leary serves as an associate editor and editorial review board member for the *International Leadership Journal,* consulting editor of the APA-published journal, *The Psychologist-Manager Journal* and serves as an ad-hoc reviewer for the *North American Journal of Psychology and Aggression and Violent Behavior.* He is a consulting affiliate with Ken Blanchard & Associates and Hogan Assessments. He has worked extensively as an executive consultant on leadership, team building, customer service, and personality assessment. He is the director for the highly coveted Radford-Florida Gulf Coast University (FGCU) Serial Killer Database. He teaches psychology at FGCU and serves as an adjunct professor in the graduate programs in forensic studies and the Lutgert College of Business. Dr. Leary holds a PhD in Psychology with a Concentration in Industrial–Organizational Psychology from Texas A&M University. He can be reached at tleary@fgcu.edu.

Matthew Miller will complete his BA in Psychology (Neuroscience Concentration) from Florida Gulf Coast University in May 2021. He plans to attain a master's degree in industrial/organizational or school psychology and to ultimately develop a therapeutic practice model for at-risk adolescents. He is avidly involved with research related to leadership and antisocial personality disorder. Mr. Miller can be reached at mhmiller6473@eagle.fgcu.edu.

Early Cohort Millennials as Transformational Leaders: A Qualitative Case Study of a Professional Auditing Services Firm in Romania[*][†]

Serban Toader
Ecole des Ponts Business School

William S. Howe III
California Institute for Human Science

The purpose of this qualitative, exploratory case study was to explore the leadership experiences of early cohort millennials in an international professional auditing services firm in Romania. The theoretical framework included transformational leadership theory and generational theory, focusing on identifying the characteristics and challenges faced by millennial leaders. Data were collected from 12 participants, selected using a nonsequential, a priori, purposive approach. Instrumentation consisted of semi-structured, face-to-face interviews, which asked open-ended questions, drawing from the Multifactor Leadership Questionnaire and other concepts used in research on transformational leadership. The study indicated that early cohort millennial leaders follow a three-stage leadership development process, embedded in their adult development. The participants exhibited, to different extents, all components of transformational leadership, of which individualized consideration and the ethical component of idealized influence were present to a greater extent in their responses.

Key words: early cohort millennials, generations, professional auditing services, transformational leadership

An intergenerational leadership transition is more and more visible in public and private organizations all over the world (Andert et al., 2019; Bennett, 2020; Ray et al., 2017). Millennials, defined as individuals born between 1981 and 1996 (Dimock, 2019), joined work at a particularly difficult time—amid the Financial Crisis of 2007–2008—which has influenced the way they think and relate to the work environment. However, the subsequent economic recovery has allowed them to prove their abilities, take increased responsibilities, and accumulate professional experience (Baird, 2015). With little leadership experience, millennials

---

faced enormous challenges such as the recent coronavirus pandemic, the lockdown and subsequent crisis, and the struggles for a recovery. Starting work during a crisis and assuming leadership during another crisis are powerful events that could define millennials' legacy. The lessons and knowledge acquired at such defining times in their professional careers have created a unique opportunity for millennial leaders to step up their influence on their organizations and society.

This study aimed to respond to the problem of not knowing how early cohort millennial leaders assumed and acted in leadership roles in a professional auditing services firm and how organizations should engage and communicate with them to optimally harness their special abilities. Organizations that employ millennial leaders, such as professional auditing services firms, often face the situation of intergenerational differences (Davey, 2018; Valenti, 2019). Both more senior and millennial colleagues consider that millennial leaders, though they lack experience, have the potential to become effective leaders (Espinoza & Schwartzbart, 2016).

However, millennials' energy, enthusiasm, and desire to succeed often lead them to high-stress situations and even burnout, which compelled the media to call them the "Burnout Generation" (Petersen, 2019). There is a risk that because of the stress and lack of confidence, they may not perform up to their potential as leaders (Karriker & Hartman, 2019; Moore, 2016). Organizations respond to such challenges by talent development and learning programs for millennials, spending money and effort in the process; however, many of these programs do not provide them with relevant examples and experiences as leaders (Andert et al., 2019; Fore, 2017; Ng & Johnson, 2015). A possible cause for these circumstances may be an incomplete understanding of how millennial leaders developed their abilities and acquired experience as leaders and how their performance in leadership roles has influenced their career and those of others within the organization.

The participating firm was one of the leading professional services auditing firms in Romania, employing 20.5% of the total number of auditors in the country (Authority for the Public Supervision of the Statutory Audit Activity [ASPAAS], 2016). Many of its millennial employees have attained leadership positions such as partner, director, or senior manager. Given the size and influence of the firm,

which is a member of one of the largest professional auditing services networks in Europe, with a market share of 25% (Dixon, 2018), it is possible that the results of the study could potentially be generalizable to auditing firms throughout the European Union.

Theoretical Framework

This case study was informed by reference to two theoretical frameworks: transformational leadership and generational theory. *Transformational leadership theory* contends that leaders inspire through their actions and focus on changing organizations by changing the followers' beliefs and behaviors (Bass & Riggio, 2006). The influencing process is mutual; both leader and follower evolve and support each other in developing a higher level of moral consciousness. Some studies indicate that transformational leadership has a positive impact on the effectiveness of followers (Bass & Riggio, 2006; Ng, 2017; Yukl, 1999).

The structure of professional services firms—governed as partnerships and focusing on intellectual capital and technical expertise and how their people operate on a day-to-day basis, mainly through independent teams—has raised unique challenges for their leadership (Suddabi et al., 2008). The ambiguity, power play, and influence of the role raise the question of what the most appropriate leadership style is in such firms. The dynamic environment in which professional auditing services firms operate and their people-centered strategy made the transformational leadership theory especially salient for this research. Their recruitment and people strategies emphasize an accelerated career and development path, significant employee responsibility from the early stages, collaborative working and learning, and seizure of opportunities for success (Durocher et al., 2016)—all consistent with transformational leadership theory.

As the participants in the research belong to a particular generational cohort, generational theory was added to the theoretical framework. According to *generational theory,* influential life experiences from adolescence and young adulthood shape the collective consciousness of a generation (Mannheim, 1927/1952; Strauss & Howe, 2009). Millennials grew up in a multicultural

environment, enjoyed virtual connectivity, and became technology-savvy due to the expansion of the Internet and social networks via mobile phones (Deal et al., 2010; Weber, 2015). While millennials share many characteristics with preceding generations (Baird, 2015; Valenti, 2019), some of their specific attributes are higher self-esteem, assertiveness, and better use of technology (Deal et al., 2010). They work well in teams and are keen agents for change in organizations (Gallup, 2016; Gong et al., 2018).

There is less agreement in the literature about some stereotypes, such as being disrespectful, lacking in loyalty and work ethic (Myers & Sadaghiani, 2010), having high expectations, seeking meaning in work, and constantly requiring feedback (Espinoza & Ukleja, 2016). Such stereotypes have raised anxiety amongst academics and practitioners alike about their leadership performance and whether millennials will lead differently from other generational populations (Chou, 2012; Espinoza & Schwartzbart, 2016).

Research Questions

The qualitative case study aimed to answer the following two research questions:

Research Question 1: How do early cohort millennial leaders describe the process of their leadership evolution that may have influenced their performance as leaders?

Research Question 2: How do early cohort millennial leaders perceive, at present, the way their leadership role may influence others in their organization and their personal and professional contexts?

The research also focused on the main challenges millennials have faced as leaders; how they addressed those challenges; and how they interacted with followers, peers, superiors, and clients in their organization.

Limitations

The study may have several potential limitations, such as it considered perceptions rather than actual behaviors. The research did not seek to require responses from subordinates, superiors, or peers who could have dealt with the inherent bias of

participants' perceptions. Another possible limitation was that one of the researchers could have been biased as he was in a leadership position in the respective organization for a long time, and he left the organization one year before this study. Therefore, it was possible that his personal experience could have influenced his interpretation of data or the interviewing process. Exclusion from the sample of potential participants whose career may have been influenced by the respective researcher, the use of an illustrative question guide during the interviews, and the time that had passed since his retirement from the participating firm reduced the possible bias to an acceptable level.

Review of the Literature

Transformational Leadership Theory

Transformational leadership has dominated the study of leadership over the last three decades and has universal application across cultures and industries (Dinh et al., 2014; Lee et al., 2020; Mhatre & Riggio, 2014). The theory was inspired by Robert House's *path–goal theory,* which focuses on the role of leaders in enhancing the performance of their followers through coaching and guiding, including offering incentives and removing any potential obstacles on the path to success. Burns, a political scientist, introduced the concept of *transforming leadership* in his seminal 1978 book *Leadership,* stating that "such leadership occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality" (20).

  Bass, one of the most cited authors in leadership journals (Lee et al., 2020), further developed the work of Burns, renamed the primary concept *transformational,* and detailed the four psychological components that underlie transformational leaders: idealized influence (subsequently split into a behavioral and an attributional component), inspirational motivation, intellectual stimulation, and individualized consideration (Bass & Riggio, 2006). Transformational leadership theory contends that the influencing process is mutual; both leader and follower evolve and support each other in developing a higher level of moral consciousness (Avolio et al., 2009; Bass & Riggio, 2006). Developing people is not

an easy task, as it may take sustained effort for a leader, but it certainly has its advantages in the long run, and it is, as those who support the theory have argued, the right thing to do.

Transformational leadership has had a positive impact on the effectiveness of followers (Ng, 2017; Yukl, 1999) and organizational performance (García-Morales et al., 2012). Bass and Riggio (2006) revealed that the attributes of charisma and individualized consideration in transformational leadership distinguished top performers. Avolio et al. (2009) noticed many studies that demonstrated how transformational leadership contributed to enhanced performance outcomes, such as followers' commitment and satisfaction, perceived fairness and trust in leaders, the variety and significance of jobs, as well as increased confidence of followers. Other studies confirm that transformational leadership is positively associated with self-efficacy and job autonomy in generating proactive followers' behaviors (e.g., Den Hartog & Belschak, 2012).

Critics of transformational leadership, such as Lin et al. (2019), point to its dark side, which generates losses for leaders, such as increased emotional exhaustion and turnover intentions. Based on the theory of conservation of resources, their research revealed that such adverse effects are more likely when transformational leadership is practiced toward followers low in conscientiousness and competence. Similarly, Stein and Vincent-Höper (2020) conclude that not all followers might benefit from the positive effects of transformational leadership in reducing emotional exhaustion, as the extra effort of followers correlates negatively with high psychological detachment and positively with low psychological detachment.

In response to criticism, Bass and Steidlmeier (1999) posit that a truly transformational leader is grounded in a moral foundation, showing moral character, concern for others, and ethical values and introduce the concept of a *pseudo-transformational leader* to distinguish one from an authentic transformational leader. Subsequent studies demonstrate a strong positive relationship between perceived integrity and transformational leadership behaviors (Parry & Proctor-Thomson, 2002). Naber and Moffett (2017) confirm that

transformational leadership reflects both charisma and ethical influence on followers and that transformational and pseudo-transformational leadership are two distinct styles of leadership.

Generational Theory

Generational theory is a multidisciplinary field aimed at defining generations, how different generations coexist, and various stereotypes associated with generations. Mannheim defined *generations* as groups of contemporary individuals subject to common influences and who shared the same birth period, the same social location or social class, and a common historical–social influence (Mannheim, 1927/1952; Pilcher, 1994). While there is no consensus on the exact duration of a generation, most recent academic research considers that five generations exist in the workplace (Bolser & Gosciej, 2015; Gong et al., 2018; Ozkan & Solmaz, 2015). According to the Pew Research Center (2015), these generations are the (a) *Silent Generation*, which encompasses individuals born between 1928 and 1945, which have largely left the workplace; (b) *baby boomers*, born between 1946 and 1964; (c) *Gen X*, born between 1965 and 1980; and (d) *millennials,* the subjects of this study, who were born between 1981 and 1996. The youngest generation, (e) *Gen Z,* includes individuals born after 1996 who have recently joined the workforce.

   The definition of generations, as indicated above, is based on studies focused on the United States and Western Europe and may differ in other countries that have experienced different historical and social events. For instance, individuals born before the 1980s in Central and Eastern European countries, including Romania, lived in a communist regime that lasted more than 50 years. They experienced the decline of communism and the transition to a market economy. Such events influenced older generational cohorts uniquely in those countries, and, therefore, they may have different characteristics compared to their Western counterparts (Botev, 2012). However, millennials in Central and Eastern European countries witnessed globalization and adopted technology as teenagers or young adults, accommodated faster, and possessed features similar to their Western counterparts (Botev, 2012; European Commission, 2016; Ross, 2012).

Howe and Strauss (2000), credited with having invented the term *millennials* (Balda & Mora, 2011), offered the first insights into this group. They characterize millennials as cooperative, ambitious, confident, and, at the same time, rule following and manifesting higher levels of stress (Howe & Strauss, 2000; Wilson & Gerber, 2008). Although millennials share many characteristics with the previous generations, research began to clarify their specific attributes such as higher self-esteem, assertiveness, and comfort with technology (Deal et al., 2010; Hershatter & Epstein, 2010; Weber, 2015). They look for meaningful and engaging work (Gallup, 2016; Gerard, 2019), work well in teams, and are keen agents for change and innovation in organizations (Gallup, 2016; Gerard, 2019; Gong et al., 2018).

Research on leadership inevitably generates many questions about how the succession process will take place, how the new leaders will develop the necessary skills, and whether millennials will lead differently from other generational populations (Chou, 2012; Espinoza & Schwartzbart, 2016; Weber, 2015). The literature on millennial leadership is sparse, despite a recent increase in academic attention (Andert et al., 2019; Gerard, 2019; Valenti, 2019). Chou (2012) proposes that millennials focus on social aspects of work, and their open and frequent communication style indicates a participative leadership style.

Responsibility for preparing millennials for leadership roles belongs to both existing leaders and millennials themselves. Bernstein and Lynde (2019) suggest that millennial leaders should embrace self-development. Karriker and Hartman (2019) note that 10,000 hours of dedicated practice might be needed to become an experienced leader and that leadership self-efficacy influences leadership development. Anxious millennials have not invested sufficient time and effort in developmental opportunities, considered unnecessary.

Critics of generational theory note insufficiently tested methodologies or flawed assumptions in explaining millennial leadership and proposed alternatives, such as a dynamic leader–environment framework or an emotion-based model of age and leadership, based on a lifespan developmental perspective (Rudolph et al., 2018). Bresman and Rao (2017) found in a survey performed in 19 countries on Gen Xers, millennials, and Gen Zers that leadership ambitions did not differ

significantly amongst generations. Pfau (2016), former KPMG vice chair for human resources, states that the stereotypes about millennials came from unprofessional research and studies with provocative findings and suggests implementing human resources policies focused on all employees, not just millennials.

The international auditing and consulting firms, known as the Big Four—Deloitte, Ernst & Young, KPMG, and PwC—are the most significant players in the professional auditing services industry, employing 1.1 million staff and generating combined global revenues of nearly $160 billion USD in 2020 (Statista, 2021). The industry plays a significant role in developing professionals and creating human capital, attracting a critical number of the most qualified graduates (Bello et al., 2016; Durocher et al., 2016; Lupu & Empson, 2015). Pyramidal-based professional services organizations accelerate their employees' development, providing them with extensive training and on-the-job experience, as well as engagement and team responsibilities from early on.

Simultaneously, the professional auditing sector is known for high work pressure and lack of work–life balance due to the cyclical nature of auditing (Lupu & Empson, 2015). The vertical organizational structure generally includes four positions: junior auditor, senior auditor, manager/senior manager, and finally, partner. Auditors move up or out of the organizational pyramid with some individuals finding jobs outside the firms and others continuing to climb the pyramid. The process of promotion for the first three levels is relatively predictable. Depending on the firm, it may take two to three years to move from one level to the other (Tiron-Tudor & Faragalla, 2018).

Once employees become managers/senior managers, they assume significant people, client, and professional responsibilities (Kornberger et al., 2011; Tiron-Tudor & Faragalla, 2018). Promotion to partner, which effectively means obtaining a shareholder's status, is a long, highly selective, and unpredictable process (Carter & Spence, 2014). To date, millennials represent the majority of the workforce in large professional auditing services firms (Pfau, 2016). They are rising through current hierarchies, reaching mid-level and partner positions, a process

that is expected to continue (Institute of Chartered Accountants in England and Wales [ICAEW], 2020).

Method

The philosophical orientation of the research was the constructivist view (Corbin & Strauss, 2007). The purpose of the study was accomplished through an exploratory, embedded, single-case qualitative study (Pratt, 2009; Yin, 2017). The unit of analysis included leaders from one generational cohort, the "early cohort millennials," born between 1981 and 1990, belonging to the group of partners, directors, and senior managers from a professional auditing services firm in Romania. The study did not include leaders from the next generational cohort, or "late cohort millennials" (those born between 1991 and 1996), as they had accumulated less leadership experience in the context of the participating firm.

Data were collected from 12 participants who had the necessary experience and willingness to provide data, selected using a nonsequential, a priori, purposive approach (Bryman, 2016). Instrumentation consisted of semi-structured interviews, which asked open-ended "how" questions and were conducted based on an illustrative interview questions guide. The primary strategy used to analyze data was analytic induction, by which the researcher seeks to explain the phenomenon investigated by reviewing the data until no "new data are emerging" (Corbin & Strauss, 2007; Pratt, 2009). Ethical assurances included the informed consent of the participants and the strict confidentiality of the data collected.

Following several cycles of coding and reflection, eight themes emerged from the data, which were directly aligned with the research questions (see Table 1).

Table 1: Themes Emerging From the Data

Research Questions	Themes
Research Question 1: How do early cohort millennial leaders describe the process of their leadership evolution that may have influenced their performance as leaders?	1.1: Initial Formation of the Self
	1.2: Professional Formation of the Self
	1.3: Leadership Formation of the Self
Research Question 2: How do early cohort millennial leaders perceive, at present, the way their leadership role may influence others in their organization and their personal and professional contexts?	2.1: Building Trust
	2.2: Acting with Integrity
	2.3: Inspirational Motivation
	2.4: Intellectual Stimulation
	2.5: Individualized Consideration

Findings

Following a Three-Stage Leadership Development Process

To understand how they became the leaders they were, the participants reflected on their personal and leadership experiences from their early years to the present. All participants described a three-stage leadership formation process that paralleled the three themes emerging from the data (see Figure 1). The participants moved from one stage to the other, bringing with them the experiences accumulated in the previous stages. Based on the data analysis and previous research, the present study concluded that all three stages contributed to the leadership development of early cohort millennial leaders.

Figure 1. Mind map connecting the three stages of leadership formation

Theme 1.1 Initial Formation of the Self. The initial formation of self theme covered the period before the participants began working. Most of the participants benefited from a supportive environment in their early life, which created the conditions for their subsequent development. All participants spoke extensively about the role models who influenced them in high school and college, the parental

interest in school performance, and safe environments that protected them as children. Positive influences included ethical values, confidence, and focus on results. A few participants also noted some negative influences, such as too much discipline to the detriment of creativity, authoritarian fathers, or eccentric teachers. The participants described their role models and created an initial picture of an idealized leader, which included characteristics such as respect and care for other people, interest in continuous development, and a strong moral compass.

   Theme 1.2 Professional Formation of the Self. After the participants graduated from college and moved into professional life, a second theme emerged from the data. This theme described a period of technical development in which the participants accumulated solid professional credentials. All participants associated strongly with their chosen profession as auditors, accountants, or tax consultants. They believed that competence and technical expertise were essential skills in a professional auditing services firm and a necessary attribute for a leader in the field.

   Belonging to a group of smart professionals and doing challenging projects in a prestigious firm attracted and motivated them to build a long-term career. Climbing the pyramid brought challenges for almost all participants, such as dealing with demanding clients and superiors, studying for professional certification at the same time as working with clients, and enduring intense work hours, especially during the audit season. The process was not always easy, but they used the opportunity to reflect and learn. It was a period during which they continued to observe leaders and learn from their work and professional experiences.

   Theme 1.3. Leadership Formation of the Self. Leadership in the context of professional services firms is a delicate balance between satisfying the needs of the clients; attracting, retaining, and motivating people; and meeting financial targets (Maister, 1993). All participants assumed leadership responsibilities early in their careers, reflecting the pyramidal organizational structure of professional auditing services firms. The participants mentioned they did not feel comfortable initially as leaders, experiencing feelings such as loss of control when relying on others' work or fears they were not up to the job. They managed to overcome their

initial anxiety through experience and support from their superiors and peers. At the time of data collection, the participants defined themselves as responsible adults, professionals, and leaders. As "work-in-progress" leaders, they were aware of the skills they needed to improve, such as empathy, self-calibration, dealing with change, and coping with uncertainty.

Their process of accumulating leadership skills included learning from personal experiences and observing other leaders: what they did well and what they did not do well. The role models who influenced their leadership style were their superiors or more experienced colleagues. They noticed other leaders' abilities to motivate people, create a vision, show direction, keep calm under pressure, and lead by example. They also noticed practices to avoid, such as micromanagement, losing temper under pressure, and manipulation.

Early Cohort Millennials Demonstrated, to Different Extents, Transformational Leadership Attributes

The present study further revealed that the early cohort millennials from the professional auditing services firm in Romania followed a transformational leadership path (see Figure 2). They manifested—to different extents—the transformational leadership attributes, depending on their maturity and experience. The participants could provide compelling examples of the behaviors they engaged in as leaders that related to each component of transformational leadership.
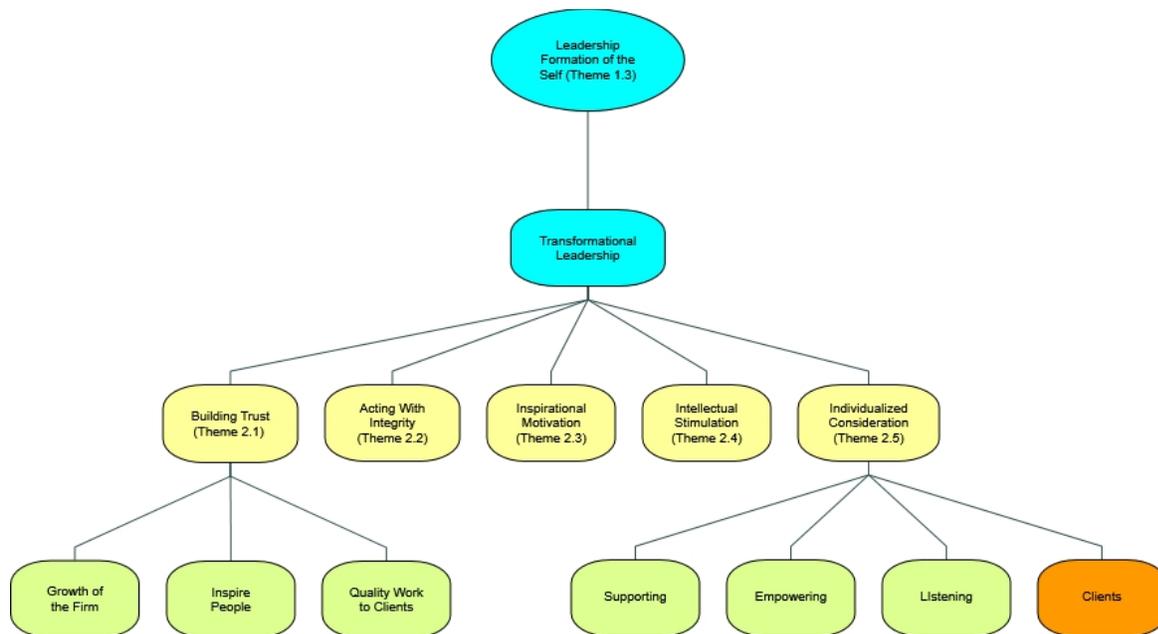
Figure 2. Mind map themes related to transformational leadership

Theme 2.1. Building Trust. The first assertion of transformational leadership researched by the study was building trust—"I go beyond self-interest for the good of the group." In their view, the participants contributed to the success of the organization by providing quality work to clients and developing people. Other notable contributions were meeting key financial performance indicators and enhancing the firm's reputation through professionalism.

Theme 2.2. Acting with Integrity. The second assertion of transformational leadership researched by the study was acting with integrity—"I consider the moral and ethical consequences of decisions." Leaders possessing idealized influence have a high ethical compass and can be trusted to do the right thing (Bauman, 2013). All 12 participants considered integrity to be a prerequisite for any leader, noting that the absence of such causes follower distrust. One participant confessed that "every night when I go to bed, I want to sleep well." He further explained that doing the right thing means making the right decisions, even though they may sometimes be unpleasant or unpopular.

The tone from the top gets propagated at all levels in an organization. As one participant summarized, "if you do not have integrity, you cannot be a leader; people will just not follow you." The participants also stressed that increased

regulatory scrutiny created additional motivation to act with integrity, which included standing up to clients and maintaining professional stature.

Theme 2.3. Inspirational Motivation. The third assertion of transformational leadership was inspirational motivation—"I talk optimistically about the future." The participants' responses to this question varied. Most of the participants felt optimistic about their personal future, but they recognized the rapid change of the environment, particularly the introduction of robots and artificial intelligence, which required them to enhance their digital skills. Some had ambitions to advance further in the firm; a few were not afraid to evaluate potential career paths outside the firm. Their view of the future of the organization was less optimistic due to regulatory pressures, reduction in fees, and a change in labor market preferences (i.e., a younger generation not attracted to the profession anymore due to long hours and a perceived imbalance between personal and professional life).

Theme 2.4. Intellectual Stimulation. The fourth assertion of transformational leadership was intellectual stimulation—"I reexamine critical assumptions to question whether they were appropriate." A majority of the participants responded that they actively embrace change, challenge assumptions, and create a stimulating environment for the followers to manifest their creativity and come up with new ideas. Examples of how the participants and their followers initiate organizational change include more efficient internal administrative processes; new audit procedures; optimization of the audit processes to enhance efficiency and reduce risks; improvement of the relationship with clients; new tax solutions and services; and implementation of creative reward ideas to attract, retain, and motivate people.

Theme 2.5. Individualized Consideration. The last assertion of transformational leadership researched by the study was individualized consideration—"I help others to develop their strengths." All the participants showed good understanding and passion for their role toward their followers, which included subordinates and clients. They believed their role and responsibility were to support their followers' professional and personal development, provide direction, and help them look for answers and find solutions.

All participants described how they supported their followers through three processes: coaching/mentoring, empowerment, and active listening. A majority of the participants thought they displayed a high level of empathy toward their followers. They could not, however, figure out the right mix between empathy and severity.

Conclusion

The process of leadership development takes time and is never fully completed. Leaders are not made in a day; leaders are made every day, across their entire lifespan (Hersey et al., 2007; Liu et al., 2020). In answering the research questions, the study found that all participants followed a three-stage leadership formation process embedded in the process of their adult development (Day et al., 2014; Kegan & Lahey, 2010). The first stage included early life influences, in which a supportive environment created the conditions for their further development. Climbing the organizational pyramid in the second stage, which included work and professional experiences, accelerated their professional development. Finally, they followed an accelerated leadership path in the third stage.

The study further revealed that transformational leadership was relevant for the selected geography (Romania) and industry (professional auditing services firms). Although the participants were still in the process of shaping their leadership, they exhibited, to different extents, all the components of transformational leadership. Individualized consideration, through empowering and supporting followers, was at the center. Personal integrity, doing the right thing, and a high moral compass were considered by all participants to be prerequisites for leadership.

Theoretical Contributions

The theoretical contribution of the study to the field of leadership includes the five themes that discuss the characteristics of transformational leadership, of which individualized consideration and the ethical component of idealized influence were present to a greater extent in their responses. The study confirms previous research that transformational leadership is relevant for professional auditing services firms (Barnes et al., 2014). Early cohort millennials self-described

themselves as collaborative leaders, confirming previous generational research (Andert et al., 2019; Fore, 2017).

Managerial Implications

We propose the following recommendations for the practical application of the study's conclusions. First, incorporate the findings for each of the three stages of leadership formation into firms' recruitment and leadership development programs. We also recommend that existing leaders of professional auditing services firms review the adequacy of the existing pyramidal organizational structure. A flatter and more fluid organization supported by technology would be more adaptable and better accommodate the professional and life expectations of the younger generations.

A final recommendation is for the early cohort millennial leaders. The study aimed to help them "look in the mirror," remind them where they came from, and discuss how they can become better leaders. The participants were aware of the need to improve their leadership abilities but did not have a clear plan to progress further. They should embrace self–development and design a development plan with their performance managers and trusted coaches/mentors to help them decide the leader they want to become.

Future Research

Recommendations for future research refer to the nature of the study itself and include a longitudinal design to provide insights into the time variability of the participants' views; research on the next millennial cohort to expand the relevance of findings to the whole generation; and a study of millennial leaders from other countries and other types of professional services firms to reveal country and industry variability as well as seek the views of others to confirm the insights collected from the participants. A study of how individuals perceive leadership at different stages in their life, the application of a different theoretical framework, such as servant or situational leadership, and an understanding of a post-leadership stage are other topics of possible interest.

References

Andert, D., Alexakis, G., & Preziosi, R. C. (2019). The millennial effect: A multi-generational leadership model. *International Leadership Journal, 11*(2), 32–63.

Authority for the Public Supervision of the Statutory Audit Activity. (2016). *The structure of the audit market in Romania*. https://www.aspaas.gov.ro/piata-de-audit-din-romania/

Avolio, B. J., Walumbwa, F. O., & Weber, T. J. (2009). Leadership: Current theories, research, and future directions. *Annual Review of Psychology, 60*, 421–449. https://doi.org/10.1146/annurev.psych.60.110707.163621

Baird, C. H. (2015). Myths, exaggerations, and uncomfortable truths. The real story behind millennials in the workplace. *The IBM Institute for Business Value*. https://www.ibm.com/downloads/cas/Q3ZVGRLP

Balda, J. B., & Mora, F. (2011). Adapting leadership theory and practice for the networked, millennial generation. *Journal of Leadership Studies, 5*(3), 13–24. https://doi.org/10.1002/jls.20229

Barnes, J. N., Christensen, D. S., & Stillman, T. F. (2014). For the accounting profession, leadership matters regarding ethical climate perceptions. *Journal of Accounting, Ethics and Public Policy, 15*(1), 97–135.

Bass, B. M., & Riggio, R. E. (2006). *Transformational leadership* (2nd ed.). Taylor & Francis.

Bass, B. M., & Steidlmeier, P. (1999). Ethics, character, and authentic transformational leadership behavior. *The Leadership Quarterly, 10*(2), 181–217.

Bauman, D. C. (2013). Leadership and the three faces of integrity. *The Leadership Quarterly, 24*(3), 414–426. https://doi.org/https://doi.org/10.1016/j.leaqua.2013.01.005

Bello, D. C., Radulovich, L. P., Javalgi, R. R. G., Scherer, R. F., & Taylor, J. (2016). Performance of professional service firms from emerging markets: Role of innovative services and firm capabilities. *Journal of World Business, 51*(3), 413–424.

Bennett, N. (2020). Readying millennials for the C-suite: A key to future organizational performance. *Business Horizons, 63*(6), 1–9. https://doi.org/https://doi.org/10.1016/j.bushor.2020.02.005.

Bernstein, E., & Lynde, K. (2019, May). Developing yourself as a leader: A framework for millennial high potentials and emerging leaders. *Harvard Business School Background Note 419-045*.

Bolser, K., & Gosciej, R. (2015). Millennials: Multi-generational leaders staying connected. *Journal of Practical Consulting, 5*(2), 1–9.

Botev, N. (2012). Population ageing in Central and Eastern Europe and its demographic and social context. *European Journal of Ageing, 9*(1), 69–79. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5547418/

Bresman, H., & Rao, V. D. (2017). A survey of 19 countries shows how Generations X, Y, and Z are and aren't different. *Harvard Business Review*. https://hbr.org/2017/08/a-survey-of-19-countries-shows-how-generations-x-y-and-z-are-and-arent-different

Bryman, A. (2016). *Social research methods* (5th ed.). Oxford University Press.

Burns, J. M. (1978). *Leadership*. Harper Perennial Political Classics.

Carter, C., & Spence, C. (2014). Being a successful professional: An exploration of who makes partner in the Big Four. *Contemporary Accounting Research, 31*(4), 949–981. https://doi.org/10.1111/1911-3846.12059

Chou, S. Y. (2012). Millennials in the workplace: A conceptual analysis of millennials' leadership and followership styles. *International Journal of Human Resource Studies, 2*(2), 71–83.

Corbin, J., & Strauss, A. (2007). *Basics of qualitative research: Techniques and procedures for developing grounded theory* (3rd ed.). Sage.

Davey, L. (2018). The key to preventing generational tension is remembering that everyone wants to feel valued. *Harvard Business Review*. https://hbr.org/2018/07/the-key-to-preventing-generational-tension-is-remembering-that-everyone-wants-to-feel-valued

Day, D. V., Fleenor, J. W., Atwater, L. E., Sturm, R. E., & McKee, R. A. (2014). Advances in leader and leadership development: A review of 25 years of research and theory. *The Leadership Quarterly, 25*(1), 63–82. https://doi.org/https://doi.org/10.1016/j.leaqua.2013.11.004

Deal, J. J., Altman, D. G., & Rogelberg, S. G. (2010). Millennials at work: What we know and what we need to do (if anything). *Journal of Business and Psychology, 25*(2), 191–199. https://doi.org/10.1007/s10869-010-9177-2

Den Hartog, D. N., & Belschak, F. D. (2012). When does transformational leadership enhance employee proactive behavior? The role of autonomy and role breadth self-efficacy. *Journal of Applied Psychology, 97*(1), 194–202.

Dimock, M. (2019). Defining generations: Where millennials end and Generation Z begins. *Pew Research Center (Online), 17*, 1–7. https://www.pewresearch.org/fact-tank/2019/01/17/where-millennials-end-and-generation-z-begins/

Dinh, J. E., Lord, R. G., Gardner, W. L., Meuser, J. 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.

Dixon, S. (2018). *EU auditor market share: 2017 audit reports* https://blog.auditanalytics.com/eu-auditor-market-share-2017-audit-reports/

Durocher, S., Bujaki, M., & Brouard, F. (2016). Attracting millennials: Legitimacy management and bottom-up socialization processes within accounting firms. *Critical Perspectives on Accounting, 39*, 1–24. https://doi.org/10.1016/j.cpa.2016.02.002

Espinoza, C., & Schwartzbart, J. (2016). *Millennials who manage. How to overcome workplace perceptions and become a great leader.* FT Press.

Espinoza, C., & Ukleja, M. (2016). *Managing the millennials. Discover the core competencies for managing today's workforce* (2nd ed.). John Wiley & Sons.

European Commission. (2016). Employment and social development in Europe in 2015. http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7859&furtherPubs=yes

Fore, C. W. (2017). *Millennials taking the lead: The leadership style that's changing the workplace.* Mountain Arbor Press.

Gallup. (2016). *How Millennials want to work and live*. https://www.gallup.com/workplace/238073/millennials-work-live.aspx

García-Morales, V. J., Jiménez-Barrionuevo, M. M., & Gutiérrez-Gutiérrez, L. (2012). Transformational leadership influence on organizational performance through organizational learning and innovation. *Journal of Business Research, 65*(7), 1040–1050.

Gerard, N. (2019). Millennial managers: Exploring the next generation of talent. *Leadership in Health Services, 32*(3), 364–386. https://doi.org/10.1108/LHS-01-2018-0004

Gong, B., Ramkisson, A., Greenwood, R. A., & Hoyte, D. S. (2018). The generation for change: Millennials, their career orientation, and role innovation. *Journal of Managerial Issues, 30*(1), 82–96.

Hersey, P., Blanchard, K. H., & Johnson, D. E. (2007). *Management of organizational behavior* (10th ed.). Pearson.

Hershatter, A., & Epstein, M. (2010). Millennials and the world of work: An organization and management perspective. *Journal of Business and Psychology, 25*(2), 211–223.

Howe, N., & Strauss, W. (2000). *Millennials rising: The next great generation*. Vintage.

Institute of Chartered Accountants in England and Wales. (2020). *Accounting for Generation Z: How to engage the post-millennial workforce*. https://www.icaew.com/insights/features/2020/feb-2020/accounting-for-generation-z-how-to-engage-the-post-millennial-workforce

Karriker, J. H., & Hartman, N. S. (2019). The harder they must fall? Leadership self-efficacy as a hindrance to millennials' leadership development. *International Leadership Journal, 11*(1), 55–77.

Kegan, R., & Lahey, L. (2010). Adult development and organizational leadership. *Handbook of Leadership Theory and Practice*, 769–787.

Kornberger, M., Justesen, L., & Mouritsen, J. (2011). "When you make manager, we put a big mountain in front of you": An ethnography of managers in a big 4 accounting firm. *Accounting, Organizations and Society, 36*(8), 514–533.

Lee, Y.-D., Chen, P.-C., & Su, C.-L. (2020). The evolution of the leadership theories and the analysis of new research trends. *International Journal of Organizational Innovation, 12*(3), 88–104.

Lin, S.-H., Scott, B. A., & Matta, F. K. (2019). The dark side of transformational leader behaviors for leaders themselves: A conservation of resources perspective. *Academy of Management Journal, 62*(5), 1556–1582.

Liu, Z., Venkatesh, S., Murphy, S. E., & Riggio, R. E. (2020). Leader development across the lifespan: A dynamic experiences-grounded approach. *The Leadership Quarterly*. Advance online publication. https://doi.org/10.1016/j.leaqua.2020.101382

Lupu, I., & Empson, L. (2015). Illusion and overwork: Playing the game in the accounting field. *Accounting, Auditing and Accountability Journal, 28*(8), 1310–1340.

Maister, D. H. (1993). *Managing the professional service firm*. Simon & Schuster.

Mannheim, K. (1952). *The problem of generations* (P. Kecskemeti, Ed.). Routledge & Kegan Paul. (Original work published 1927)

Mhatre, K. H., & Riggio, R. E. (2014). Charismatic and transformational leadership: Past, present, and future. In D. V. Day (Ed.), *The Oxford handbook of leadership and organizations* (pp. 221–240). Oxford University Press.

Moore, L. R. (2016). *Stress and burnout in leadership roles: Millennials' experience within the mental health profession* (Publication Number 10254719) [Doctoral dissertation, The Chicago School of Professional Psychology]. ProQuest Dissertations and Theses Global.

Myers, K. K., & Sadaghiani, K. (2010). Millennials in the workplace: A communication perspective on millennials' organizational relationships and performance. *Journal of Business and Psychology, 25*(2), 225–238. https://doi.org/10.1007/s10869-010-9172-7

Naber, A. M., & Moffett, R. G., III. (2017). Follower moral reasoning influences perceptions of transformational leadership behavior. *The Journal of Applied Social Psychology, 47*(2), 99–112.

Ng, E. S., & Johnson, J. M. (2015). Millennials: Who are they, how are they different, and why should we care? In R. J. Burke, C. L. Cooper, A.-S. G. Antoniou (Eds.), *The multi-generational and aging workforce* (pp. 121–137). Edward Elgar.

Ng, T. W. (2017). Transformational leadership and performance outcomes: Analyses of multiple mediation pathways. *The Leadership Quarterly, 28*(3), 385–417.

Ozkan, M., & Solmaz, B. (2015). The changing face of the employees— Generation Z and their perceptions of work (A study applied to university students). *Procedia Economics and Finance, 26*, 476–483. https://doi.org/10.1016/s2212-5671(15)00876-x

Parry, K. W., & Proctor-Thomson, S. B. (2002). Perceived integrity of transformational leaders in organisational settings. *Journal of Business Ethics, 35*(2), 75–96.

Petersen, A. H. (2019). How millennials became the burnout generation. *AMASS*, *23*(4), 8–16. https://go.galegroup.com/ps/anonymous?id=GALE%7CA579538774&sid=googleScholar&v=2.1&it=r&linkaccess=abs&issn=09753966&p=AONE&sw=w

Pew Research Center. (2015). *The whys and hows of generations research*. https://www.pewresearch.org/politics/2015/09/03/the-whys-and-hows-of-generations-research/

Pfau, B. N. (2016, April 7). What do millennials really want at work? The same things the rest of us do. *Harvard Business Review*. https://hbr.org/2016/04/what-do-millennials-really-want-at-work

Pilcher, J. (1994). Mannheim's sociology of generations: An undervalued legacy. *British Journal of Sociology, 45*(3), 481–495.

Pratt, M. G. (2009). From the editors. For the lack of a boilerplate: Tips on writing up (and reviewing) qualitative research. *Academy of Management Journal, 52*(5), 856–862.

Ray, R. L., Sinar, E., Wellins, R. S., Wright, E., Popiela, A., Nye, A., & Paese, M. (2017). *Divergent views/Common ground. The leadership perspectives of C-suite executives and millennial leaders*. The Conference Board. http://pages.conference-board.org/rs/225-WBZ-

025/images/Executive%20Summary%20-
-%20Divergent%20Views%20Common%20Ground_edited-v2.pdf

Ross, A. (2012). Controversies and generational differences: Young people's identities in some European states. *Education Sciences, 2*(2), 91–104.

Rudolph, C. W., Rauvola, R. S., & Zacher, H. (2018). Leadership and generations at work: A critical review. *The Leadership Quarterly, 29*(1), 44–57.

Statista. (2021, February). *Revenue of the big four accounting/audit firms worldwide in 2020, by function*. https://www.statista.com/statistics/250935/big-four-accounting-firms-breakdown-of-revenues/

Stein, M., & Vincent-Höper, S. (2020). Transformational leadership and emotional exhaustion: A conservation of resources perspective. *Academy of Management Proceedings, 2020*(1), 829–834.

Strauss, W., & Howe, N. (2009). *The fourth turning: What the cycles of history tell us about America's next rendezvous with destiny*. Three Rivers Press.

Suddabi, R., Greenwood, R., & Wilderom, C. (2008). Introduction to the *Journal of Organizational Behavior*'s special issue on professional service firms: where organization theory and organizational behavior might meet. *Journal of Organizational Behavior, 29*, 989–994. https://doi.org/10.1002/job.552

Tiron-Tudor, A., & Faragalla, W. A. (2018). Women's career paths in accounting organizations: Big4 scenario. *Administrative Sciences, 8*(4), 1–16. https://doi.org/10.3390/admsci8040062

Valenti, A. (2019). Leadership preferences of the millennial generation. *Journal of Business Diversity, 19*(1), 75–84. https://doi.org/10.33423/jbd.v19i1.1357

Weber, J. (2015). Discovering the millennials' personal values orientation: A comparison to two managerial populations. *Journal of Business Ethics, 143*(3), 517–529. https://doi.org/10.1007/s10551-015-2803-1

Wilson, M., & Gerber, L. E. (2008). How generational theory can improve teaching: Strategies for working with the millennials. *Currents in Teaching and Learning, 1*(1), 29–44.

Yin, R. K. (2017). *Case study research: Design and methods.* (6th ed.). Sage.

Yukl, G. (1999). An evaluation of conceptual weaknesses in transformational and charismatic leadership theories. *The Leadership Quarterly, 10*(2), 285–305. https://doi.org/https://doi.org/10.1016/S1048-9843(99)00013-2

Serban Toader, EDBA, is an independent chartered accountant and consultant. He holds an Executive DBA from Ecole des Ponts Business School, Paris. From 2007 to 2018, he was the senior partner at KPMG in Romania and Moldova and an executive member of the board of KPMG Central and Eastern Europe. Dr. Toader is a member of the Doctoral Council–Accounting of the Bucharest University of Economic Studies. He previously acted in a non-executive capacity for the United Way Romania (board chair, 2016–2018), Foreign Investment Council Romania (vice president, 2010–2012), and Aspen Institute Romania. He can be reached at serbantoaders@outlook.com.

William S. Howe III, PhD, is dean of academic affairs at California Institute for Human Science in Encinitas, California. He has served as a dean at three universities and a director of a leadership center at two universities. He previously served as a professor of leadership studies for 20 years. He received a PhD in Educational Leadership from Stanford University. Dr. Howe has been involved with leadership-related scholarship and practice for the past four decades. He can be reached at William_howe@cihs.edu.

Examining the Strategic Leadership Issue for a U.S. Air Force Leader Development Course: Remaining a "Flagship" Course and Setting Conditions to Expand Product Lines[*]

John M. Hinck
Air University

If there is one lever to pull that has the greatest "people" effect in the human domain across the Air Force and that influences leadership at a strategic point, then leader development lies at the heart of shaping people and mission. The Leader Development Course (LDC) is positioned as a strategic tipping point for the Air Force. For the 1,500+ graduates in 26 courses over two years, the LDC has provided an impactful learning experience and created a rising demand for LDC content and delivery methods. The LDC's key challenge is sustaining the "flagship" leadership course and setting conditions for expansion of product lines. This article uses document analysis to examine the LDC's strategic leadership issue using a framework of conceptual, technical, and interpersonal competencies. Using leadership and change models, eight steps are recommended to address the strategic issue. Other institutions can benefit from the research and apply it to similar strategic issues.

Key words: Air Force, change, conceptual-technical-interpersonal competencies, leader development course, strategic leadership

The next strategic leadership issue facing the U.S. Air Force's Leader Development Course (LDC), which began only three years ago, is how to continue to be the flagship leadership course at Air University (AU) at Maxwell Air Force Base in Montgomery, Alabama, while expanding top-quality product lines that go beyond the organization's original role of leader development for squadron command. This article begins with a background of the issue, then analyzes the LDC's key documents to examine its strategic issue using a framework of conceptual, technical, and interpersonal competencies. Using strategic leadership and change frameworks from three change scholars, eight steps are recommended to address the strategic issue.

According to the National Defense University, "the challenge to strategic leadership is twofold: a frame of reference, or perspective, that is dynamic enough

---

for the decisionmaker to recognize, understand, and explain to others; and a leader's mastery of decision tools and processes that enable him or her to bring a broader set of perspectives than just his/her own into the decision-making process" National Defense University [NDU], 2018, 5). A strategic scan of the next six years, which extends beyond the expected tenure of the current Chief of Staff of the Air Force (CSAF) and AU president, indicates that there are organizational factors at the micro level (LDC and Eaker Center for Leadership Development) and macro level (AU and Air Force wide), coupled with unknown continuance of resource allocations that have combined to give rise to the strategic issue. Two elements of volatility, uncertainty, complexity, and ambiguity (VUCA)—complexity of the multiple factors and ambiguity about the future—combine to further complicate the environment of multiple stakeholders in the chain of command internal and external to AU.

If there is one lever to pull that has the greatest "people" effect across the Air Force and that influences leadership at a strategic point, then the leader development of squadron command and command teams lies at the heart of shaping people and mission. The LDC is positioned as a strategic tipping point for the Air Force. It is organized under the Commanders' Professional Development School (CPDS) in the Eaker Center for Leadership Development (Eaker Center) at AU. The LDC was created via guidance by the last CSAF based on Davis et al.'s (2018) recommendations. The mission of the LDC is to "inspire and equip air and space professionals to thrive in command" (LDC, 2020b). The LDC provides a student-centered experience that strengthens leadership capacity in the human domain. Since its inception three years ago, the course has received exceptionally high marks on course critiques by students and their supervisors (see Figure 1).

Ratings by Graduates

98% 4- or 5-star ratings from graduates

Graduates' commanders
- 91% rated "better prepared for Sq/CC"
- 81% rated "more driven to command in AF"

Figure 1. Ratings by LDC graduates

   Senior leaders have since interpreted *command* as having a team component that includes senior enlisted and spouses. Consequently, the course has been expanded to include senior enlisted and spouses—who will not command but are nonetheless part of the command team as defined by senior leaders. Currently, those selected to attend the LDC include military leaders (captains, majors, and lieutenant colonels), civilian leaders (GS-12 thru GS-14) who are expected to command a squadron or direct an organization, senior enlisted leaders (master sergeant, senior master sergeant, and chief master sergeant), and spouses (primarily of military officers).
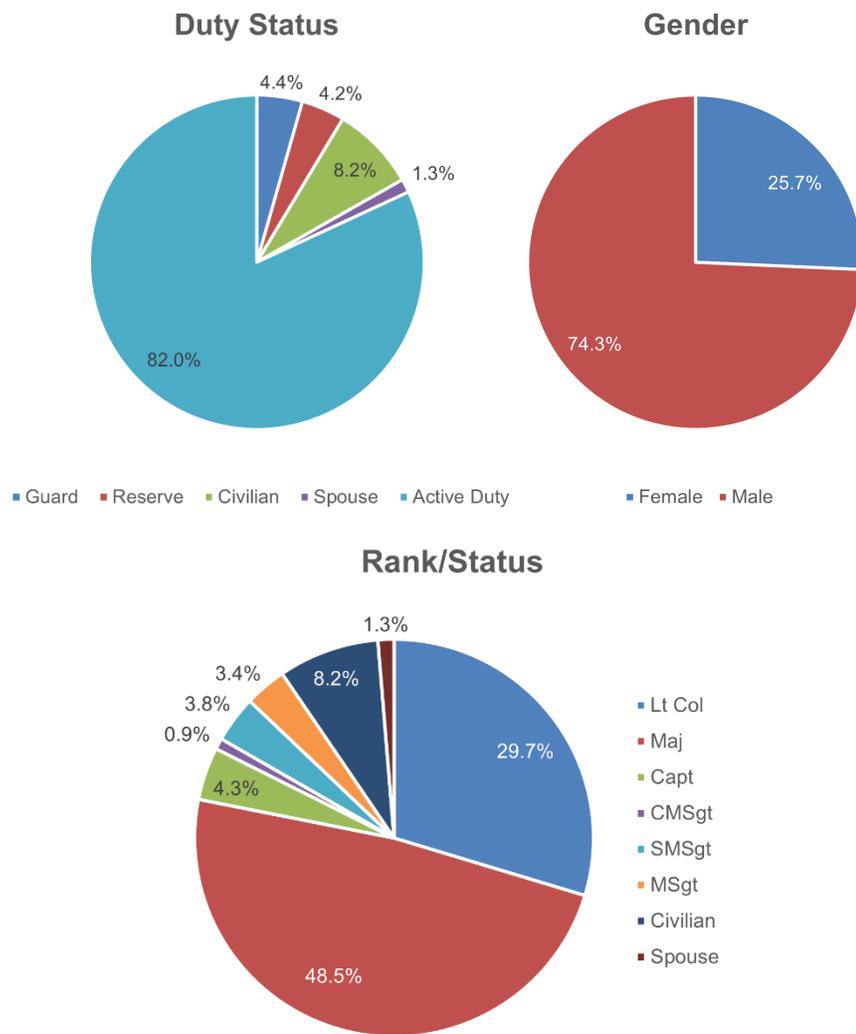

Figure 2. LDC graduate statistics

The changes in student population have caused some rephrasing of course concepts that go beyond "squadron" and "commander" to include "organization" and "leader"—these are reflected in the student products, or the words and artifacts of student performance. Each LDC seminar is comprised of a cross-section of all students to ensure a balanced mix of demographics and experiences.

At the same time, the LDC has expanded the type of students that attend LDC by inviting senior enlisted, civilians and spouses to participate along with officers, and product lines have been expanded to include a virtual version of the LDC (vLDC). Additionally, because of the positive impact of the LDC experience, the LDC course director has been asked to provide outreach to other AU schools. The LDC has outsourced the content and delivery of the "LDC experience" to the Squadron Officer School (SOS), Reserve Officer Training Corps (ROTC), and Officer Training School (OTS) with the Noncommissioned Officer Academy (NCOA) and Thomas N. Barnes Center for Enlisted Education (Barnes Center) on the horizon. The LDC has ongoing efforts to include alumni in LDC events.

The cumulative effect of this "good problem set" presents a challenge to sustaining the top-notch flagship program at AU while maintaining the same high quality in the outsourced programs. It requires a delicate balance to create an LDC-like experience that is best suited for each outsourced program, its mission, and its students.

As the previous CSAF funded the LDC and the current CSAF seems likely to continue to do so, there is high confidence that LDC's long-term future is largely secure. Additionally, there are plans in place to increase the number of instructors with a pending move to a new facility at Gunter Annex, also in Montgomery. However, course longevity only continues if the chain of leadership continues to provide those resource allocations of manpower and budget and supports the LDC's highly rated outcomes.

Analysis of the Strategic Issue

To further understand the strategic issue, I employed three competency areas advocated by Gerras (2010) that will require changes in organizational concepts

and processes for implementation: conceptual competencies, technical competencies, and interpersonal competencies.

Conceptual Competencies

Since the inception of the LDC, there has been ongoing debate about the wording of the course title, mission statement, and vision statement, which are currently worded as follows:

> **Course Title:** Leader Development Course for Squadron Command
>
> **Mission Statement:** Inspire and equip air and space professionals to thrive in command
>
> **Vision Statement:** Increase Air and Space Force lethality by strengthening squadron leadership and culture

While there is less disagreement on the wording of the course title and mission, the vision statement may need to be reworded due to the increased diversity in student types in the LDC. Originally, the student population was limited to military officers who were expected to command a squadron, but it has evolved to include civilian leaders, senior enlisted, and spouses. Hence, the LDC needs a refined vision that goes beyond the singularity of "squadron command" and encompasses the concept of the "Squadron Command Team." Such a refined vision will attract commitment and energize people, which is "one of the primary reasons for having a vision for an organization: its motivational effect" (Gerras, 2010, 11). The refined vision should "describe in broad outlines a likely future and, given these outlines, consider which capabilities are necessary to ensure our" (NDU, 2018, 6) Squadron Command Team: can thrive in command *together*. The vision could change to include the emerging emphasis on a *command* as a collective capacity of leadership vs. the singular role of a lone *commander.* "Command teams" could be added to the vision statement:

> **New Suggested Vision Statement:** Increase Air and Space Force lethality by strengthening squadron leadership/command teams and culture.

While not as contentious as the wording of the vision statement, the concept of

"leader" vs. "leadership" development has caused much debate among the instructors and in the academic field. Is the aim of the LDC to focus on the individual (leader) or the role and capacity of the leader (leadership), or both? Defining this aim could aid in how the vision statement is redefined. Both definitions are key to first anchoring and then adjusting decision making. As Franke (2011), notes, "people start with an implicitly suggested reference point ('the anchor') and adjust their decisions based on that specific data point" (9).

Technical Competencies

Understanding functional relationships and organizational systems are the main technical competencies that show up as micro-organizational factors internal to the LDC and macro-organizational factors external to the LDC. Although the LDC is housed in the Eaker Center, the civilian instructors are assigned under the Leadership Institute for administrative control. The LDC is partnered with other AU schools/centers (e.g., JAG, Chaplain, First Sergeant Academy) for their expertise in delivering specialized content, which is maintained via indirect, but critical relationships across AU. The LDC course director briefs the CSAF twice a year on the LDC's updates and progress.

The very nature of the intricacy of the above relationships involving multiple leaders underlies the complexity of the organizational factors that include staffing, budget, mission, vision, facilities, and the operating environment. The compounding ambiguity or vagueness about the future outcomes (NDU, 2018) are the most relevant aspects of the macro environment in which the LDC operates. Csoka (2011) notes that "ambiguity exists when a given event or situation can be interpreted in more than one way" (5). Vagadia (2014) clarifies that "ambiguity may also exist because the intentions of significant actors in the strategic situation may either not be known or may be misinterpreted" (92). The real technical ambiguity of the LDC centers on the specificity of the vision and outcome of the course being only for squadron command as the course name implies versus the broader squadron command team as defined by senior leaders.

The LDC has a positive reputation for team development and the highest standards of pedagogy delivered by a team of military and civilian instructors who

undergo intensive faculty development, coaching certification, and a range of other developmental initiatives. The LDC should continue to focus on team development followed by strengthening pedagogic systems with internal specialization that mirror leadership roles of future squadron teams: military and civilian commanders, senior enlisted, and spouses. Specialized seminars should also be considered for the LDC. To garner resources in an uncertain future amid an ambiguous and complex environment, the LDC should gain a competitive advantage via internal specialization, "cross-boundary cooperation and complex collaboration" (Hughes et al., 2011, 6) with the Barnes Center and other AU schools and centers.

Interpersonal Competencies

Macro bias "leads strategists and military professionals to neglect the importance of local knowledge and bottom-up dynamics" (Perez, 2016, 11). The strategic and meta leadership practices that best situate the LDC to adapt to the complex and ambiguous environment include creating a shared vision with all stakeholders (Marcus et al., 2015, 4) and aligning resources by leading across and beyond organizational boundaries. By involving multiple stakeholders in a bottoms-up, participative approach, macro bias could be avoided. The consensus building with the Barnes Center and spouses' networks crosses boundaries of schools/centers internal and external to AU but will aid in a participatory approach that fosters the same collaboration and teamwork required in a high-performing squadron command team.

At times, the LDC may need to negotiate with key stakeholders regarding the mission and vision that is focused on the relationship of the people charged with executing the course. The LDC should begin with a cooperative strategy of negotiation (Eisen, 2011, 2) because of the shared task of delivering the LDC in a collaborative way. However, instructors should be prepared to shift to an insist strategy (Eisen, 2011) that focuses on the task or vision of the LDC that is supported by the chain of leadership. Trust is the central element of relationships, yet the LDC may have to execute a best alternative to a negotiated agreement (BATNA; Spain, 2007) that involves an insist strategy of negotiation that elevates the task/vision of the LDC over others to garner resources of manpower, money,

and facilities. While the LDC should be transparent in its communication with stakeholders (Eisen, 2011), it must position the negotiation to ensure that resources are leveraged to permit continuance of the primary mission as well as set conditions for expansion of product lines. Currently, the most-needed resources are more instructors that mirror the student types, particularly senior enlisted; money for expansions; and the new facility at Gunter Annex.

To aid all stakeholders in understanding forthcoming changes, a public affairs plan that is part of more comprehensive strategic communication plan should include all the "coordinated actions, messages, images, and other forms of signaling or engagement intended to inform, influence, or persuade selected audiences in support of national objectives" (Paul, 2011, 3). The most promising way to implement the necessary change in the LDC is to focus on audience selection and breaking down stovepipes, which are two of the four major characteristics that "distinguish strategic communication from other types of public information" (Eder, 2007, 63).

Implementation and Change Plan

Five individuals would need to approve of the changes before briefing the CSAF on guidance:

- course director, LDC
- director, CPDS
- commander, Eaker Center
- commander, Barnes Center
- commander, AU

The following eight steps are recommended for implementing a program that addresses the strategic leadership issue:

1. Refine the vision statement with key stakeholders.
2. Refine the strategic communication and public affairs plan with specialist stakeholders.
3. Codify the primary and secondary product lines.

4. Hire specialized internal instructors who mirror student type.

5. Create a focused expansion of the target audience and a formalized outreach program.

    a. chain of command/leadership first

    b. internal to the LDC

    c. external to the LDC

6. Institutionalize the change via consensus building and cross-boundary collaboration.

7. Form a guiding coalition that can consistently communicate and champion small wins.

8. Update organizational processes/documents as artifacts of change embedded in a new culture.

The LDC needs to redefine their vision statement with key stakeholders in the chain of command/leadership, followed by a revised strategic communication plan with corresponding specialists like public affairs officers, one of whom is on staff at the LDC. However, simply changing the words of the vision statement and communication plans will not be enough to change the organization. To help overcome resistance from people and culture and to mitigate the "four main effects of change that include self-confidence, confusion, loss, and conflict" (NDU, 2018, 6), the LDC should implement a planned program that begins with redefining the vision of the LDC with the chain of leadership, followed by internally setting conditions for change within the LDC. Because buy-in up and down the chain of command is important, the vision must first be adopted by the hierarchy of leadership external to the LDC. While Gerras (2010) indicates that there are three levels in large organizations (i.e., the top levels or "strategic," the middle levels or "organizational," and the bottom levels, or "production" and action-oriented), the LDC is so small that the three levels overlap. Hence, the functions of leadership regarding vision, teamwork, values, and information must be developed in a way in which all internal stakeholders have a voice in the process because they have ownership of the product and will implement the functions. When the strategic leadership chain and internal environment have been set for change, the LDC

should then consider "expanding the target audience" (Gerras, 2010, 8) to incorporate key stakeholders at the Barnes Center, the Airman and Family Readiness Center, and the Civilian School. A concern and challenge will be getting buy-in from others, especially from individuals who may be resistant to change. Using Kotter's leading change model (1996), part of the change strategy should include forming the guiding coalition, overcommunicating the benefits of change, celebrating short-term wins, and anchoring the new change into the culture. Such a strategy can help overcome resistance so that ambivalence can be "a potential source of energy ripe for change efforts to harness" (Galvin, 2018, 97).

If the vital role of leadership is "to build a learning organization that institutionalizes productive change" (Burr, 1998, 13), then the LDC should involve key stakeholders in a collaborative process that codifies the refined vision in the collective culture and organizational documents. Because culture is different within each of the centers/school, the LDC must find areas of overlap, identify ways to strengthen convergence, and discuss differences that allow the new culture to attain the refined vision through a participative decision-making approach. Gerras (2010) sees "this approach as one that calls for 'consultation and stakeholder analysis' and that places emphasis on meeting with 'constituents and clientele' to discern the key issues for consideration before decisions are reached" (44). One way to demonstrate leadership that responds to the high demand of LDC content and teaching methods from multiple stakeholders is to build an outreach program that strengthens the leadership capacity of others external to the LDC and does not overstretch the LDC beyond individual and organizational capacities. Such an effort is already underway; the LDC AU Faculty Enrichment Program provides a unified effort to work with others "to build a customized 1-2-day enrichment event for your team. Courses are conducted via ZoomGov or in-person depending on HPCON" (LDC, 2020a).

How the role of leadership is enacted by the commander, senior enlisted, or spouse are all different based on culture of those roles yet are holistically performed in the service of the organization's mission and its members. The culture must be "aligned with the future demands of the environment yet also built

on values deemed essential by the leaders and members of the organization" and must also ensure that the "values are rooted in aligned underlying assumptions that position the organization to maintain competitive advantage in the future" (NDU, 2018, 49). Finally, the organizational documents must be updated to ensure that the artifacts of the culture are clearly known by all stakeholders. Change must be captured in the embedded culture as organizational artifacts. If not, then the history of the change would be lost and the cause for change could lose significance over time.

Conclusion

This article analyzed the LDC's strategic leadership issue using a framework of conceptual competencies, technical competencies, and interpersonal competencies. Using strategic leadership and change frameworks, eight steps were recommended to address the strategic issue. Implementing the eight steps will aid the LDC in continuing to serve as the flagship leadership course at AU while setting conditions to best meet the expansion of product lines that go beyond the original role of leader development for squadron command. The changes will secure the future of the LDC and have a significant impact on future Air Force leaders at the squadron level and beyond.

References

Burr, R. M. (1998). *Leading change: The military as a learning organization* [Unpublished paper]. U.S. Marine Corps Command and Staff College.

Csoka, L. (2011, March). Leadership in extraordinary times. *Performance Improvement in the Piedmont International: The Official Newsletter of the International Society for Performance Improvement (ISPI) Charlotte, 1*(10), 4–9.

Davis, S .L. & Headquarters Air Force Core Team. (2018, January). *Improving Air Force squadrons—Recommendations for vitality*. Department of the Air Force. https://www.afsig.af.mil/Portals/73/Documents/Improving%20Air%20Force%20Squadrons%20-%20Recommendations%20for%20Vitality.pdf

Eder, M. K. (2007, July–August). Toward strategic communication. *Military Review*, 61–70. https://www.armyupress.army.mil/Portals/7/military-

review/Archives/English/MilitaryReview_20070831_art008.pdf

Eisen, S., Jr. (2011). *Practical guide to negotiating in the military* (2nd ed.). Air University Press.

Franke, V. C. (2011). Decision-making under uncertainty: Using case studies for teaching strategy in complex environments. *Journal of Military and Strategic Studies, 13*(2). https://jmss.org/article/view/57957/43618

Gavin, T. P. (2018). *Leading change in military organizations: Primer for senior leaders*. U.S. Army War College Press.

Gerras, S. J. (Ed.). (2010). *Strategic leadership primer* (3rd ed.). U.S. Army War College.

Hughes, R. L., Palus, C. J., Ernst, C., Houston, G. G. & McGuire, J. B. (2011, June 22–24). *Boundary spanning across leadership cultures: A leadership strategy for the comprehensive approach* [Paper presentation]. Second International Transformation Conference, Rome, Italy.

Kotter, J. P. (1996). *Leading change*. Harvard Business School Press.

Leadership Development Course. (2020a, November 15). *LDC Faculty Enrichment Program.*

Leadership Development Course. (2020b). *LDC Smart Card* (Version 10).

Marcus, L. J., Dorn, B. C., & Henderson, J., & McNulty, E. J. (2015). *Meta-leadership: A framework for building leadership effectiveness* [Working paper]. National Preparedness Leadership Initiative, Harvard School of Public Health. https://docplayer.net/122708972-Meta-leadership-a-framework-for-building-leadership-effectiveness.html

National Defense University. (2018). *Strategic leadership and decision-making*. National Defense University Press.

Paul, C. (2011). *Strategic communication: Origins, concepts, and current debates*. Praeger.

Perez, C., Jr. (2016). Errors in strategic thinking: Anti-politics and the macro bias. *Joint Forces Quarterly, 81*(2), 10–18.

https://ndupress.ndu.edu/Portals/68/Documents/jfq/jfq-81/jfq-81_10-18_Perez.pdf

Perkins, D. G. (2016, May 4). *Big picture, not details, key when eyeing future.* Association of the United States Army. https://www.ausa.org/articles/big-picture-not-details-key

Spain, E. S. P. (2007, March–April). Managing expectations while leading change. *Military Review,* 74–85. https://www.armyupress.army.mil/Portals/7/military-review/Archives/English/MilitaryReview_20070430_art014.pdf

Vagadia, B. (2014). *Enterprise governance: driving enterprise performance through strategic alignment.* Springer.

John M. Hinck, PhD, serves as an assistant professor of leadership at Air University and works with the Eaker Center for Leadership Development in teaching the Leader Development Course (LDC). He directs the Leadership Horizons Elective Program for Air War College, oversees the LDC Leadership Coaching Program, and co-leads the LDC Faculty Development Program. Dr. Hinck, a former Army colonel and Apache pilot, received his PhD in Leadership Studies from the University of San Diego and is a national and international board-certified executive/leadership coach. His areas of specialization include leadership development, faculty development, organizational change, and leadership coaching, and he has publications on leadership, coaching, communication, and designing leadership development programs. He can be reached at john.hinck@au.af.edu.

Perceived Effects of Power Distance on Organizational Change in a Multicultural Organization[*]

Magdaline Nkando
Walden University

Kenneth Levitt
Frostburg State University

Organizational change researchers have reported an accelerated rate of change in modern organizations, with as many as 70% of them reportedly failing to deliver expected results (Church & Dawson, 2018). A consensus is yet to be reached on the main contributors to this high rate of failure. This research explored the concept of power distance to increase understanding and general awareness of its perceived effects on the process of an organizational change in a multicultural environment. The conceptual framework was based on Hofstede's (1980) model of cultural dimensions, which differentiates cross-border business in terms of cultural differences. This article contributes to the existing knowledge on cross-border trade with the finding that the cultural aspect of power distance has an impact on the various elements of cross-border organizational change, such as utilization of hierarchy, relationships and interactions, power balance, organizational structure, and change communication.

Key words: cultural diversity, geographical diversity, international organization, organizational change, organizational development, power distance

This qualitative, single-case study explored the perceived effects of power distance on organizational change in a global and multicultural environment. Despite the widespread recognition of organizational change as one of the core competencies of a 21st-century organization (Parry et al., 2014) and a factor of strategic importance that influences an organization's performance by enhancing adaptability (Chen et al., 2018), organizational change processes often do not seem to achieve their intended goals. Reportedly, 70% of all organizational change initiatives fail (Church & Dawson, 2018) despite a proliferation of studies in which researchers have evaluated factors that drive successful organizational change.

With only 30% of organizational change initiatives deemed successful (Al-Haddad & Kotnour, 2015; Church & Dawson, 2018), seeking to understand the reasons behind the 70% failure rate has become one of the top priorities among

---

researchers. The organizational change process is a capital-intensive undertaking and becomes even more expensive when so many of the initiatives fail to achieve the expected results. While navigating the different behaviors of change participants in a single country is hard enough, adapting diverse behaviors to different countries' cultures is a daunting task. While a blessing in some instances, diversity can present significant challenges to organizational change in cross-border organizations because "when organizational members experience a large-scale organizational change—fraught with uncertainty and equivocality—the pressures to deal with diversity add another layer of complexity to their work" (Kim, 2018, 6).

Among other elements of cultural diversity, a successful implementation of organizational change across national boundaries would require a deep understanding and awareness of the cultural aspect of power distance. Moonen (2017) describes *power distance* as the level of acceptance of an uneven distribution of power. In high power distance cultures, people readily accept an unequal distribution of power, while those from low power distance cultures strongly oppose inequality in power distribution. Global organizations are served by heterogenous teams from different nationalities that are characterized by diverse cultural backgrounds, values, and behaviors. These differences help determine the quality of relationships, interactions, and perceptions during organizational processes such as organizational change (Demmler et al., 2018; Lehmberg & Davison, 2018).

Cultural intelligence is a key success factor for an organizational change in a multicultural environment. Sufficient understanding of the cultural aspects of organizational change, including power distance, is critical. Siakas and Siakas (2015) argue that global relationships are especially susceptible to cultural mismatches. These mismatches need to be addressed during the change process to avoid compromising the outcome. Cultural fit has been found to positively influence the outcome of cross-border acquisitions and mergers.

Conceptual Framework

The conceptual framework for this study was based on Hofstede's (1980) model of cultural dimensions, which differentiates cross-border business in terms of cultural differences. Hofstede challenged the widespread assumption that management principles and practices can be universally applied across the world (Jackson, 2020). This is because organizational operations are sensitive to culture, and culture varies across national boundaries. This viewpoint is echoed by other diversity researchers such as Rao and Pearce (2016), who believe disparities exist in management practices across cultures and there is need for alignment with the cultural orientation of the host country. Using a six-point cultural model, Hofstede argued that transnational business operations vary across six cultural dimensions, namely (a) long term–short term orientation, (b) individualism–collectivism, (c) power distance, (d) masculinity–femininity, (e) indulgence–restraint, and (f) uncertainty avoidance. These cultural dimensions form and determine the values, attitudes, and behaviors of a person, and depending on high or low levels, cultures will hold different value systems. This study primarily focused on the power distance dimension.

Change management processes in global organizations are made more complex by cultural diversity. To enhance inclusivity during organizational change, different change strategies, consistent with the unique culture of a country, are required (Stoermer et al., 2016). Siakas and Siakas (2015) suggest that cultural fit positively influences the outcomes of cross-border organizational changes, such as acquisitions and mergers. There is credible evidence from research that successful organizational change, as well as other organizational processes, largely depend on the level of cultural fit, among other factors. This is especially important for global organizations in which diverse cultures are at play.

Management practices are more successful when well-aligned with societal culture. Conversely, as Rao and Pearce (2016) attest, lack of cultural fit often creates dissonance and frustration in organizational processes. Stahl and Tung's (2015) content analysis revealed a tendency by researchers and authors to emphasize the negative effects of cultural diversity on international business at the

expense of its positive contribution. Stahl et al. (2017) argue that this imbalanced viewpoint has prevented organizations from fully understanding the factors and processes that organizations should adopt to reap optimal benefits from cultural diversity in designing and implementing its various programs. This study makes a significant contribution in addressing this biased approach by objectively examining the aspects of power distance that are likely to affect cross-border organizational change, including change orientation, hierarchy, change communication, and leader–member relations. It will help change managers to develop practical strategies to manage people with diverse power distance orientations during a transnational change process.

Literature Review

The key concepts that formed the foundation of this study included organizational change, change management, change agents, power distance, multicultural environment, and cultural and geographical diversity.

Organizational Change

Recent research has revealed growing interest in organizational change and a proliferation of consulting establishments keen on providing advice to organizations on how to design and implement a successful organizational change initiative. This could be an affirmation of the growing recognition of organizational change as a key success factor of an organization, just like capital (Cinite & Duxbury, 2018; Packard, 2017). Organizational change keeps an organization competitive and helps it to remain sustainable in a turbulent and competitive environment (Nging & Yazdanifard, 2015). Parry et al. (2014) argue that organizations that are capable of successfully designing and implementing a change process have an edge over their competitors. After all, organizations do not operate in a vacuum. Their very existence and survival are affected by not only their internal capabilities, but also the events in their external environment— politically, economically, socially, culturally, technologically, and legally.

Change Management

Navigating external uncertainties during change, sometimes with scarce resources, limited time, and lack of sufficient understanding of exactly what capacity for change entails, can significantly delay the much-needed change process and, ultimately, compromise its results. In their qualitative study of more than 150 Romanian organizations to understand the reasons for failure of some organizational change processes, Predișcan et al. (2016) argue that the "outside environment where organizations operate is becoming more and more unpredictable and the influences manifested by external factors are difficult to estimate" (960) and full of uncertainties. Lofquist and Lines (2017) suggest that organizations lack sufficient understanding of the requisite capacity to drive change.

This apparent complexity of the organizational change process could explain widespread claims in the literature that most organizational change initiatives have failed to deliver expected results. Reflecting on a variety of research, it is seemingly more complex to implement organizational change in a global and multicultural environment. This complexity emanates partly from the cultural and geographical diversity in which global organizations operate (Arif et al., 2017; Janićijević, 2014; Kim, 2018). They need to adjust an organization's operations to align with the culture of the host country. As Dalby et al. (2014) note, "transferring the business model from the company's home country to a new country is prone to fail" (466), owing to the country-specific differences in culture. Overall, organizational change can be a very intimidating process, especially in organizations operating in high cultural diversity environments.

Caliskan and Isik (2016) observed a growing need for organizations to adapt to the emerging new global world, which is characterized by increasing uncertainty of operating in an international environment with diverse national cultures. Combining different national cultures during change in a global and multicultural organizational change process can be an uphill task. Many factors would have to be examined to explore their influence on the effectiveness of a change strategy, including the cultural aspect of power distance. What might appear to be reasonable power relations between followers and leaders in the host country may

be unacceptable to the incoming change participants. Therefore, leaders have an extra burden of reconciling this diversity while implementing the already-complex change process.

This diversity-related challenge of cross-border change management has raised the curiosity of scholars to dive deep into the most critical diversity factors during a globalized organizational change process. While acknowledging the complexity of change—describing it as a process fraught with resistance—Tatli et al. (2015) submit that it requires sustainable and well-resourced programs. Among other essential elements, they propose inclusion of equality and diversity officers whose main roles would be to initiate, promote, and negotiate change. These officers are even more critical during a cross-border organizational change process, yet their work rarely receives recognition in diversity management literature. We believe the effectiveness of diversity officers would be influenced their power distance orientation, among other factors. How power is used is a key success factor of critical organizational processes, including the organizational change process (Rao & Pearce, 2016).

Power Distance

Power distance varies across cultures, and while people from cultures with highpower distance are perceived to respect authority and voluntarily accept an uneven distribution of power, those from cultures with low power distance are often suspicious of those in authority, are quick to question authority, and would like to be involved in making decisions that affect them (Daniels & Greguras, 2014; Janićijević, 2014; Rao & Pearce, 2016). Global organizations operate in a highly multicultural environment with virtual teams dispersed across the globe. With these diverse cultures, there are people from cultures with high power distance and cultures with low power distances. These cultural dynamics of power need to be understood and well managed, especially when a multicultural organization is implementing a change initiative.

Considering leadership is a process of social influence, understanding the power distance orientation inherent in a leader is an effective means of understanding leader–follower social distance and its implications on organizational processes.

Power distance is in the core of leadership effectiveness, as it influences the way the followers perceive and react to the attributes, reactions, and behaviors of their leader during organizational processes such as organizational change (Anand et al., 2018). Understanding power distance is important in organizational research because power is fundamental to all relationships, is inherent in hierarchical organizations, and affects many organizational processes and outcomes, including organizational change (Daniels & Greguras, 2014).

The importance of a deeper understanding of how power distance would influence the outcome of a change process in a global organization cannot be overemphasized. As a cultural value, power distance has profound influence on how different people in an organization react to organizational change. It particularly influences the effectiveness of change leaders who must maintain a good relationship with every member of the change team. As key change agents, change leaders are a critical resource during the organizational change process, with their main roles being to frame a predetermined outcome of the change initiative (Lawrence, 2015). Their roles become more complex in global organizations in which they have to contend with cultures other than their own.

Method

This study followed a qualitative approach and adapted a single-case study design to allow participation of the staff of the selected multinational financial organization during their day-to-day real-life setting (see Yin, 2017). A qualitative case study was deemed most appropriate for the examination of implications of power distance in organizational change because the cultural dimensions identified by Hofstede (1980) are largely behavioral, and it is not feasible to measure behavioral aspects quantitatively. The unit of analysis was the largely multicultural staff of a multinational financial organization. The study was designed to answer one central research question:

What is the perceived influence of power distance on an organizational change initiative in a global environment?

The main source of data was key informants drawn from among managers and nonmanagers and interviewed by phone. This was augmented by data mined from review of primary documents related to a recent change process by one author's partner organization. Ten key informants from four regions (Africa, America, Asia, and Europe) participated in the study, and they were drawn from diverse cultural backgrounds, nationalities, genders, geographical locations, technical backgrounds, and hierarchical levels. This guaranteed a balanced representation of the diverse teams and viewpoints from different subject areas; it also reduced the risk of collecting narrow viewpoints on the perceived effects of power distance in an international setting.

To give meaning to the collected data and presentation of findings, data were analyzed in a two-step process that included cleaning the data (data management through coding) and giving data meaning (interpretation). Manual descriptive coding was used to record and classify the wide range of opinions from the 10 key informants (Saldana, 2016). The two-step coding procedure enabled meticulous filtering of the critical features of the data. Specific codes were derived from extracts of responses to each of the 11 interview questions. They were further analyzed to provide categories, subcategories (see Table 1), and emerging themes that shed light on the potential influence of power distance on transnational organizational change. The identification of the themes and their respective subthemes was achieved by examining the frequency of occurrence of the respective categories (see Table 2 and Figure 1).

Table 1: Categories and Subcategories

	Categories	**Subcategories**
Interview Question 1	1. Inclusive approach 2. Nature of decision-making 3. Access to information 4. Nature of change	1. (a) Stakeholders' engagement (b) Stakeholders' type 2. (a) Top-down decision-making (b) Distance from power 3. (a) Awareness creation 4. (a) Long-term vs. short-term change (b) Change success factors (c) Impact of change (d) Drivers of change (e) Enablers of change (f) Components of the change process
Interview Question 2	1. Nature of decision-making 2. Impact of change 3. Inclusive approach 4. Change communication 5. Change resources	1. (a) Decentralized authority (b) Distance from power (c) Top-down decision-making (d) Reporting lines (e) Democratic leadership (f) Power and authority (g) Top-down management (h) Bureaucratic management 2. (a) Stakeholders' engagement (b) Types of stakeholders 3. (a) Access to information (b) Top-down vs. participative communication 4. (a) Availability of resources (b) Access to resources (c) Equality and equity in resource allocation
Interview Question 3	1. Organizational structure 2. Inclusive approach	1. (a) Decentralized structures (b) Organizational framework (c) Organogram 2. (a) Stakeholders' engagement (b) Personal interests
Interview Question 4	1. Communication process 2. Elements of communication	1. (a) Top-down decision-making (b) Inclusive approach (c) Participative communication (d) Frequency of communication (e) Two-way feedback 2. (a) Communication content (b) Source, type, and access to information (c) Communication stakeholders and their engagement (d) Type of communication (e) Communication channel
Interview Question 5	1. Ownership and buy-in 2. Engagement and consultation 3. Nature of change	1. (a) Top-down decision-making (b) Inclusive approach 2. (a) Inclusive approach (b) Access to information (c) Change stakeholders (d) Stakeholders' engagement 3. (a) Size of institution (b) Magnitude of change (c) Organizational culture (d) Impact of change
Interview Question 6	1. Inclusive approach 2. Engagement and consultation	1. (a) Democratic vs. top-down decision-making (b) Cost–benefit analysis 2. (a) Stakeholders' engagement (b) Change stakeholders (c) Elements of communication (d) Information sharing
Interview Question 7	1. Strained relationships 2. Inclusive approach	1. (a) Personal interests (b) Impact of change 2. (a) Stakeholders' engagement (b) Information sharing
Interview Question 8	1. Inclusive approach 2. Nature of decision-making	1. (a) Stakeholders' engagement (b) Access to information (c) Information sharing 2. (a) Democratic vs top-down decision-making (b) Bureaucratic management (c) Equality and equity
Interview Question 9	1. Leadership style 2. Inclusive approach	1. (a) Equality and equity (b) Access to information (c) Top-down decision-making 2. (a) Stakeholders' engagement (b) Personal interests
Interview Question 10	1. Overt vs. covert resistance 2. Incentives and sanctions 3. Ownership and buy-in	(a) Fear of retaliation (b) Change communication (c) Losses and gains
Interview Question 11	1. Drivers of change 2. Enablers of change	(a) Cost–benefit analysis (b) Inclusive approach (c) Stakeholders' engagement (d) Access to information

Table 2: Categories, Frequencies, and Themes

	Categories	Frequency	Emergent Themes
Interview Question 1	1. Inclusive approach 2. Nature of decision-making 3. Access to information 4. Nature of change	6/10 3/10 3/10 8/10	1. Hierarchy and its influence on inclusivity, change ownership, and buy-in
Interview Question 2	1. Nature of decision-making 2. Impact of change 3. Inclusive approach 4. Change communication 5. Change resources	9/10 4/10 2/10 5/10 1/10	1. Overbearing control of the headquarters and its impact on ownership and buy-in 2. Inadequate support and resources for the regions 3. Influence of the quality of relationship between the headquarters and the regions
Interview Question 3	1. Organizational structure 2. Inclusive approach	10/10 9/10	1. Emphasis on organizational hardware at the expense of its employees 2. Organizational framework vs. people balance key ingredient of inclusivity
Interview Question 4	1. Communication process 2. Elements of communication	8/10 6/10	1. Critical factors that influence change communication strategies in transnational settings
Interview Question 5	1. Ownership and buy-in 2. Engagement and consultation 3. Nature of change	3/10 9/10 2/10	1. Limited engagement during planning and its implications on ownership and buy-in
Interview Question 6	1. Inclusive approach 2. Engagement and consultation	5/10 10/10	1. Feedback mechanisms and their effectiveness in fostering engagement and inclusivity
Interview Question 7	1. Strained relationships 2. Inclusive approach	7/10 6/10	1. Strained relationships between managers and employees as result of mistrust and selfish interests
Interview Question 8	1. Inclusive approach 2. Nature of decision-making	10/10 6/10	1. Emphasis on top-down decision-making hindered participation
Interview Question 9	1. Leadership style 2. Inclusive approach	6/10 8/10	1. Power imbalance hampered fairness and inclusivity
Interview Question 10	1. Overt vs. covert resistance 2. Incentives and sanctions 3. Ownership and buy-in	6/10 10/10 4/10	1. Acceptance of change was directly proportional to the amount of potential loss
Interview Question 11	1. Drivers of change 2. Enablers of change	3/10 9/10	1. Internal and external drivers and enablers of change

Findings and Discussion

Figure 1 below presents a synthesis of themes and subthemes that emerged from the analysis of the categories and subcategories. The 14 emergent themes identified and listed in Table 2 above were further condensed into five themes and

12 subthemes with the theme of hierarchy illuminated by four subthemes. Each of the other four themes was illuminated by two subthemes as presented in Figure 1.

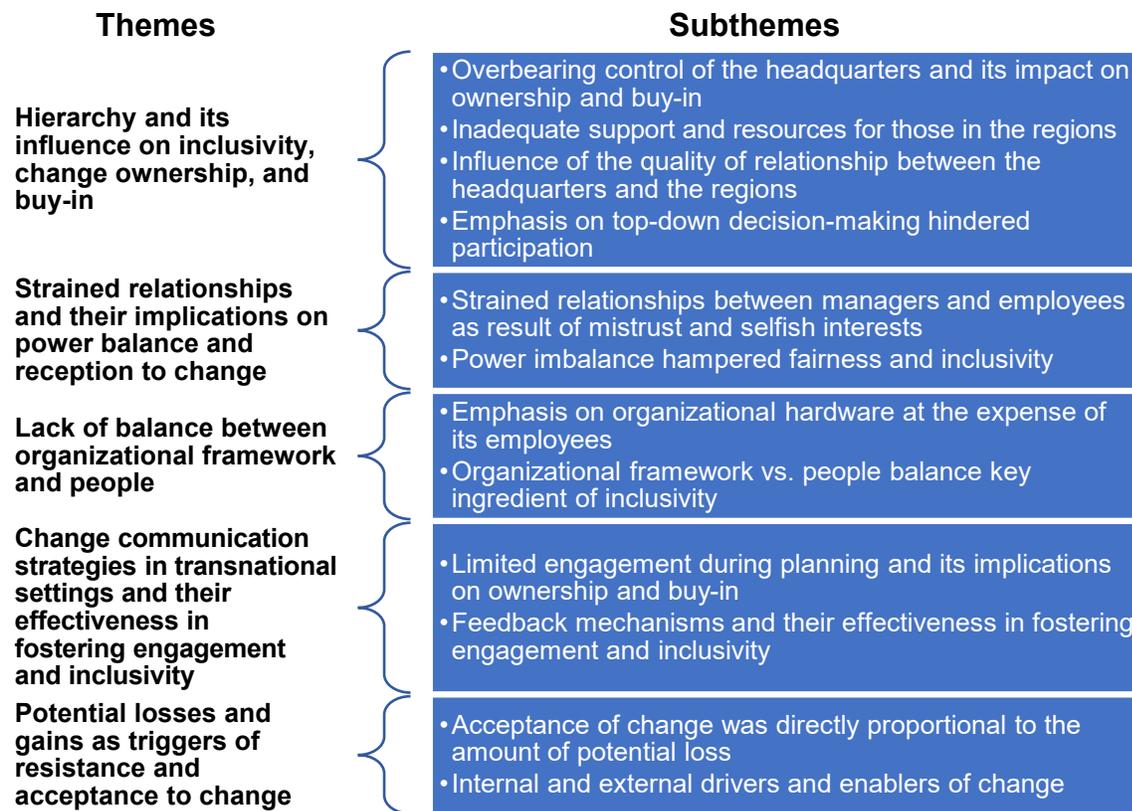| Themes	Subthemes
Hierarchy and its influence on inclusivity, change ownership, and buy-in	• Overbearing control of the headquarters and its impact on ownership and buy-in • Inadequate support and resources for those in the regions • Influence of the quality of relationship between the headquarters and the regions • Emphasis on top-down decision-making hindered participation
Strained relationships and their implications on power balance and reception to change	• Strained relationships between managers and employees as result of mistrust and selfish interests • Power imbalance hampered fairness and inclusivity
Lack of balance between organizational framework and people	• Emphasis on organizational hardware at the expense of its employees • Organizational framework vs. people balance key ingredient of inclusivity
Change communication strategies in transnational settings and their effectiveness in fostering engagement and inclusivity	• Limited engagement during planning and its implications on ownership and buy-in • Feedback mechanisms and their effectiveness in fostering engagement and inclusivity
Potential losses and gains as triggers of resistance and acceptance to change	• Acceptance of change was directly proportional to the amount of potential loss • Internal and external drivers and enablers of change

Figure 1. Themes and subthemes

The findings of this study confirmed the widespread acknowledgement in extant literature of the critical role of culture in shaping organizational processes, including organizational change. Culture plays a pivotal role in managerial processes, and it is critical for decisionmakers to fully understand organizational culture to understand their organization better, identify its peculiarities, and better predict its reaction to their various decisions (Ogîgău-Neamțiu & Antonoaie, 2019). This understanding is even more important in global organizations that must grapple with understanding diverse cultures from different countries during an organizational change process (Göktürk et al., 2017).

Increased globalization has resulted in a proliferation of organizations that have decentralized their operations across national borders. They are served by heterogenous teams from different nationalities who are characterized by diverse

cultural backgrounds, values, and behaviors. These differences dictate the way things are done, as they determine the quality of relationships, interactions, and perceptions during organizational processes such as organizational change (Demmler et al., 2018). Among the elements of cultural diversity, a successful implementation of organizational change across national boundaries requires a deep understanding and awareness of the cultural aspect of power distance. Understanding how power distance affects people would help leaders understand and anticipate their reaction to organizational change (Rao & Pearce, 2016).

Hierarchy and Its Influence on Inclusivity, Change Ownership, and Buy-in

When power resides in the hands of few people, an organization becomes less innovative (Ogîgău-Neamțiu & Antonoaie, 2019), and any attempt at change may not yield positive results. Centralization of power is an indicator of high power distance. The findings of this study portray hierarchy as a stumbling block to successful organizational change, as it was found to stifle inclusivity, which ultimately decreased ownership and buy-in of the outcomes of the change. There was lack of empathy for those lower in authority, and employees felt shortchanged by their superiors. Those closer to power and high up on the organizational ladder received better attention and more resources than their subordinates. Regional and country offices were also denied equal opportunity at the change decision table, as all key decisions were made in the headquarters.

   The findings of this study are consistent with those of prior research that have portrayed organizational change as a highly political process, the success of which depends largely on the level of leadership support, effectiveness of change agents, and quality of interactions between the leaders and the recipients of the outcome of change (Battilana & Casciaro, 2012; Lawrence, 2015). The amount of power and authority displayed across the hierarchy determine the level of acceptance or resistance to change, with change leaders expected to be effective intermediaries (Battilana & Casciaro, 2012; Lawrence, 2015). The role of change leaders is far more complicated in a global organization, particularly for those operating away from their organization's headquarters and thus far from organizational authority (Acquier et al., 2018).

This theme portrays hierarchy as an organizational element that can be misused for selfish gains during organizational change, often with dire consequences. Schirmer and Geithner (2018) blame this outcome on mainstream literature that often presents organizational change as an elitist undertaking that should be driven exclusively by the top leadership of the organization. Key informants perceived hierarchy as one of the key factors that curtailed inclusivity, yet inclusivity is considered a key success factor in cross-border change to manage diversity of priorities, expectations, social concerns, and perceptions that differ across borders. The amount of authority in cross-border organizations is influenced by power distance orientation. While the findings point to high power distance tendencies in the way key informants perceived power and authority during the change, further studies are needed to ascertain if they accepted the unequal distribution of authority voluntarily or because they did not have other choices.

Strained Relationships and Their Implications on Power Balance and Reception to Change

Despite the critical need for high-quality relationships to navigate uncertainty during change, this theme presents evidence of disharmony during the change in this multinational organization that was manifested in (a) overbearing control by headquarters; (b) strained relationships between managers and employees, occasioned by widespread mistrust and selfish interests; (c) power imbalance, which hampered fairness and inclusivity; (d) emphasis on top-down decision-making, which hindered participation; and (e) limited engagement and ineffective feedback mechanisms. To improve leader–member relations, there should be harmony between change leaders and their followers in their perception of power during an organizational change process. Leaders' behavior plays a critical role in promoting employees' commitment to an organizational change initiative (Abrell-Vogel & Rowold, 2014) because the reactions of change recipients determine its success and failure (Agote et al., 2016).

In this study, the amount of power and authority, as well as position in the hierarchy, were seen as key determinants of the quality of relationships between subordinates and their superiors. As revealed by key informants, poor relationships

resulted in skewed support and inequality in distribution of resources, debilitating fear of authority, and a general lack of empathy for subordinates. This created costly resistance, which could have been averted if managers had taken the time to understand and address the needs and fears of their staff. Every type of organizational change presents significant discomfort (Aslamt al., 2018), which could be complicated by poor relationships. Finding some balance in the way power is exercised during change can yield better relationships between leaders and their subordinates.

Balance of power is a key ingredient for successful organizational change, and it is imperative that change leaders fully understand all aspects of power and their influence on employees' response to change. Yet, Cinite and Duxbury (2018) indicate that employees' attitudes toward change often remains unknown to their employers and managers, as it may not necessarily be reflected in their employees' day-to-day behavior. This is consistent with the findings of this study, which revealed a general lack of empathy for employees. Key informants were convinced that the management did not understand the negative impact the change had on the employees.

Research has demonstrated that the transformational behavior of leaders contributes positively to employees' commitment to change. Change recipients are no longer passive receivers; thus, it is imperative that their perspectives are fully understood to increase the success rate of a change initiative. According to Cinite and Duxbury (2018), employees' attitudes toward organizational change may range from enthusiastic support to strong resistance. Some of this reaction may be triggered by the degree of closeness between the respective leaders and employees, which will determine if employees support or resist a change process. The findings of this study revealed significant resistance attributed to the cluelessness of managers who did not know how to treat their employees.

This theme was illuminated by responses across all 11 interview questions. This is a clear indication that quality of relationships is a key determinant of the outcome of an organizational change process. This is especially important for transnational

organizational change, as the relationships are influenced by the national cultures of the participating change actors, including power distance orientation.

Lack of Balance Between Organizational Framework and People

This theme points to a leaning toward organizational framework. Responses to the interview questions revealed an imbalance between organizational framework and people during the change in this multinational organization. Key informants felt that there was more emphasis on the organizational hardware at the expense of its employees. This is contrary to advice in extant literature that organizational change should consider all aspects of the organization, including its people, structure, technology, processes, culture, and resources (Aslam et al., 2018). Whether happening in one or multiple countries, research underscores the need for a holistic approach that considers both the organizational structure and its people during change.

Al-Haddad and Kotnour (2015) advise every organization to strive for an integrated approach to organizational change, considering diverse organizational elements including structures, systems, strategies, human resources, and change methodology. This is echoed by other researchers, such as Janićijević (2017), who submits that organizational change is a combination of hard components (organizational structure, organizational control) and soft components (organizational culture, organizational leadership) that must be balanced for change to be successful.

However, the findings of this study revealed more focus on institutional goals, economic sense, resource management, reorganization of the organogram, and reconstruction of the organizational structure. There is evidence that employees' welfare was ignored in favor of the organization's big shareholders. The change focused more on sustaining the institution's capital investment and much less on employees' welfare. Key informants found the change process to be inhuman and characterized by unfair ambitions, selfish interests, and power games.

If employees feel shortchanged, they could get frustrated and even sabotage the change process. In their exploratory study to identify managerial aspects that influence business process workflow redesign, Sikdar and Payyazhi (2014)

concluded that softer aspects such as top management support, project champions, effective change communication, and interdepartmental collaboration are just as important as the business corporate strategy. For a global organization, the list of these soft aspects grows to include the cultural aspect of power distance. The focus on organizational goals and structure in this study is an indication of a high power distance orientation. In low power distance situations, the change would be more employee centered.

Change Communication Strategies in Transnational Settings and Their Effectiveness in Fostering Engagement and Inclusivity

Managing communication amid turbulence and uncertainty of change is a challenging undertaking, so a clear understanding of the factors that determine its effectiveness is necessary. Of all the factors blamed for failure in change initiatives, there is a consensus among researchers that the degree of success of change implementation depends on employees' understanding of the change and their perception of its value (Parsells, 2017). Sound communication strategies are critical tools for providing requisite guidance and support during change design and implementation. However, this theme revealed communication strategies that were anything but supportive. The amount and quality of communication were skewed, with those in the regional and country offices getting a raw deal.

   With early access to information, those at headquarters of the multinational organization in this study had an opportunity to provide input for the change process ahead of their colleagues in the regional and country offices (though there was no certainty that their contributions were considered). The communication process was found to be largely ineffective, with key informants citing significant flaws ranging from its content to presentation. To some, it appeared to be a rumor or "noise." For others, the communication process was incomplete, with emphasis on messages about the benefits of the change without defining how it would be achieved. In terms of content, it was criticized for lack of integrity and honesty. These findings are unsettling since the quality and amount of communication are critical determinants of the outcome of a change initiative. Researchers have argued that the outcome of a change initiative is significantly influenced by the

approach used to communicate necessary changes to the employees whose work lives would be affected by the change (Helpap, 2016; Klonek et al., 2014).

While informants acknowledged existence of diverse communication platforms and tools (unit meetings, video conferences, group meeting calls, question-and-answer sessions, staff engagement surveys, facilitated team feedback sessions, and online websites), they could not confirm the extent of their use. Their efficacy as tools for stakeholders' engagement and feedback gathering was widely criticized, ranging from lack of clarity to selective application of the received feedback. Key informants expressed doubt that feedback perceived to criticize top management was ever utilized. The communication process was found to be discriminatory, benefiting only top management and those at headquarters. Hierarchy was found to have exacerbated discrimination. Research has provided evidence that a more inclusive communication strategy provides opportunity to change recipients to participate proactively in the organizational change process (Aslam et al., 2018; Helpap, 2016).

Power distance orientation likely affected the effectiveness of communication. Anand et al. (2018) suggest that social distance has implications on the degree of closeness, quality of communication, and extent of information sharing between leaders and followers during an organizational process. One's power distance inclination influences one's reaction to change communication because power distance affects the relationships between managers and their subordinates (Helpap, 2016). People do not evaluate change communication in a uniform way because power distance manifests in someone's attitudes, assumptions, and behaviors, all of which vary from person to person. People follow distinct interpretation schemes to decipher change communication based on their power distance orientation.

Potential Losses and Gains as Triggers of Resistance and Acceptance to Change

Organizational change literature has unequivocally recognized stakeholders' commitment, ownership, and buy-in as critical success factors for organizational change. Most importantly, there should be harmony between leaders and

employees. While leaders play a critical role in providing an enabling environment for change, employees are a key interface between the organization and its goals (Parsells, 2017). They determine if the outcomes of these goals will be successful, including organizational change goals. Change leaders play a key role as intermediaries in reducing resistance and encouraging their colleagues to adopt new ways of doing things (Battilana & Casciaro, 2012; Lawrence, 2015). Their role is much more complicated in a multinational context and particularly for those operating away from their organization's headquarters, and thus far from organizational authority (Acquier et al., 2018).

Stakeholders' buy-in and commitment translate into acceptance of the change outcomes. Resistance increases conflicts that jeopardize uptake of the change (Thakur & Srivastava, 2018). The findings of this study portray significant resistance, and respondents attributed their unhappiness to the bureaucratic approach, discrimination, skewed information sharing, inadequate capacity, lack of equity in resource distribution, power imbalance, and lack of empathy that characterized the change process. Evidence provided by key informants revealed that change decisions were largely made at the top with little or no regard for the views from those at the lower levels in authority. Headquarters was found to exert overbearing control over those in the regional and country offices. There was discrimination in allocation of resources that seldom benefited the field offices.

Employees felt shortchanged by their managers, who they largely viewed as traitors who would stop at nothing to betray them if their jobs were guaranteed. They were apprehensive that they were left out of decision-making for the change, yet it significantly affected their lives. They were unhappy about the blatant entitlement of their managers. These examples point to strained relationships between headquarters and the regional offices, and between managers and their subordinates. Extant literature has acknowledged the overwhelming discomfort that accompanies organizational change due to uncertainty, which often leads to insecurity, depression, and stress. Consequently, researchers have called for a rigorous investigation to identify enablers of organizational change to reduce resistance (Aslam et al., 2018). Will (2015) suggests that change managers can

avert resistance to change by triggering self-interest in change among staff. In the current study, managers fell short of this requirement.

The seemingly autocratic change approach utilized by this multinational organization could have drawn inspiration from the widespread assumption in extant management literature that the steering role in organizational change belongs to the management (Schirmer & Geithner, 2018). This mindset should be changed; employees must also have an equal position at the change decision table to avoid resistance. Power distance orientation might have influenced the relationships between managers and employees. Those from countries with high power distance orientation may view managers as people who know it all and will unlikely question their decisions, while those from low power distance countries will want to be actively involved.

Resistance is sensitive to culture, and the strategies for addressing resistance have varying outcomes across cultures. In low power distance societies, agreements and negotiation are effective strategies for enlisting buy-in from those who are likely to resist the proposed change. Conversely, manipulation and coercion would work well in high power distance contexts, in which leaders possess huge amounts of power and subordinates have little chance to exercise autonomy. It is critical, therefore, that change managers are fully aware of and understand the reasons for their subordinates' motivations to resist change so they can devise effective strategies to overcome that resistance. Wang (2015) argues that the quality of employees' support determines the success of organizational change. Gurd and Gao (2016) also emphasize the importance of understanding the triggers of resistance to change, describing it as challenging and complex.

Figure 2 shows that power distance manifests itself more prominently in issues related to organizational hierarchy, in the way people interact and relate, as well as in how they communicate during change. Key informants highlighted these aspects in their responses across all 11 interview questions. There is need to conduct further studies to investigate the exact ways in which power distance orientation affects utilization of hierarchy, relationships, and communication during a transnational organizational change process.

Figure 2. Number of questions in which a theme appears in responses to interview questions

Limitations of the Study

This study focused on only one multinational agency. This presents significant implications for the transferability and dependability of the study findings. As a qualitative, single-case study, this research is contextual, thus the findings are confined to the uniqueness of the phenomenon of power distance in the context of the organizational change process in this one multinational financial organization (Bell et al., 2019). It would be a challenge to determine the applicability of the study findings in other contexts. Use of a single-case study exposed this research to mistakes that would otherwise have been avoided by use of mixed methods. Data were collected from in-depth interviews with only 10 key informants, which would be considered insufficient to represent a larger population and set grounds for generalization of the study findings to other global institutions that operate in multicultural environments (Yin, 2017).

Recommendations

Further research is recommended to address the above limitations. A broader study that traverses time periods and covers more than one multinational organization in different countries should be conducted to empirically address the issues of attribution and contribution of power distance elements during a change process. A

qualitative longitudinal study would allow a researcher to track how power distance manifestation in the participants' lives changes over time and gain a better understanding of the triggers of that change at different times (Farrall et al., 2016).

The findings of this study revealed strained relationships that caused disharmony, hampered inclusivity, hindered participation, and undermined relationships between managers and employees. Consequently, ownership and buy-in from those lower in the hierarchy was significantly low, which subsequently increased resistance to change. Further research is needed to identify participatory approaches and tools that could enable both managers and nonmanagers to work in harmony and achieve the change that works for everybody, regardless of their power distance orientation. This is critical because employees' attitudes toward organizational change is triggered by the degree of closeness between them and their leaders (Cinite & Duxbury, 2018).

The findings depicted hierarchy as a stumbling block that stifled inclusivity and encouraged centralization of power. Centralized power had a negative influence on the outcome of the change process, as it significantly decreased ownership and buy-in. When power resides in the hands of few people, the organization becomes less innovative (Ogîgău-Neamțiu & Antonoaie, 2019), and any attempt at change may not yield positive results. Generally, centralization of power is an indicator of high power distance. A more in-depth study should explore how much of the hierarchical influence during the change in this multinational organization was a result of power distance. Other factors might have influenced the way hierarchy was utilized, which can only be confirmed by further research.

Implications

The findings of this study revealed that power distance has an impact on the various elements of cross-border organizational change, including utilization of hierarchy, relationships and interactions, power balance, organizational structure, and change communication. The study happened at a monumental period in human history when a lot is shifting in the contemporary organization due to factors such as the ongoing COVID-19 global pandemic; the rise of Brazil, Russia, India,

China, and South Africa (BRICS); increased alliances, mergers and acquisitions; and a technological revolution. These have given rise to a global organization and heightened the need for continuous organizational change to enable adaptability. The findings have implications for positive social change and managerial practice as well as methodological and institutional implications.

This case study has the potential to contribute to positive social change by promoting a value-for-money change process in transnational, multicultural organizations through the design and implementation of sustainable change programs supported by an increased understanding of the power distance aspect of the change process. This value-for-money culture could result in a more cost-effective change process and reduce unnecessary resource waste on unproductive change processes. The organization could use the salvaged resources to produce additional or improve production of goods and services for improved livelihoods of their constituent societies. With an estimated 70% of all organizational change initiatives regarded as unsuccessful (Church & Dawson, 2018), a promise by this study to contribute to increased cost effectiveness is good news.

Conclusion

Global organizations are becoming more complex, which has increased demand for change management processes that follow an international approach, which among other factors, carefully considers the cultural aspect of diversity (power distance). Diversity of cultural value systems affects the outcome of a change initiative in a global organization. It can never be easy implementing an organizational change process across multiple countries because different cultures must be considered. While navigating the different behaviors of change participants in a single country is hard enough, it is even harder to navigate these diverse behaviors from participants from different countries because national culture influences organization change (Janićijević, 2014). There is credible evidence from research that successful organizational change, as well as other organizational processes, largely depend on the level of cultural fit, among other factors. Disparities exist in management practices across cultures (Rao & Pearce,

2016) in alignment with the cultural orientation of the host country. Therefore, management practices, including organizational change, will be more successful when well aligned with societal culture. Lack of cultural fit often creates dissonance and frustration in organizational processes.

By investigating the perceived effects of power distance on the outcome of organizational change in global organizations, this research helps reduce the gap in the literature by increasing understanding and general awareness of the potential influence of power distance on the organizational change process in a multicultural setting. It makes a significant contribution to the body of management knowledge by providing a framework to help change managers better understand this influence on the outcomes of change initiatives in global organizations.

References

Abrell-Vogel, C., & Rowold, J. (2014). Leaders' commitment to change and their effectiveness in change—A multilevel investigation. *Journal of Organizational Change Management, 27*(6), 900–921.

Acquier, A., Carbone, V., & Moatti, V. (2018). "Teaching the sushi chef": Hybridization work and CSR integration in a Japanese multinational company. *Journal of Business Ethics, 148*(3), 625–645.

Agote, L., Aramburu, N., & Lines, R. (2016). Authentic leadership perception, trust in the leader, and followers' emotions in organizational change processes. *Journal of Applied Behavioral Science, 52*(1), 35–63.

Al-Haddad, S., & Kotnour, T. (2015). Integrating the organizational change literature: A model for successful change. *Journal of Organizational Change Management, 28*(2), 234–262.

Anand, S., Vidyarthi, P., & Rolnicki, S. (2018). Leader–member exchange and organizational citizenship behaviors: Contextual effects of leader power distance and group task interdependence. *The Leadership Quarterly, 29*(4), 489–500.

Arif, M., Zahid, S., Kashif, U., & Sindhu, M. I. (2017). Role of leader–member exchange relationship in organizational change management: Mediating role

of organizational culture. *International Journal of Organizational Leadership,
6*(1), 32–41.

Aslam, U., Muqadas, F., Imran, M. K., & Saboor, A. (2018). Emerging
organizational parameters and their roles in implementation of organizational
change*. Journal of Organizational Change Management, 31*(5), 1084–1104.

Battilana, J., & Casciaro, T. (2012). Change agents, networks, and institutions: A
contingency theory of organizational change. *Academy of Management
Journal, 55*(2), 381–398.

Bell, E., Bryman, A., & Harley, B. (2019). *Business research methods* (5th ed.).
Oxford University Press.

Caliskan, S., & Isik, I. (2016). Are you ready for the global change? Multicultural
personality and readiness for organizational change. *Journal of
Organizational Change Management, 29*(3), 404–423.

Chen, M., Yang, Z., Dou, W., & Wang, F. (2018). Flying or dying? Organizational
change, customer participation, and innovation ambidexterity in emerging
economies. *Asia Pacific Journal of Management, 35*(1), 97–119.

Church, A. H., & Dawson, L. M. (2018). Agile feedback drives accountability and
sustained behavior change. *Strategic HR Review, 17*(6), 295–302.

Cinite, I., & Duxbury, L. E. (2018). Measuring the behavioral properties of
commitment and resistance to organizational change. *Journal of Applied
Behavioral Science, 54*(2), 113–139.

Dalby, J., Lueg, R., Nielsen, L. S., Pedersen, L., & Tomoni, A. C. (2014). National
culture and business model change: A framework for successful expansions.
Journal of Enterprising Culture, 22(04), 463–483.

Daniels, M. A., & Greguras, G. J. (2014). Exploring the nature of power distance
implications for micro- and macro-level theories, processes, and outcomes.
Journal of Management, 40(5), 1202–1229.

Demmler, M., Ortiz Ayala, R., & Urbiola Solís, A. (2018). Comparing corporate cultural profiles using the cultural dimensions of Hofstede. *Journal of Business and Management Sciences, 6*(2), 28–35.

Farrall, S., Hunter, B., Sharpe, G., & Calverley, A. (2016). What "works" when retracing sample members in a qualitative longitudinal study? *International Journal of Social Research Methodology, 19*(3), 287–300.

Göktürk, S., Bozoglu, O., & Günçavdi, G. (2017). Error management practices interacting with national and organizational culture. *Learning Organization, 24*(4), 245–256.

Gurd, B., & Gao, T. (2016). Understanding change recipients' responses to organizational change in Chinese hospitals. *Chinese Management Studies, 10*(4), 675–691.

Helpap, S. (2016). The impact of power distance orientation on recipients' reactions to participatory versus programmatic change communication. *Journal of Applied Behavioral Science, 52*(1), 5–34.

Hofstede, G. (1980). *Culture's consequences: International differences in work-related values*. Sage.

Jackson, T. (2020). The legacy of Geert Hofstede. *International Journal of Cross-Cultural Management, 20*(1), 3–6.

Janićijević, N. (2014). The role of national culture in choosing a change strategy in organizations. *Economic Horizons, 16*(1), 3–15.

Janićijević, N. (2017). Organizational models as configurations of structure, culture, leadership, control, and change strategy. *Economic Annals, 62*(213), 67–91.

Kim, H. (2018). Differential impacts of functional, geographical, and hierarchical diversity on knowledge sharing in the midst of organizational change. *Management Communication Quarterly, 32*(1), 5–30.

Klonek, F. E., Lehmann-Willenbrock, N., & Kauffeld, S. (2014). Dynamics of resistance to change: A sequential analysis of change agents in action. *Journal of Change Management, 14*(3), 334–360.

Lawrence, P. (2015). Leading change—Insights into how leaders actually approach the challenge of complexity. *Journal of Change Management, 15*(3), 231–252.

Lehmberg, D., & Davison, M. (2018). The impact of power distance and uncertainty avoidance on real options exercise: Potential for suboptimal time delays and value destruction. *Journal of Behavioral Finance, 19*(1), 62–72.

Lofquist, E. A., & Lines, R. (2017). Keeping promises: A process study of escalating commitment leading to organizational change collapse. *Journal of Applied Behavioral Science, 53*(4), 417–445.

Moonen, P. (2017). The impact of culture on the innovative strength of nations. *Journal of Organizational Change Management, 30*(7), 1149–1183.

Nging, T., & Yazdanifard, R. (2015). The general review of how different leadership styles cause the transformational change efforts to be successful. *International Journal of Management, Accounting & Economics, 2*(9), 1130–1140.

Ogîgău-Neamțiu, F., & Antonoaie, C. (2019). The influence of national culture on technology adoption. *15th Annual Conference eLearning & Software for Education, 3*, 146–153.

Packard, T. (2017). Tactics for successful organizational change in a youth and family services agency. *Children and Youth Services Review, 81*, 129–138.

Parry, W., Kirsch, C., Carey, P., & Shaw, D. (2014). Empirical development of a model of performance drivers in organizational change projects. *Journal of Change Management, 14*(1), 99–125.

Parsells, R. (2017). Addressing uncertainty during workplace change: Communication and sense-making. *Administrative Issues Journal, 3*(3), 24–26.

Predișcan, M., Roiban, R. N., & Biriescu, S. (2016). The reasons why sometimes the Romanian processes of organizational change fail. *Annals of the University of Oradea, Economic Science Series, 25*(1), 959–967.

Rao, A. N., & Pearce, J. L. (2016). Should management practice adapt to cultural values? The evidence against power distance adaptation. *Cross Cultural & Strategic Management, 23*(2), 257–286.

Saldana, J. (2016). *The coding manual for qualitative researchers* (3rd ed.). Sage.

Schirmer, F., & Geithner, S. (2018). Power relations in organizational change: An activity–theoretic perspective. *Journal of Accounting & Organizational Change, 14*(1), 9–32.

Siakas, K., & Siakas, D. (2015). Cultural and organisational diversity evaluation (CODE): A tool for improving global transactions. *Strategic Outsourcing: An International Journal, 8*(2/3), 206–228.

Sikdar, A., & Payyazhi, J. (2014). A process model of managing organizational change during business process redesign. *Business Process Management Journal, 20*(6), 971–998.

Stahl, G. K., Miska, C., Lee, H. J., & De Luque, M. S. (2017). The upside of cultural differences: Towards a more balanced treatment of culture in cross-cultural management research. *Cross Cultural & Strategic Cross Cultural & Strategic Management, 24*(1), 2–12.

Stahl, G. K., & Tung, R. L. (2015). Towards a more balanced treatment of culture in international business studies: The need for positive cross-cultural scholarship. *Journal of International Business Studies, 46*(4), 391–414.

Stoermer, S., Bader, A. K., & Froese, F. J. (2016). Culture matters: The influence of national culture on inclusion climate. *Cross Cultural & Strategic Management, 23*(2), 287–305.

Tatli, A., Nicolopoulou, K., Özbilgin, M., Karatas-Ozkan, M., & Öztürk, M. B. (2015). Questioning impact: Interconnection between extra-organizational resources and agency of equality and diversity officers. *International Journal of Human Resource Management, 26*(9), 1243–1258.

Thakur, R. R., & Srivastava, S. (2018). From resistance to readiness: The role of mediating variables. *Journal of Organizational Change Management, 31*(1), 230–247.

Wang, L. (2015). The relationship between employee psychological capital and change-supportive behavior: Mediating effect of cognitive of change. *Open Journal of Social Sciences, 3*(4), 125–133.

Will, M. G. (2015). Successful organizational change through win-win: How change managers can create mutual benefits. *Journal of Accounting & Organizational Change, 11*(2), 193–214.

Yin, R. K. (2017). *Case study research and applications: Design and methods* (6th ed.). Sage.

Magdaline Nkando, PhD, has 20 years of experience working with development projects at regional and international levels. She is a knowledge management (KM), development communications and organizational development practitioner with a strong track record for delivering high-impact communications and KM programs at senior positions as well as a consultant in renowned international organizations including the World Bank, the African Development Bank, and the Crown Agents for Oversea Governments and Administrations. In her assignments, Dr. Nkando mainly contributes to the implementation of the client's KM and communications strategy; generating knowledge and making the most out of the available knowledge resources, enabling task managers to better articulate their work program to internal and external audiences; building upon and expanding the culture of internal learning, sharing, collaboration, and innovation within and between the various programs, projects, and units; playing an active role in team reflections on project learnings, translating those learnings into accessible formats; and documenting, synthesizing, and disseminating experiences, good practices, and lessons learned from the implementation of the client's work program. She holds a PhD in Management (Leadership and Organization Change) from Walden University; an MSc degree in Organizational Development from the United States International University, and a BSc in Information Sciences from Moi University. She can reached at magdaline.nkando@waldenu.edu or magdaline_nkando@yahoo.com.

Kenneth Levitt, PhD, is an associate professor in the Department 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, leadership, and personality. He also has extensive human resource consulting experience with The Gallup Organization and The WorkPlace Group. He can be reached at kjlevitt@frostburg.edu.

Impact of Self-Leadership Competencies on Small and Medium-Sized Enterprises in Kenya During the COVID-19 Pandemic[*]

Jayne Wairimu Waweru
Pan African Christian University

Since the first COVID-19 case was identified in Kenya, the challenges it brought to small and medium-sized enterprises (SMEs) have occupied the same prominence as challenges in health. The containment measures put in place by government to manage the pandemic have affected SMEs in multiple ways, including changing consumption patterns, downsizing of staff and operations, changing business lines, and even closure. This article summarizes the results of a study that investigated the impact of self-leadership competencies on SMEs in Kenya during the COVID-19 pandemic. Specifically, the study investigated the self-leadership competencies adopted by SME leaders to cope with the challenges of COVID-19. The study was anchored on the situational theory of leadership. It used a qualitative approach to collect data from SME leaders during three focus group discussions. The results indicated that business leaders who practiced various self-leadership approaches were able to adjust their work practices and sustain their enterprises.

Key words: COVID-19, Kenya, self-leadership, self-leadership competencies, SMEs

Kenya, like any other country in the world that tracks and reports its daily infections of coronavirus (COVID-19) disease to the World Health Organization (WHO), is in the thick of the pandemic. Since the first case was reported in the country on March 13, 2020, roughly three months after the first human case of the disease was reported in Wuhan, China, Kenya has had more than 60,000 cases, with more than 1,000 deaths by early November 2020 (World Health Organization, 2020). The disease, which initially affected the capital city of Nairobi and its environs, plus the coastal counties of Mombasa, Kilifi, and Kwale, has since spread and affected the entire country, more so in counties with significant urban populations. This is despite the government of Kenya instituting a raft of containment measures, including travel bans; night curfews; quarantine centers; and closures of borders, institutions of learning, and entertainment places to stave off the epidemic.

But as the Kenyan experience has shown, the issues of health and economics are perfectly intertwined. Along with the morbidities and the mortalities associated with COVID-19, the pandemic has affected other areas, including the economy (Baldwin & Weder di Mauro, 2020). The containment measures enacted in many parts of the world at the onset of the disease have interrupted global production and supply chains, slowing down economic activities in nearly all categories of business (International Trade Centre, 2020). The containment measures have also altered consumer patterns, creating abnormalities in the markets (Organisation for Economic Co-operation and Development [OECD], 2020) that make it difficult for small and medium-sized enterprises (SMEs) to sustain operations (International Labor Organization, 2020; OECD, 2020).

Small and Medium-Sized Enterprises (SMEs) and the COVID-19 Pandemic

There is no universal criterion of what constitutes an SME. This is more to do with disparities in sizes of economies across the globe, where large economies with big corporations regard an SME to be businesses employing fewer than 500 people while medium economies put that number at 250 (Ayyagari et al., 2007). Kenya's Micro and Small Enterprises Act of 2012 (Republic of Kenya, 2013) defines a *small enterprise* as one that employs between 10 and 50 people. In Kenya, a *medium-sized enterprise* is considered to be one that employs between 50 and 100 employees ("Small and medium-sized enterprise," n.d.).

SMEs play a crucial role in the global economy. Statistics indicate that SMEs provide about 70% of jobs in most countries around the world. In Kenya, they account for 98% of all businesses and more than 80% of the income for the working population (International Trade Centre, 2019). But with workers and customers staying indoors because of the COVID-19 pandemic, the resulting change in consumption patterns and supply chain challenges have stressed economic activities across the globe (International Trade Centre, 2020). A survey of SMEs in 132 countries indicated that the pandemic has affected two-thirds of SMEs, and some are at risk of permanent closure (International Trade Centre, 2020). Locally,

the Kenya Private Sector Alliance (KEPSA; 2020) indicates that 61% of Kenyan businesses have been affected by COVID-19 containment measures and face challenges like downsizing of operations and staff, cash flow problems, stock-outs, reduced demand, reduced working hours, or even closing of operations. It is not known whether the effects will be medium term or long term.

Because of the challenges SMEs face due to the COVID-19 pandemic, we are convinced that SMEs require strong leadership to cushion businesses from failure and collapse. Most SMEs across the world are run and managed by owners. Since the owners are key decision-makers, their self-leadership is crucial in navigating the challenges to which the SMES are exposed. But while studies have been carried out on how to mitigate the impact of the COVID-19 pandemic on SMEs (Development Initiatives, 2020; United Nations Development Programme, 2020; Zeidy, 2020) none have examined the role of self-leadership competencies of SME leaders in preserving enterprises during the COVID-19 pandemic. This study is an attempt to fill the gap.

Self-Leadership Competencies

Hersey and Blanchard's (1969) *situational theory of leadership* proposes that different situations require different leadership styles to get results (as cited in Raza & Sikandar, 2018). Therefore, it is the task of a leader to recognize different situations they face in their leadership and apply specific types of approaches to obtain results. As such, if Kenyan SME leaders are to be successful during the COVID-19 pandemic, they should be flexible. They must exercise self-leadership, allowing them to adjust to and cope with the challenges posed by the pandemic.

But what is self-leadership? Browning (2018) defines *self-leadership* as having a sense of the person you are, your vision, and your ability to communicate your behavior and emotions to get where you want. Manz (1986) defines it as a process in which one controls one's behaviors, creates influence on others, and leads himself or herself through using cognitive and behavioral skills. Self-leadership enables leaders to successfully face challenges through strengthened self-leadership competencies (Tat & Zeitel-Bank, 2013). It has been touted as the best

solution to "fully prepare organizations for the leadership challenges of tomorrow" (Pearce & Manz, 2005, 130, as cited in Pihl-Thingvad, 2014). Self-leadership competencies include emotional intelligence, locus of control, self-efficacy, self-awareness, self-goal setting, self-observation, self-reward, self-talk, and visualizing performance.

Emotional intelligence is the ability of leaders to be able to understand and control their own emotions, strengths, weaknesses, and motivations while also recognizing those of others (Goleman, 2005). Emotional intelligence strengthens leaders' self-awareness through an understanding of their own strengths and weaknesses. The literature suggests that emotional intelligence enhances self-leadership through a change in behavior pattern and the ability to regulate one's emotions, which leads to improvements through constructive thinking, positive talk, and imagination of positive experiences (van Zyl et al., 2017). Other aspects of emotional intelligence include empathy and self-regulation.

Locus of control refers to individuals' perception of their ability to influence work performance and the extent to which they believe they can control events they encounter. It is classified as either internal or external locus of control (Rotter, 1966). Leaders with either internal or external locus of control show different leadership styles (Spector, 1982). Those with *internal orientation* influence outcomes through their efforts and skills, while those with *external orientation* have the perception that outcomes are influenced by external forces that cannot be controlled or predicted (Rastegar & Heidari, 2013). However, according to Dumitriu et al. (2014), a leader needs to have an internal locus of control to be successful.

Self-efficacy is considered to be individuals' judgment on their capability to successfully handle situations (Buenaventura-Vera, 2017; Mesterova et al., 2015). It enables people to not only focus on the abilities of others, but also on their own ability to know their capability and skills (Bandura, 1997; Buenaventura-Vera, 2017). *Self-observation* involves leaders' ability to know when to engage in a specific form of behavior, while *self-awareness* helps leaders' do away with unproductive and ineffective behaviors, especially where there are challenges. *Self-goal setting* is one's ability to self-direct by setting personal goals and working

toward them for successful performance (Houghton & Neck, 2002). Those goals need to match those of the organization. In this competitive environment, leaders are advised to set specific and challenging goals to increase the performance of individuals for the short- and long-term performance of organizations.

Self-reward involves a person awarding themselves either mentally or physically after accomplishing a task. For example, a leader may upon accomplishing a task may reward self by proceeding for a holiday. Self-reward is the converse of self-punishment. In the former situation, a reward is only applicable where a goal has been achieved. However, self-punishment can also be positive, if a leader self-corrects by shaping his or her behavior in a desired way (Hardy, 2007).

Self-talk is vital when a leader is handling challenges. Self-talk can be either constructive or dysfunctional (Houghton & Jinkerson, 2007; Neck & Manz, 1992). *Constructive self-talk* seeks to find explanations for peoples' behavior, current situations, and responses to arising challenges. *Dysfunctional self-talk* focuses on the negative aspects that come with challenges. Constructive self-talk is self-reflexive, substantive, thoughtful, motivational, and insightful and is crucial for business owners facing challenges (Rogelberg et al., 2013).

It is evident that these self-leadership competencies are crucial for empowering business leaders to visualize the immediate future performance of their businesses by understanding the current situation and the decision-making process to realize a vision. SME leaders are responsible for conveying their business visions to their teams to reach a common goal. This study examined whether SME leaders in Kenya are innovative enough to embrace self-leadership competencies to keep their businesses afloat during the COVID-19 pandemic. It was guided by the following research question:

What are the self-leadership competencies adopted by SME leaders in Kenya to cope with the challenges of COVID-19?

This study contributes to contextual literature on self-leadership competencies, as it provides data on how SME leaders in Kenya have navigated business challenges during the COVID-19 pandemic. It is also useful to business leaders who wish to develop programs aimed at improving self-leadership competencies

among SME leaders. It will help the Kenyan government design policies that can cushion SME leaders from such challenges in the future.

Method

This study employed a qualitative approach for data collection. The author conducted three focus group discussions (FGDs), each comprised of six to eight SME leaders in Nairobi, Kenya, identified through personal networks. Because of the COVID-19 pandemic, all FGDs were conducted via Zoom meetings. The study used the self-competency parameters from Houghton et al.'s (2012) Abbreviated Self-Leadership Questionnaire (ASLQ) to develop the FGD guide. However, the questions were expanded to include emotional intelligence, locus of control, and self-efficacy, as they have been used by similar studies on aspects of self-leadership. The collected data were transcribed, uploaded to MAXQDA software, and analyzed using thematic content analysis in line with the research question.

Results

All respondents agreed that the COVID-19 pandemic caused a shift in consumer patterns, slowing down businesses and even crippling some. They observed that the larger population was concerned on spending money only on essential goods and services. One respondent said:

> It became a priority for people to be buying specific things, which is nowadays called essentials. Currently, you cannot find somebody buying clothes or doing interior decoration because of the economic uncertainties. People have become so cautious about what they spend their money on.

The SMEs in the construction sector were most affected, as this kind of business in Kenya almost came to a complete halt. One of the SME leaders noted:

> The construction industry has been majorly affected. This is because people are facing financial constraints. They have to choose between feeding their families and constructing. This has made the construction business go down. I would say we are managing and trying our best to stay afloat.

The dusk-to-dawn curfew restrictions imposed by the government to contain the COVID-19 pandemic also meant that businesses that operated during those times

could not do so. These SMEs felt inconvenienced and had to shift their working hours to comply with the government restrictions.

Self-Leadership Competencies That SME Leaders Adopted to Cope With COVID-19 Challenges

The study analyzed several self-leadership competencies, including self-goal setting, self-awareness, and self-observation. Most respondents indicated that they adjusted their goals to remain in business. They changed their approaches to business to stay afloat as the pandemic altered consumer patterns. They also ventured into other businesses and partnerships and embraced technology, like e-commerce, to increase sales. One SME leader in the entertainment industry said:

> They normally say that the only constant thing is change, and as an entrepreneur, change comes along no matter how abrupt it is . . . It calls for diversity. If you are doing events and you are in the entertainment industry and all these things that are not so essential, you need to go back and check what is selling right now, which kind of businesses are thriving. This also calls for a lot of partnerships here and there. If I am doing 'A,' I can partner with a company that is doing 'B.' We have seen things like e-commerce thriving a lot right now because people are being encouraged to stay at home.

This study explored the aspect of self-awareness among SME leaders by assessing their abilities to keep track of their business performance and whether they achieved their set goals. One respondent said "okay, I know myself well, and through this stress management, I think it has helped me." The same respondent also noted:

> There are situations I feel let me live one day at a time and then there are others that I feel, okay, I can go step one and then step two. . . . That's basically what I am also going through in both my consultancies and my other business. Some of the businesses I had to close down and fire people and say all right, until next time. . . . But there are others that I had to keep going, and I had to be agile and change and see how best to be impactful and still make a living.

For the competency of self-observation, the majority of the respondents reported that they were not doing well and had to re-strategize by downsizing staff, cutting down expenditures, changing their lines of business, or shutting down completely. However, one respondent said:

I am a serial entrepreneur, and there are aspects of my business that are shut down completely because I don't have the mental capacity at the moment to handle them. And then there are those aspects of a business that I have had to re-strategize and refocus and see how best to navigate and go about it. So, it's on a business case by case for me.

The SME leaders were able to make decisions, stay in control of their businesses, and focus on businesses that were working, while at the same time, adjusting to changes created by the pandemic. They considered it an opportunity to advance into technology to render services to their customers.

For self-efficacy, the study evaluated the ability of SME leaders to successfully handle situations and navigate their businesses through the COVID-19 pandemic environment. The majority of the respondents believed in their ability to steer through business by believing that there are opportunities amid the pandemic, as evidenced from the response below:

It is also about mindset, and how able we are to go through this phase. That is why, when you are starting a business, no matter how big or small the business is, you have to set goals. When you are setting goals, you also factor in obstacles. A pandemic is a mesh of obstacles that we experience in businesses because anything can happen along the way. So, first you need to have the mindset. Usually, how do we sustain our businesses? How do we maintain the mindset that this business is actually what I wanted to do because at some point, you ask yourself like. . . . Take someone that settled on school uniforms, no school is on now because of the pandemic, so there is a way out. It is just having a mindset that there is way out. . . . If I am selling school uniforms, I could diversify, I could talk about probably how to start training people online because what is happening right now is online. Everything has gone online. . . . There are those of us who still have that mindset of being able to cope in such challenging situations.

When it came to self-reward, most SME leaders indicated that they rewarded themselves upon the successful completion of a task and the achievement of a goal. They added that they did not reward themselves when they failed to complete a task or achieve a goal. One respondent said:

Most of the time, I buy myself something and pat myself [on the back]. I tell myself I have to do something when I have reached a target or achieved a specific goal. I have to buy myself what I promised. If I don't reach that goal or if I don't fulfill that task, I don't buy myself that thing. For instance, there was a time I wanted to buy myself a new laptop. I told myself that I was able to choose between completing my task successfully, and then I would buy myself

a new laptop. Unfortunately, I did not get it done, so I did not buy myself a laptop. . . . I tried to do it again and the second [time], I got it done and I bought myself a laptop . . . that is what gives me the motivation to keep on working.

Another respondent added:

COVID-19 has forced some of us to adjust our business goals. We have adjusted both the short-term and long-term goals. It's a tricky situation. The moment you don't achieve a particular task or goal that you set, you sometimes sit back and pat yourself at the back and move forward. Sometimes, you know, especially toward the end of March when the reality was dawning on us with the cessation of movement. . . . it became so tricky that we could not see the light at the end of the tunnel. So, at that point, you had to adjust so fast. We were not sure if we were going to achieve the small goals that we had set. So, every time we would meet them, at least you would go and buy yourself something as positive regard to yourself. You feel that you have achieved so much because it's something that you never expected, so you have to self-reward.

From the above responses, it is evident that self-reward motivates leaders to keep on working to achieve the set goals of their business during the pandemic.

For emotional intelligence, the study explored the ability of SME leaders to understand their own emotions as well as the emotions of those they were leading and their customers. The findings showed that the majority of the respondents exhibited very high emotional intelligence. However, some leaders felt overwhelmed by the situation, as evidenced by one respondent:

Sometimes you question yourself on what is happening. You feel like crying and getting angry. The good thing is that I have been able to talk to other people including my clients and they tell me to relax. I am working with people who have been in business for quite a long time, some more than 20 years. They tell me that there are some ups and downs. Some clients give you money for you to keep moving for a while. I also talk to people so that I can understand their situation while they also understand mine. I discuss so that I get my mind not to concentrate on the bad things but the positive.

Possessing emotional intelligence helped the leaders to remain stable and adjust their modes of business operations. One respondent said:

COVID might be here for a long time. What we are doing is adjusting and learning to live it. . . . In the past, we used to make payments in cash but this time we are using mobile payments. Where we are sourcing our sand, we don't use cash. We use MPESA to make those payments.

Some leaders also focused on themselves by working on their mental and physical wellbeing through exercising more and keeping a positive attitude together with being empathetic. One respondent said:

> What I have done is to start by first focusing on myself. I exercise more these days*. . . .* to ensure that I have a sharp focus. I focus on the positives. I try as much as possible to avoid consuming a lot of COVID news because there is so much news about COVID that is coming through and most of it is misinformation*. . . .* As a leader am trying to be very empathetic in the way am relating to people. I now listen a lot because I realized people are now living on the edge. They are like walking dynamites just ready to explode. I am trying to listen a lot and to encourage people as I encourage myself as well as I focus on positive talks. I also teach online a lot of positive things.

The study analyzed locus of control by testing the ability of the SME leaders to influence their business performance. The findings indicated that the majority of the leaders exhibited internal locus of control. As one respondent noted:

> As a businessperson, I have to try, too. Yes, my business has been affected. Do I stay there crying that, you know, corona is here, business is down, so who should I wait to come and help me out of this situation? I believe that despite this being a global pandemic, as a person, I have that ability within me to either metamorphosize and do something different.

A few others exhibited an external locus of control and wanted the government to provide financial assistance to SMEs to help overcome the challenges brought by COVID-19. One respondent reported:

> I don't think the government is interested in SMEs. They might be doing a whole lot, but they are not getting to the grassroots. They are not getting to the people*. . . .* They need to provide SMEs with financial help so that we can be able to cope with such situations.

Most of the SME leaders said they would accept 100% of the responsibility for their business performance. As one respondent stated:

> You have to accept whatever is happening because, first of all, the situation we are in is a global pandemic. It's not peculiar to Kenya. Everybody is facing it. I have also learned to plan to rebuild during this situation*. . . .* Right now, things might look [bad], but some people are thriving [during] this time. It's not that gloomy. I think it is a matter of positioning yourself and looking at the next best step that you could take to steer through this period. I welcome everything that has come as I also work my way through this.

Another added:

> I do accept 100% responsibility. *. . . .* You need to be flexible enough and also
> position your business, regardless of the scenarios. You have to position the
> business in case anything happens—whether small or big—you can adjust to it
> accordingly.
>   This is not the time to apportion blame. I do accept the challenges that have
> been brought about by COVID because it's affecting everyone. This is not the
> time to blame the government. There is so much misinformation that you can
> get online, but this is not the time to apportion blame but the time to position
> your business, to reduce expenses and some costs, and [to] stay afloat.
>   Everything has to do with me. *. . . .* Being able to think of it, how I can cope,
> being able to go through it. That is what helps me to understand who I am,
> because I know myself.

Self-talk reflected on the ability of leaders to mentally evaluate the accuracy of their

beliefs about the situations they were currently in. One SME leader said:

> I think from the onset, there was a lot of miscommunication about this whole
> thing. With the new changes that have come, it has made me realize that this is
> real and it might be here for some time, and we must align ourselves with the
> new way.

Overall, the SMEs are repositioning themselves to cope with the challenges

brought by COVID-19, as one respondent notes:

> I think looking at the state of affairs at where we are right now, it just brings us to
> realize that there is no abroad and local. *. . . .* I think it's just to [attune] ourselves to
> what is happening far and wide, not just in the local scene, just look way beyond
> here in terms of positioning the business and everything that revolves around that.
> What is happening in the global scene is something that we should look [at] and
> adopt locally, not say that that is for them, but here it operates differently. Sooner
> or later, we will be caught up. What we are talking about right now, if we started to
> think in those lines earlier before we were hit, I think we would have positioned
> ourselves better, and we would have been [in] a better place.

Discussion

This study utilized a qualitative approach to better understand how self-leadership

competencies among Kenyan SME leaders helped them cope with the challenges

of the COVID-19 pandemic. The emerging challenges facing SMEs due to the

pandemic are loss of work, changes in working hours, financial constraints,

changes in or diversification of business, and closure of businesses. These

findings are similar to those of other research (see International Trade Centre,

2020); KEPSA, 2020), which have established that the pandemic has greatly affected business operations in terms of lack of finances, decreases in demand of goods and services, disruptions in supply chains, reductions in staff working time, and travel restrictions.

The study explored many self-leadership competencies among the SME leaders and the role they play in helping the leaders cope with the challenges of the pandemic. It found that that the majority of the SME leaders exhibited the goal-setting skill and have evaluated their business performances and made observations on what they need to adjust to cope with the situation. Some leaders have ventured into e-commerce and Facebook advertising, among many innovations. This is consistent with the findings of a study by Ghandour et al. (2007), which established that self-goal setting, together with planning, helps improve business performance, especially those that have incorporated e-commerce.

Again, most SME leaders possessed self-efficacy, as evidenced in their ability to visualize their performance. The SME leaders were able to venture into other businesses that they found favorable during the COVID-19 pandemic. This agrees with the findings of Buenaventura-Vera (2017), who reported self-efficacy as a factor that determines innovative behavior. The leaders also practiced self-reward whenever they accomplished a task successfully. They did not reward their efforts when they failed to accomplish a set task. This finding aligns with that of Manz (1992), who notes that rewards can either be mental or physical, and they serve the purpose of improving motivation in pursuit of goals.

Further, results on emotional intelligence revealed that most of the leaders showed high emotional intelligence, were empathetic, and managed their relationships well. This agrees with Sy et al.'s (2006) study, which established that a positive correlation between emotional intelligence and satisfaction in work leads to a better and improved performance in the areas of self-awareness and in work–life balance.

The study also established that different SME leaders exhibited internal and external locus of control. The majority exhibited an internal locus of control, as they believed that they were in control of the situation and accepted full responsibility

for their businesses. Dumitriu et al. (2014) found similar results and established that leaders with an internal locus of control are task-oriented, persevere, and take high responsibility in the establishment and achievement of objectives. Additionally, most of the SME leaders lamented that they previously had misinformation about the pandemic but have now adjusted and worked it out after engaging in constructive self-talk. Similar work by Rogelberg et al. (2013) reported that constructive self-talk increased the ability of a leader to lead and experience less strain in work.

   Lastly, a few leaders pointed out that self-leadership can be improved if leaders network and exchange ideas on how to cope with the business challenges of the pandemic. The need for networking among businesspeople has also been emphasized in several studies (see Håkansson & Snehota, 1995; Soetanto, 2017; Turner & Endres, 2017).

Limitations

This study only explored the impact of self-leadership competencies of SME leaders in dealing with the challenges brought by the COVID-19 pandemic. It is limited in time and geographical scope and cannot be used to explore wider trends in the performances of SMEs.

Conclusion

The study established that most SME leaders in Nairobi, Kenya, demonstrated good self-leadership and employed various competencies to cope with the challenges of operating in a COVID-19 environment. This vindicates the situational theory of leadership by Hersey and Blanchard of 1969 (as cited in Raza & Sikandar, 2018) upon which this study is based. However, while self-leadership competencies of SME leaders are commendable, there is a need for self-leadership training through skill development courses so that they can gain additional leadership skills that can help them thrive better in different situations. It is also not enough for SME leaders to just employ their self-leadership competencies and navigate through the business challenges caused by the COVID-19 pandemic. This study shows that the Kenyan government should

partner with smaller SMEs to guarantee their sustainability. Financial service providers like banks and financing firms should provide SMEs with low-interest loans to cushion them from stress during these times of crisis.

References

Ayyagari, M., Beck, T., & Demirguc-Kunt, A. (2007). Small and medium enterprises across the globe. *Small Business Economics, 29*(4), 415–434. www.jstor.org/stable/40229581

Baldwin, R., & Weder di Mauro, B. (2020). *Economics in the time of COVID-19*. Centre for Economic Policy Research. https://cepr.org/sites/default/files/news/COVID-19.pdf

Bandura, A. (Ed.) (1997). *Self-efficacy in changing societies*. Cambridge University Press.

Browning, M. (2018). Self-leadership: Why it matters. *International Journal of Business and Social Science*, *9*(2), 14–18. https://ijbssnet.com/journals/Vol_9_No_2_February_2018/2.pdf

Buenaventura-Vera, G. (2017). The impact of leader self-efficacy on the characteristics of work teams. *Intangible Capital, 13*(4), 824–849. https://doi.org/10.3926/ic.938

Development Initiatives. (2020, June 19). *Socioeconomic impacts of Covid-19 in Kenya* [Background paper]. https://devinit.org/resources/socioeconomic-impacts-covid-19-kenya/

Dumitriu, C., Timofti, I. C., Nechita, E., & Dumitriu, G. (2014). The influence of the locus of control and decision-making capacity upon the leadership style. *Procedia—Social and Behavioral Sciences, 141,* 494–499. https://doi.org/10.1016/j.sbspro.2014.05.086

Ghandour, A., Benwell, G., & Deans, K. (2007). *The contribution of goal setting to the success of ecommerce systems among small and medium enterprises in New Zealand* [Paper presentation]. Pan-Pacific Conference XXIV of the Pan-Pacific Business Association, Dunedin & Queenstown, New Zealand. https://ourarchive.otago.ac.nz/handle/10523/704

Goleman, D. (2005). *Emotional intelligence. Why it can matter more than IQ*. Bantam Books.

Håkansson, H., & Snehota, I. (Eds.) (1995). *Developing relationships in business networks*. Routledge. https://www.impgroup.org/uploads/books/0-415-11570-1.pdf

Hardy, K. (2007). Self-reward: An untapped resource for high performance, *The Public Manager, 36*(2), 55–58. https://www.thefreelibrary.com/Self-reward%3A+an+untapped+resource+for+high+performance%3A+a+recent...-a0167103657

Houghton, J. D., Dawley, D., & DiLiello, T. C. (2012). The abbreviated self-leadership questionnaire (ASLQ): A more concise measure of self-leadership. *International Journal of Leadership Studies, 7*(2), 216–232. https://www.regent.edu/acad/global/publications/ijls/new/vol7iss2/IJLS_Vol7Iss2_Houghton_pp216-232.pdf

Houghton, J. D., & Jinkerson, D. L. (2007). Constructive thought strategies and job satisfaction: A preliminary examination. *Journal of Business and Psychology, 22*(1), 45–53. https://doi.org/10.1007/s10869-007-9046-9

Houghton, J. D. & Neck, C.P. (2002). The revised self-leadership questionnaire: Testing a hierarchical factor structure for self-leadership. *Journal of Managerial Psychology, 17*(8), 672–692. https://doi.org/10.1108/02683940210450484

International Labor Organization. (2020). *COVID-19 and the world of work*. https://www.ilo.org/global/topics/coronavirus/lang--en/index.htm

International Trade Centre. (2019). *Promoting SME competitiveness in Kenya: Targeted solutions for inclusive growth.* https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/Kenya_SME_Comp_final_low_res.pdf

International Trade Centre (2020). *SME competitiveness outlook 2020: COVID-19: The great lockdown and its impact on small business.* https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/ITCSMECO2020.pdf

Kenya Private Sector Alliance. (2020, September 15). *Business perspectives on the impact of the corona virus on Kenya's economy*. https://eabc-online.com/download/business-perspectives-on-the-impact-of-coronavirus-on-kenyas-economy/

Manz, C. C. (1986). Self-leadership: Toward an expanded theory of self-influence processes in organizations. *Academy of Management Review*, *11*(3), 585–600. https://www.jstor.org/stable/258312

Manz, C.C. (1992). *Mastering self-leadership: Empowering yourself for personal excellence.* Prentice-Hall.

Mesterova, J., Procházka, J., Vaculík, M., & Smutny, P. (2015). Relationship between self-efficacy, transformational leadership, and leader effectiveness. *Journal of Advanced Management Science*, *3*(2), 109–122. https://doi.org/10.12720/joams.3.2.109-122

Neck, C., & Manz, C. (1992). Thought self-leadership: The influence of self-talk and mental imagery on performance. *Journal of Organizational Behavior, 13*(7), 681–699. http://ezproxy.pacuniversity.ac.ke:2067/stable/2488389

Organisation for Economic Co-operation and Development. (2020, July 15). *Coronavirus (COVID-19): SME policy responses*. https://oecd.dam-broadcast.com/pm_7379_119_119680-di6h3qgi4x.pdf

Pihl-Thingvad, S. (2014). Is self-leadership the new silver bullet of leadership? An empirical test of the relationship between self-leadership and organizational commitment. *Management Revue, 25*(2), 103–124. https://www.jstor.org/stable/24709919

Rastegar, M., & Heidari, N. (2013). The relationship between locus of control, test anxiety, and religious orientation among Iranian EFL students. *Scientific Research*, *3*(1), 73–78. https://doi.org/10.4236/ojml.2013.31009

Raza, S. A., & Sikandar, A. (2018). Impact of leadership style of teacher on the performance of students: An application of Hersey and Blanchard situational model. *Bulletin of Education and Research, 40*(3), 73–94. https://files.eric.ed.gov/fulltext/EJ1209826.pdf

Republic of Kenya. (2013, January 4). The Micro and Small Enterprises Act—No. 55 of 2012. *Kenya Gazette Supplement* (No. 219, Acts No. 55). https://www.industrialization.go.ke/images/downloads/policies/Micro-and-Small-Enterprises-No-55-of-2012.PDF

Rogelberg, S. G., Justice, L., Braddy, P. W., Paustian-Underdahl, S. C., Heggestad, E., Shanock, L., Baran, B. E., Beck, T., Long, S., Andrew, A., Altman, D. G., & Fleenor, J. W.. (2013). The executive mind: Leader self-talk,

effectiveness, and strain. *Journal of Managerial Psychology, 28*(2), 183–201. https://doi.org/10.1108/02683941311300702

Rotter, J. B. (1966). Generalized expectancies for internal versus external control of reinforcement. *Psychological Monographs: General and Applied*, *80*(1), 1–28. https://psycnet.apa.org/record/2011-19211-001

Small and medium-sized enterprise. (n.d.). *Wikipedia.* https://en.wikipedia.org/wiki/Small_and_medium-sized_enterprises

Soetanto, D. (2017). Networks and entrepreneurial learning: Coping with difficulties. *International Journal of Entrepreneurial Behavior & Research, 23*(3), 547–565. http://doi.org/10.1108/IJEBR-11-2015-0230

Spector, P. E. (1982). Behavior in organizations as a function of the employee's locus of control. *Psychological Bulletin, 91*(3), 482–497. http://doi.org/10.1037/0033-2909.91.3.482

Sy, T., Tram, S., & O'Hara, L. A. (2006). Relation of employee and manager emotional intelligence to job satisfaction and performance. *Journal of Vocational Behavior*, *68*(3), 461–473. https://doi.org/10.1016/j.jvb.2005.10.003

Tat, U., & Zeitel-Bank, N. (2013, June 19–21). *Self-leadership development: The link between body, mind, and reflection* [Paper presentation]. Management, Knowledge and Learning International Conference, Zadar, Croatia. http://www.toknowpress.net/ISBN/978-961-6914-02-4/papers/ML13-244.pdf

Turner, S., & Endres, A. (2017). Strategies for enhancing small business owners' success rates. *International Journal of Applied Management and Technology, 16*(1), 34–49. https://core.ac.uk/reader/147838292

United Nations Development Programme. (2020, April). *Articulating the pathways of the socio-economic impact of the coronavirus (COVID-19) pandemic on the Kenyan economy* (Policy Brief Issue No. 4/2020).

van Zyl, E. S., Mokuoane, M., & Nel, P. (2017). The effect of work stress and emotional intelligence on self-leadership among nurses in leadership positions in the Lesotho Ministry of Health and Social Welfare. *African Journal of Nursing and Midwifery, 19*(1), 88–104. https://doi.org/10.25159/2520-5293/613

World Health Organization. (2020, April 23). *Coronavirus disease 2019 (COVID-19)* (Situation Report 94). https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200423-sitrep-94-covid-19.pdf?sfvrsn=b8304bf0_4

Zeidy, I.A. (2020). Economic impact of COVID-19 on micro, small and medium enterprises (MSMEs) in Africa and policy options for mitigations [Special report]. Common Market for Eastern and Southern Africa. https://www.tralac.org/documents/resources/covid-19/regional/4049-economic-impact-of-covid-19-on-msmes-in-africa-and-policy-options-for-mitigation-comesa-special-report-august-2020/file.html

Jayne Wairimu Waweru is an accomplished pharmaceutical professional with graduate training in International Public Health (MPH) and ongoing doctoral studies in Organizational Development complemented by comprehensive experience in pharmaceutics, program and project management, research, capacity building, and public health supply chain management. She has expertise in coordinating and managing the design, implementation, monitoring, and evaluation of projects and supply chain management systems for tuberculosis/leprosy, contraceptives, antiretroviral therapy, malaria-specific commodities, STI and HIV testing, and blood safety commodities. She has taught various courses for the award of Diploma in Pharmacy. She has experience in engaging diverse stakeholders across the region (Kenya, Malawi, Liberia, South Sudan, Ethiopia, Nigeria, Rwanda, and India) for sustainable relationship building. She can be reached at .Jayne.Waweru@students.pacuniversity.ac.ke.