Full Range Leadership Development

Pathways for People, Profit, and Planet
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Chapter 10

Full Range Leadership Development for Strategic, Social, and Environmental Initiatives

Show me the business man or institution not guided by sentiment and service, by the idea that “he profits most who serves best,” and I will show you a man or an outfit that is dead or dying.

—B. F. Harris

It was summer 2008. As the bright morning sun rose on the shimmering Philadelphia skyline, the City of Brotherly Love was once again coming back to life. Hawkers, walkers, and workers were hustling and bustling on its busy streets, filled with the flurry of buses, cabs, trucks, and cars. Echoing in the distance were the sounds of trains, bringing in tired workers, scrambling for their morning coffee, while their bleary eyes were glued to their Blackberries and PDAs. For one downtown resident, the city’s morning flurry brought on a rush of enthusiasm and energy. Robert Lockwood emerged from his Center City home invigorated by his new strategic initiative to produce profound change in higher education.

As a partner at the Gallup Organization, Lockwood worked to help schools, such as Harvard University, Nova Southeastern University, and Drexel University,
enhance their strategic planning processes through better brand imaging. His job involved building strong relationships with college constituents, including students, alumni, faculty, administration, community leaders, and local government. Lockwood asked these groups about the brand image of their schools and examined what respondents perceive their school’s identity to be. In this way, Lockwood solicited input and opinion, thereby pulling constituents into the school’s leadership system. Lockwood worked to tear down the traditional silos of isolation to instead promote communication and collaboration among these constituent groups. This enables school leaders to reach consensus on what brand image they aspire to and build a strategy to reach that goal.

Lockwood is an excellent communicator who uses inspirational motivation to woo his audiences with his vision of change. He argues that achieving an excellent brand image requires dramatic institutional change. Of course, bringing about such fundamental change is no easy task because it involves capturing people’s hearts, minds, and souls. According to Lockwood, rational persuasion is not good enough. He believes people need to become emotionally committed to change to generate the passion, trust, engagement, and collaboration associated with effective organizations. While intellectual stimulation may help with the rational side of promoting change, Lockwood acknowledges that inspirational motivation is the key to success when it comes to organizational change efforts. In fall 2008, Lockwood left Gallup and moved on to start princetongreen.org, a strengths-based organization that helps others save energy.

Robert Lockwood’s story underscores the belief that an organization’s reputation is a valuable intangible asset. This asset has to be built through the emotional and psychological commitment from people within the organizations. When employees are committed to their jobs, it is reflected in their attitudes and dedication toward customers, which in turn makes their customers happy and satisfied. When customers are satisfied, they become repeat customers who spread positive word-of-mouth advertising about your organization. When customers do this, they become evangelists for you.

Many successful companies, such as Harley-Davidson, Apple, Best Buy, and Lexus, know exactly how they can make their customers loyal. For example, Lexus provides luxurious dealerships that treat customers as VIPs and surveys its customers about their experiences during service visits. From a strategic standpoint, this is one way organizations can differentiate themselves from others and stand out as something special. Because emotional and psychological processes are key motivational mechanisms of Full Range Leadership Development (see Chapter 2), it makes sense to apply FRLD principles to strategic initiatives in your organization and community. This chapter shows you how to do this. Let’s start learning about this process by examining the case of a giant in the field of information technology.
Steve Jobs and the Resurrection of Apple

Building brands is a task Steve Jobs knows well. In the early days of Apple, Jobs and co-founder Steve Wozniak succeeded in creating a unique personal computer that was wholeheartedly embraced by school students and computer enthusiasts. Emboldened by his masterful salesmanship and showmanship, Jobs proclaimed that Apple was on a “mission from God.” They believed that their work was vitally important for improving life for humanity. This motivated Apple engineers to work tirelessly to create computers that were technologically sophisticated and elegant—what Jobs refers to as “insanely great.” He also tried to appeal to customers by communicating his personal vision of “computers for everyone,” thereby creating customer loyalty. This egalitarian edict sparked the hearts and imaginations of businesspeople and school students alike. Apple’s customers have always loved its products, to the point of being cult-like fanatics hopelessly smitten by Apple products’ design features and performance. This intense brand loyalty is what the Gallup Organization refers to as a high level of customer engagement.²

Following its initial success competing against IBM and its PC, Apple lost market share with what some believed were overpriced Macintosh or Mac products. Apple had difficulty meeting market demands, which left a bad impression on customers. Internal strife then began to brew within the Apple boardroom. A struggle between Jobs and then-CEO John Scully resulted in Jobs being forced out of Apple in 1985. Over his career, Jobs has been well known for his domineering and sometimes dictatorial style, complete with forceful intimidation of employees, temperamental behavior, and no tolerance for people, processes, or products that were not “insanely great.” Jobs’ complex personality illustrates the point that charismatic leaders can be directive or participative, collaborative or controlling, manipulative and even narcissistic.

After leaving Apple, Jobs went on to start NeXT Computer while Apple continued to flounder under a succession of ineffective CEOs who led with a transactional style. With a low stock price and an unhealthy financial position, Apple was in serious trouble and needed a charismatic savior. In 1996, Apple purchased NeXT and Jobs returned to the helm as its CEO. It is then that he led a number of brilliant strategic moves. First came integration of NeXT technologies to develop lightening-fast operating systems. Then Jobs turned his attention to expanding Apple’s products and service lines by reframing his business into more than simply a computer company. Its new domain now includes telecommunications and music as well as computers. For the next 10 years after returning as CEO of Apple, Jobs inspired the company to introduce eye-catching products such as the iMac, iPod, and iPhone, and its stock price rose from about $5 to $150 per share. Eventually, Apple topped the “Most Admired Companies in the
U.S.” ranking by Fortune. Apple’s partnership with rival Microsoft opened the door for more applications to be run on Apple’s products. Jobs emphasized not only innovation, performance, and design elegance, but also delivering work products on time. Jobs also initiated a “green” initiative to promote environmentally friendly shipping and recycling of Apple’s products.3

These strategic shifts resulted in unprecedented success for Apple and its shareholders. And they illustrate the use of several aspects of FRLD concepts. We see inspirational motivation in Jobs’ ability to envision and recreate Apple as a telecommunications products company. He achieved this by foreseeing and setting trends with his vision. As he stated in his keynote speech at the 2007 Macworld Conference and Expo, “There’s an old Wayne Gretzky quote that I love. ‘I skate to where the puck is going to be, not where it has been.’ And we’ve always tried to do that at Apple. Since the very very beginning. And we always will.”

Perhaps Steve Jobs’ most defining behavior as a transformational leader is his ability to challenge his employees intellectually. His intellectual stimulation has been a key success factor in Apple’s consistent introduction of new and cutting-edge technology products and services that wow its customers. In 2003, Jobs was diagnosed with pancreatic cancer and has recently struggled with subsequent health issues. At the time of this writing, Jobs appears to have mellowed a bit and has moved away from his aggressive leadership style. By sharing life lessons with the audience, he even displayed individualized consideration in his graduation speech given at Stanford University in 2005. Apple’s newfound embracing of environmentally friendly ways of shipping and disposing of its products is further evidence of individualized consideration deployed as a socially responsible strategic initiative.

Strategic Leadership Defined

Top corporate leaders like Steve Jobs are responsible for creating wealth for their shareholders. They do this by increasing profits and stock price and by creating a sustainable growth plan for the future. Of course, they can’t do this alone. They have to motivate organizational members to create the strategies, structures, markets, processes, and talent pools required to achieve their financial goals. However, these exceptional CEOs possess a special set of perceptual and thinking abilities, along with a vast relevant knowledge base, and excellent interpersonal competencies and leadership behaviors. These resources combined enable the most effective leaders to predict trends among customers and in the market and then create products and services that satisfy these new needs. The capacity to orchestrate complex business processes and to leverage these opportunities into financial rewards for shareholders is called strategic leadership. It
involves the abilities, skills, behaviors, and processes required to anticipate and prepare an organization for its future and add to its prosperity.

We have written elsewhere that top leaders often focus on achieving these goals by applying aspects of FRLD. In this chapter, we explain how top leaders, such as Indra Nooyi (see Table 10.1), use aspects of FRLD to enhance customer relationships and engagement, promote employee learning and growth, and improve operational efficiency. As a result of these leadership effects, an organization’s financial performance should increase.

**Strategic Leadership and the Balanced Scorecard**

A useful framework for understanding how FRLD can be applied in strategic leadership initiatives is the balanced scorecard. Professors Richard Kaplan and David Norton developed the balanced scorecard as a performance management tool to plan, execute, and monitor organizational strategy. It works by encouraging organizations to measure their success from customer, employee, operational, and financial perspectives. Similar to the assumption that leaders are much more likely to influence bottom-line performance indirectly through followers and processes influencing profits, the balanced scorecard assumes that organizations should focus on planning for and measuring things that influence financial outcomes over time (e.g., customer engagement, employee engagement, cycle time, waste, production and management efficiency). These factors influence financial outcomes and are called lead indicators of performance, while the financial outcomes themselves are lag indicators because they are a direct result of the lead indicators.

We believe that strategic leadership should involve identifying and communicating a vision that can be translated into several organizational objectives and more specific goals that are attained. These goals can be measured and monitored by sorting them into the four perspectives of the balanced scorecard:

- **Customer perspective**—Objectives, goals, and measures indicating the quality of relationships with customers and their view of the organization’s products and services. Sample measures include market share, market growth, and customer engagement. The Gallup Organization’s CE11 survey measures customer engagement by assessing customers’ perceptions of confidence, integrity, pride, and passion related to an organization’s products or services.

- **Innovation and learning perspective**—Objectives, goals, and measures indicating the quality of relationships with employees and how they view their development of knowledge, skills and abilities, motivation, and commitment. Sample measures include trust, skills inventory, innovation and...
Table 10.1  Leader Profile: Indra Nooyi

Indra Nooyi, CEO of the global giant PepsiCo, Inc., is a prime example of down-to-earth charm, frankness, and business savvy that makes for effective strategic leadership. She is listed on the *Time* 100 and *Fortune* and *Forbes* lists of most influential and powerful leaders. As Pepsi’s first Indian and female CEO, Nooyi is a role model for minorities hoping to attain top positions in organizations. Her strategic leadership skills were honed through graduate work at Yale University, and a swift career progression at Boston Consulting Group, Motorola, ABB (the huge multinational Asea Brown Boveri), and Pepsi. She joined Pepsi in 1994 as head of corporate strategy.

Nooyi blends transformational and transactional leadership to maximize her firm’s performance. She introduced change in the lineup of subsidiaries owned by Pepsi by spinning off its restaurant businesses. The popular press reported that Pepsi’s annual revenues rose 72% under her leadership as CFO, and net profit more than doubled between 2000 and 2007 due to her brilliant strategic moves as CEO. Now she’s focusing on international sales growth.

In a speech she gave to students of Dartmouth University, Nooyi offered several tips for successful global leadership:

- Use change proactively to create your environment, rather than using it to merely adapt to your environment (this philosophy is essential to inspirational motivation in many multinational firms).
- Identify and leverage your core competencies (these strengths can be built through individually considerate strategic and HR initiatives).
- Set clear financial goals and make decisions rationally—not emotionally (transactional contingent reward leadership is based on this principle).
- Plan, plan, and plan again, with a healthy dose of hope (goal setting + inspirational motivation is a powerful leadership mix).
- Finance and accounting numbers are important, but people are the most important factor for shaping your success (always build upon a base of transactional leadership with the 4Is of transformational leadership).

These are good lessons to remember when thinking about using FRLD as a strategic intervention in your organization.

creativity measures, attitude surveys, and employee engagement. Gallup’s Q12 survey measures employee engagement from self-reports of employees’ perceptions of what intrinsic rewards they get from their job, what effort they put into their job, whether they belong in their organizational role, and how they can grow in their role.8

- **Internal business process**—Objectives, goals, and measures indicating the efficiency and effectiveness of the organization’s processes, practices, and manufacturing/service systems. Sample measures include cycle time, waste, and sundry efficiency metrics. At Ann Taylor Stores Corporation, computer programs display salespersons’ performance metrics for average sales per hour, unit sales, and dollars per transaction. These metrics help managers schedule who should work when and for how long.9

- **Financial perspective**—Objectives, goals, and measures indicating how accountants and financial analysts view an organization’s cash flow, financial condition, and investment rating. Sample measures include net income, return on investment, assets, debt, stock price, and economic value-added (EVA™). Companies like Ford, General Motors, and Disney use EVA™, a metric developed by Stern Stewart & Company, to assess after-tax profit less the cost of capital used to generate profits.10

We believe that the best starting point for the balanced scorecard process is an organization’s vision. Companies differ in their vision. For example, BP’s vision is “beyond petroleum.” Nike’s is to “crush the enemy.” Microsoft’s is “a personal computer on every desk in every home.” Even the engineering department of the Ritz Carlton on Amelia Island, Florida, has a vision: “To go boldly where no hotel has gone before—free of all defects.” While all of these visions are interesting and somewhat grandiose, we see them as being pretty vague. This limits their usefulness.

The balanced scorecard process begins by translating the vision into more specific organizational objectives from the perspectives shown in Figure 10.1. Top leaders communicate the vision and its importance to all employees. In developing strategy, a leadership team should connect each of the objectives and their specific goals within these perspectives to the organization’s vision and its mission. They then drill down these goals through the business units to divisions to departments to teams to individuals. This aligns the goals across organizational levels, encourages coordination and collaboration, and promotes accountability. One thing that CEOs sometimes forget often is the importance of shared vision. They tend to believe that once they communicate their vision, employees accept and cherish it immediately. However, to make your vision a collective and shared commitment of the overall organization, you must communicate it and reinforce it through various means, such as socialization, evaluation, and compensation.
Figure 10.1 Strategic leadership tool. Transformational leaders use a balanced approach to strategic planning that considers perspectives of the customer, employees, operations experts, and financiers.

As part of their strategic business planning, the leadership team then works with associates to map out cause-and-effect relationships between the goals. They create a strategy map in the form of a flowchart. This map charts organizational strategy for achieving the vision, as illustrated in Figure 10.2. The links on the strategy map represent hypothesized relationships between measures within and between the four perspectives of the balanced scorecard. Once appropriate measures are identified for the goals, the leadership team collects data from these measures over time. These data can be used in linear regression models to test the causal assumptions in the strategy map. This process allows leaders to examine the validity of their assumptions supporting their strategic initiatives and revise their strategy map whenever necessary.

For example, the leadership team may wonder whether employee engagement, depicted in the strategy maps shown in Figure 10.2, actually leads to customer engagement and a higher level of employee participation in ideas generation for continuous improvement. Results of the statistical analysis testing relationships between these measures can determine whether money should be spent on improving employee engagement. This process could squeeze speculation out of decision-making processes. Only carefully collected and analyzed data can provide an objective answer to such questions. Therefore, leaders should use data-driven decisions and integrated strategic planning models to align their strategy and vision. This process provides a feedback loop that allows the top leadership to learn from the feedback and adjust their strategy appropriately to maximize their financial outcomes over time.

Mutual of Omaha has successfully used this process in its strategic planning. According to the late Jack Weekly, former chairman and CEO of Mutual of
Figure 10.2  Cause and effect. Strategic maps present hypothesized relationships between key metrics within and between the customer, innovation and learning, internal business process, and financial perspectives.
Omaha, his top leadership team first talked about what it would require to reenergize the company and attain their vision. As a service company, they identified five key objectives to meet: growth and customer loyalty (customer perspective), profitability and financial discipline (financial perspective), and accountability (innovation and learning perspective). They fleshed out their key objectives with more specific goals and then determined how to measure progress on each of these goals. For example, they partnered with the Gallup Organization to use Gallup’s Q12 survey to assess accountability through employee engagement.

Mutual of Omaha’s balanced scorecard “was designed so that operating units at all levels with targets and measures could then develop their own scorecards that were in sync with larger corporate goals and objectives.” This alignment strategy allowed employees across all business units to see their contributions and responsibility for working toward the overall corporate goals. This helps employees see how their daily work contributes to the overall vision of the company in terms of the five objectives.11 This strategic process accomplished for Mutual of Omaha what inspirational leaders do when they show followers the importance of their work. Indeed, FRLD can augment strategic leadership in many ways.12

How FRLD Enhances This Process

Kaplan and Norton originally designed the balanced scorecard as a performance management and strategy tool that uses principles of management-by-objectives (MBO).13 This strategic management approach involves aligning a company’s objectives at various levels of an organization and monitoring progress toward meeting those objectives. You’re probably thinking that this sounds very much like a transactional approach to strategic leadership. If so, you’re correct. That’s because MBO’s emphasis is on goal setting (contingent reward leadership) and actively monitoring progress toward achieving these goals (active management-by-exception leadership). However, transformational aspects of the FRLD model also can be applied to maximize benefits of the balanced scorecard system as a strategic leadership tool.

When you translate the vision into organizational goals, you need to understand the essence of the vision to make the translation process more effective. You should use aspects of inspirational motivation and intellectual stimulation to inspire and challenge your associates to define what objectives are most important to achieve as they work toward attaining the vision. Your vision should be about where your company wants to be in the future. It reflects the future environment and works in concert with your organization’s mission (i.e., core values, purpose, and reason for existence).

When you are tasked with communicating the vision and linking it to individual performance, idealized influence, inspirational motivation, and
contingent reward leadership are appropriate. Through idealized influence, leaders should talk about the importance of organizational values, trust, personal sacrifice, and commitment. You have to show to your employees that these elements are essential to achieve the high level of performance required to attain the vision. Through inspirational motivation, leaders should present the vision in a clear and evocative way—one that energizes followers to work diligently to achieve the vision.

Providing contingent rewards is another great way to motivate associates to begin working hard toward the goal. Contingent reward leadership also provides feedback and learning through a cycle of goal setting, monitoring of results, giving advice derived from results, providing rewards or punishments as necessary, and fine-tuning aspects of strategy, including goals and the actions needed to attain them.

Aspects of FRLD are also helpful in coordinating the people, processes, and resources required to attain objectives and goals across the four perspectives of the balanced scorecard. In regard to the customer perspective, you may be interested in providing perceived value to the most desired customer groups and keeping them satisfied and engaged. You can attain this goal via one or some combination of three strategic approaches: operational excellence, customer intimacy, or product leadership. You can promote operational excellence by displaying inspirational motivation behavior that raises the bar on performance levels and contingent reward behavior that compensates associates for meeting elevated performance standards. You can create customer intimacy by encouraging sales staff to display individually considerate behaviors that ask customers what they value in a product or service and use this feedback in improving products or services. You can promote product leadership by displaying intellectually stimulating behaviors that promote creativity and innovation in research and development and deliver new products and services that are cutting edge and cost-effective.

Regarding the internal business process perspective, you need to create sustainable processes that develop and deliver your products and services more efficiently and effectively. You can attain this goal by examining all the activities and processes, eliminating those that do not add value to the product or service, and expanding those that do. You should examine the following functional areas: operations management, customer management, innovation, and regulatory/social responsibility. For operations management improvement, you can use intellectual stimulation to question assumptions regarding asset utilization and supply chain management processes. Ask your associates, “What do we need to eliminate to make our operational processes more efficient and effective?” For customer management improvement, you can encourage salespeople to use individually considerate behavior with their customers. For innovation, intellectual stimulation is the obvious choice. And for regulatory and social responsibility
initiatives, you can use active management-by-exception behavior to enforce compliance with laws, and intellectual stimulation to think of new ways to produce and deliver products and services in an environmentally friendly manner, much like Steve Jobs did at Apple.

In regard to the innovation and learning perspective, you may be interested in developing the internal skills and capacities required to support your organization’s internal business process functions. You can attain this goal via job design, systems development and maintenance, and organizational development (i.e., addressing culture and climate issues). You can promote innovative job design initiatives through individually considerate behavior that identifies talent and fits it into the right role in the organization, and provide coaching and mentoring to turn associates’ talents into strengths. Or, you can use intellectual stimulation to redesign jobs to offer more task variety, task meaningfulness, feedback, and autonomy.

You can support systems development and maintenance with a combination of active management-by-exception, contingent reward, and intellectually stimulating leadership. Intellectual stimulation is helpful when creating new systems and fine-tuning them over time. Active management-by-exception leadership may be necessary to ensure that critical systems do not fail by identifying and correcting problems before they occur. Contingent reward leadership is useful in planning for, monitoring, and rewarding systems development projects that are often burdensome to manage due to their size and lifestyle.

You can help develop a positive organizational culture and climate by displaying idealized leadership that role models high expectations for performance and ethics, inspirational motivation that champions teamwork, and individualized consideration that values diversity and builds a supportive work environment. After all, it’s your employees who make most things happen. As Herb Kelleher, charismatic co-founder and former chairman and CEO of Southwest Airlines once said, “Who comes first? The employees, customers or shareholders? That’s never been an issue to me. The employees come first. If they are happy, satisfied, and energetic …” Herb’s thoughts teach us that it is your responsibility to build a positive culture and climate that values your employees and keeps them happy.

Regarding the financial perspective, you may want to see if your strategy and the processes for its execution are indeed creating wealth for your shareholders. Here the focus is on bottom-line improvement of the organization. However, you need to consider this outcome to be long term in nature since it results from the activities described in the customer, innovation and learning, and internal business process perspectives.

Because of its long-term timeframe, you need to recognize whether your organization is in a period of rapid growth, sustenance, or harvest. For the
development and growth period, you should emphasize sales growth and volume, and acquisition of new customers. Here the building of relationships with customers is critical. You should use individually considerate behavior to understand their unique needs and keep them engaged. Contingent reward leadership can be used to motivate your sales force. For the sustenance period, you should emphasize managing operations and controlling costs by examining return on investment and operational efficiency metrics. Here forms of transactional leadership, namely, management-by-exception active and contingent reward, are appropriate for identifying errors in systems, fixing them, and rewarding behavior that meets performance goals. For the harvest period, you may wish to reap the benefits from the strategies you have sowed. Your focus should be on cash flow, payback periods, and sales volume. Here the analysis of the degree of success of the strategic initiatives is imperative. At this point, you should display a blend of management-by-exception active and intellectual stimulation. Carefully analyze the results of your strategic implementations, with the expectation that your people, plans, and processes have added to your organization’s bottom line and the accumulated wealth of your shareholders.

Triple Bottom Line

In 2007, the United Nations ratified the notion of a triple bottom line as a standard for urban and community accounting. This approach to public sector accounting is a way to expand the traditional notion of organizational effectiveness beyond measures of economic success to include environmental and social measures as well. The triple-bottom-line approach seeks to include measures of success for people (e.g., development of human potential; fair and beneficial treatment of labor, community, and region), planet (environmental protection and sustainability), and profit (economic benefit) to promote corporate social responsibility. The triple bottom line offers leaders a new way of defining organizational success and provides many new opportunities to apply FRLD principles.

Many of the world’s top companies have embraced the triple-bottom-line philosophy. Consider Robert Lockwood’s princetongreen.org new venture; Toyota’s fuel-efficient Prius automobile; General Electric, with its revenue-boosting Ecomagination green technology; BP’s reduction of greenhouse gas emissions from its production processes, or Unilever’s Project Shakti, which provided training for 13,000 women to distribute its products across India, thereby greatly increasing their families’ income while expanding Unilever’s market share. These examples teach us that boosting profits through innovative green initiatives and improving the lives of all organizational stakeholders are
not mutually exclusive. Instead, these desired outcomes can become sustainable when socially responsible leaders find opportunities for them to intersect with FRLD behaviors. We believe that FRLD can help organizations to boost profits, develop people, and protect the earth.

Thinking About Full Range Leadership Development as a Strategic and Social Intervention

We can do good while we do business. The advent of the balanced scorecard and triple-bottom-line concepts provides you with many opportunities to do “good business” by applying FRLD to address strategic, social, and environmental issues. In this section, we offer some thoughts on social entrepreneurship, safety issues, and environmental challenges for you to reflect upon. As you read on, think about ways you can apply FRLD behaviors to address these issues in your personal leadership situation.

Social Entrepreneurship

James MacGregor Burns wrote, “Transforming leadership begins on people’s terms, driven by their wants and needs, and must culminate in expanding opportunities for happiness.”17 We believe that expanding opportunities for people’s happiness should be one of the most critical missions for today’s business enterprises. However, it requires a renewed entrepreneurial spirit that expands its aim beyond the accumulation of wealth to solving the world’s most pressing social problems. Entrepreneurship involves starting new business ventures or revitalizing mature organizations based on perceived opportunities to create wealth. Entrepreneurs excel at recognizing opportunities, exploring innovative approaches, mobilizing resources, managing risks, and building viable, sustainable enterprises. Entrepreneurial skills are just as valuable in the social sector as they are in business because both social and business opportunities involve risk taking and building connections with people. Some entrepreneurs use their skills to craft innovative responses to social needs, such as Patty Hillkirk’s work with children with HIV/AIDS described in Chapter 5 (see Figure 10.3). These individuals are called social entrepreneurs.

Social entrepreneurs work to improve the world’s social conditions while they accumulate economic wealth in the traditional entrepreneurial sense as well. In other words, they do good while they do business. Even during prosperous economic times, numerous social problems remain, and some seem to
always get worse. Countless opportunities for social entrepreneurship can be found in helping the homeless, the poverty stricken, the mentally and physically challenged, victims of domestic violence, survivors of natural disasters, troubled children, those suffering from diseases, the elderly, abused animals, gardens lost due to floods, and other disadvantaged groups. Social entrepreneurship, therefore, gives us the opportunity to address these challenges by connecting with people who are in need and expanding their opportunities for happiness. We must and can do this, not only through the training of FRLD, but also by role modeling FRLD behaviors in our interactions with others.

These challenges require us to be proactive and innovative social entrepreneurs, who introduce radical positive change to organizations and society, monitor progress toward goals, and avoid being bystanders. FRLD behaviors offer social entrepreneurs ways to introduce reforms, set goals for reform and reward people for progress made toward them, and take action to improve the environment around them. You can do these things by creating and communicating a clear entrepreneurial vision (inspirational motivation), providing ample rewards and recognition for socially responsible achievements (contingent reward), and encouraging experimentation, challenges, and education (intellectual stimulation) that promote the entrepreneurial thinking of others.
We feel that FRLD can help social entrepreneurs be more effective in their pursuits by

- Adding to their practical knowledge of the alternative behaviors and methods for turning good social ideas into viable business options
- Defining new possible roles and strategies with which entrepreneurs and established companies can address social needs and contribute to sustainable development
- Capitalizing upon the social value that can result through the collaborative efforts of businesspeople, government agencies, and educators

Our claim is based upon evidence derived from Penn State’s Master of Leadership Development (MLD) program, which attracts and educates many social entrepreneurs. MLD students conclude their program by completing a capstone course in social entrepreneurship and community leadership. This course applies graduate students’ accumulated knowledge of FRLD to address the social needs of communities on a local and global scale. MLD students lead teams of high school and undergraduate students as they work on a wide range of social entrepreneurship projects.

**Social Entrepreneurship in Action**

Since 2003, MLD and MBA students at Penn State have completed over 40 social entrepreneurship projects benefiting communities in the United States and abroad. Examples of such projects include producing marketing plans, planned giving and capital campaigns, brand recognition studies, strategic planning and strength, weaknesses, opportunities, and threats (SWOT) analysis, product development processes, product pricing studies, publicity campaigns, public relations assistance, feasibility studies, fund-raising research, and documentation of leadership strengths of women. By providing such business services to social entrepreneurs, these students develop their FRLD competencies, while they help satisfy important social needs across a wide variety of organizations and communities (see Table 10.2 for a sample of organizations that have benefitted from these efforts). We have observed that student leaders frequently display inspirational motivation to keep everyone motivated. This was necessary even when everyone knew that they were working on something important and valuable to the community. We believe that people need to be continually energized and motivated, even at the height of success. That’s why FRLD is so critical.

As you examine Table 10.2, think about ways that you can work with entrepreneurs to address a pressing social need in your community and expand opportunities for happiness for those in need. For example, we were particularly
### Table 10.2  Sample of Social Entrepreneurial Ventures Aided With FRLD

<table>
<thead>
<tr>
<th>Organization</th>
<th>Web site</th>
<th>Overview of Project Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Camp Dreamcatcher, Inc.</td>
<td><a href="http://www.campdreamcatcher.org/">www.campdreamcatcher.org/</a></td>
<td>Developing a business plan for buying land to establish an all-season facility that can be used by Camp Dreamcatcher, a nonprofit organization serving 170 HIV/AIDS-infected/affected children for the past 12 years, and also be available for other nonprofit organizations serving all children with diverse and special needs.</td>
</tr>
<tr>
<td>PainBeGone™ Central</td>
<td><a href="http://www.painbegonevillage.com/">www.painbegonevillage.com/</a></td>
<td>Develop a business plan for PainBeGone Central. PainBeGone Central offers products and services for individuals in chronic pain. Write a well-conceived business plan for PainBeGone Central that describes the proposed venture to an audience of investors.</td>
</tr>
<tr>
<td>Ray of Hope Children’s Hospital of India</td>
<td>n/a</td>
<td>Strategy development to establish a state-of-the-art pediatric network to provide low/no cost health care; prioritize core service lines, identify funding and partnership opportunities.</td>
</tr>
<tr>
<td>Selene Whole Foods Cooperative, Inc.</td>
<td><a href="http://www.selenecoop.org/">www.selenecoop.org/</a></td>
<td>Build a publicity campaign to attract more members/customers, and build a strong involved membership in the community of Media (recently voted as the first fair trade town in the United States, beating San Francisco). We represent locally grown organic food, community orientation, environmental responsibility, contributing strongly to the town’s sustainability, and support its members and citizenry with strong values.</td>
</tr>
</tbody>
</table>
Table 10.2  Sample of Social Entrepreneurial Ventures Aided With FRLD (Continued)

<table>
<thead>
<tr>
<th>Organization</th>
<th>Web site</th>
<th>Overview of Project Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>La Comunidad Hispania, Inc.</td>
<td><a href="http://www.lacomunidadhispana.org/">www.lacomunidadhispana.org/</a></td>
<td>Develop a marketing plan for an established endowment that was created through Chester County community foundation.</td>
</tr>
<tr>
<td>Pennsylvania Home of the Sparrow</td>
<td><a href="http://www.homeofthesparrow.org/">www.homeofthesparrow.org/</a></td>
<td>Prepare a planned giving plan.</td>
</tr>
<tr>
<td>Friends Association for the Care and Protection of Children</td>
<td><a href="http://www.friendsassoc.org/">www.friendsassoc.org/</a></td>
<td>Prepare a marketing plan to bring attention to the need for more foster families.</td>
</tr>
<tr>
<td>The ARC of Chester County</td>
<td><a href="http://www.arcofchestercounty.org/">www.arcofchestercounty.org/</a></td>
<td>Develop a marketing plan and collect marketing research.</td>
</tr>
</tbody>
</table>
impressed by our colleague Sue Kershner’s volunteer work through Calvary Fellowship Church in Downingtown, Pennsylvania. Sue’s church partnered with Michelle Henry of Faith Bible Church in New Orleans immediately after Hurricane Katrina struck in August 2005. They were called into service to assist with the coordination of the teams of volunteers that were showing up at Faith Bible Church after Katrina hit. This group has also reached out to assist the needy of the U.S. Gulf region when Hurricanes Gustav and Ike struck in 2008.

Sue’s work has inspired a group of our students to consider social entrepreneurial ventures in New Orleans and other regions affected by natural disasters. Even after several years, the New Orleans area is still reeling from the devastating flooding. Homes must be built or rebuilt; there are needs for land donations, labor, trucks, and forklifts. Cheap transportation must be provided; there are needs for bicycles, tools, and labor. Hungry people must be fed both physically and mentally; there are needs to establish cafes, kitchens, literacy programs, life skills training, and job placement in the hospitality and construction industries. Animals must be cared for; there are needs for rescue and adoption programs, supplies, food, and newspaper. The natural environment requires restoring; there are needs for farm and gardening expertise, seeds, and tools. Each of these challenges provides opportunities for inspiring resilience, role modeling compassion, challenging the status quo, and coaching people to come back as a community reborn. Opportunities for social entrepreneurship are all around us. Look around, find one, and work hard to bring about positive change and help people realize their human potential.

Environmental, Health, and Safety Issues in the Workplace

We found that there has been a sharp increase in attention being paid in organizations to environmental, health, and safety (EHS) issues in the workplace. Several of our manufacturing clients have requested training that utilizes aspects of FRLD to help reduce the number of injuries and fatalities on the job, promote safe work practices, and create a culture that promotes both safety and quality. We believe that these three goals are not mutually exclusive, and with FRLD, they can be sustained over a long-term period. In Table 10.3, we illustrate our belief with thoughts gleaned from an engagement at a large multinational manufacturing firm.

While preparing for this consulting engagement, colleagues came across the work of leadership scholar Julian Barling and his associates. Barling and his students are pioneering some interesting work that examines the intersection of transformational leadership and workplace safety outcomes. Their preliminary research indicates that executives who take a passive approach to workplace safety actually create a dangerous environment for their employees. Employees
EHS issues have evolved over time to meet the safety requirements of government policy and standards organizations. In the early 1900s there were few, if any, safety rules and regulations. Authors such as Upton Sinclair exposed the wretched conditions that existed in American plants and factories. This created a public outcry that resulted in government intervention with safety standards, etc. Over the years, the role of government in EHS grew and evolved into what we today know as the Occupational Safety and Health Administration (OSHA).

Throughout the decades, corporate management dealt with the safety requirements on a transactional basis by reacting to rules and regulations as they were issued by governing bodies. As a result, the management of EHS remains in the lower and less effective styles listed in the FRLD model. For example, laissez-faire or management-by-exception leadership would go into effect when an incident occurs or when rules are broken. In other words, management deals with the problem after it happens. Typically, this involves filling out OSHA forms, figuring out who is to blame, and how this type of accident could be prevented in the future. This method of EHS management is quite prevalent; there is no true leadership—it is a reaction to a negative event. Here exists an opportunity to reengineer the management and leadership style to change the way corporations approach EHS that will result in a triple win situation.

Suppose the employees were to take the initiative prior to EHS incidents, and led EHS policies and procedures because it was the right thing for them to do, not because it meets OSHA requirements. This is a major philosophical and attitudinal change similar to the one experienced in the United States regarding seatbelts. Initially people used seatbelts “because it’s the law,” and some used them because they were a good idea to protect themselves from harm in an accident. They did it because it was the right thing to do. Today most individuals automatically clip their seatbelt without considering the law, it is the correct action. In this case, a cultural and attitudinal change has taken place in America.

A similar attitudinal change by employees and management regarding EHS in the workplace would produce significant positive results, i.e., safety for safety’s sake. The employees would experience fewer accidents, less bodily harm, and better health; thus, they reap real, personal benefits. Management would spend less time with incident investigations, reviews, and the administrative work (paperwork) that accompanies every EHS incident. The corporation receives an additional benefit in the form of reduced insurance premiums, which are directly impacted by the company’s accident rate. The government and society benefits in that less policing would be required, thus reducing costs, and the citizens would enjoy a safer environment. Here we have a triple win: the individual, the company, and the country.
Table 10.3 Environmental, Health, and Safety Application of FRLD (Continued)

In order to accomplish the required attitudinal change, top management must reengineer its practices and philosophy from the lower, less effective styles in the FRLD model to the transformational style. If you examine successful plants, those with very few if any EHS incidents, you’ll typically find a manager who displays transformational leadership. The 4Is are noticed and reported by the subordinates during interviews we’ve conducted. The leader’s philosophy reflects the desired attitudinal change regarding safety, and all subordinates, management and employees, follow the lead. Clean workplaces, accident prevention policies, and protective equipment and clothing are incorporated into everyone’s daily practice. This results in very few, if any, accidents; thus, all are winners.

Many firms can point to a single department or plant with an outstanding and exemplary OSHA record. The problem is that their other facilities are unable to replicate the successful model. In our leadership consulting engagements, the managers are introduced to transformational leadership focused on their EHS environment. The leadership training targeting EHS attitudinal change is necessary to demonstrate the direct connection between leadership and EHS success. Now that management understands how leadership makes the difference, they are able to visualize the correct style. They also recognize it in the manager with the outstanding record—he or she is a transformational leader. Comprehending the importance of leadership, the managers are in a position to modify their personal styles, typically of the lower order, and become a more transformational leader.

Cultural change is not a short-term project, but rather a long-term commitment to a vision of the desired future state. The seatbelt attitudinal change took several years to become a reality, and so it will be in the EHS arena, and the benefits will accrue for many years to come.

—John Juzbasich, DEd (c), MLD

who work for such leaders actually take on the same lazy attitude toward safety, pay little attention to safety issues, and therefore raise the risk of serious injuries on the job. These results suggest that the passive approaches to FRLD (i.e., laissez-faire and passive management-by-exception) can actually make your workplace more dangerous. Much more active forms of leadership are necessary to reduce such risk and raise levels of safety awareness. If action is taken after an incident occurs, active forms of management-by-exception may not be sufficient. The monitoring aspect of management-by-exception does have a place in EHS
concerns, especially when leaders manage by walking around. It is amazing how the lazy and passive attitudes of some current leaders toward worker safety can be transmitted to the next generation of leaders. We can do much better by using the active behaviors in the FRLD model. What can you do to actively lead safety initiatives in your organization?

To become more actively involved in the safety arena, you should use a mix of transactional and transformational leadership. When safety conditions are high risk or involve life-and-death situations, you should use active forms of management-by-exception to monitor circumstances that may be hazardous and nip the problem areas in the bud. For example, management-by-walking-around and complimenting those who practice or exceed EHS expectations are likely to work well because they put positive psychology into action. You should use contingent reward leadership to set four or five safety goals and work each day to make incremental progress toward each goal. You should provide feedback on progress made on the goals. And when the goals are reached, you should distribute appropriate rewards to those who helped achieve the goal to recognize their active contributions. Awarding those that exemplify the desired behavior will demonstrate management’s commitment to EHS. These awards are forms of positive reinforcement.

You should then build upon these contingent rewards by displaying the 4Is of transformational leadership. You can display idealized influence by talking about workplace safety as an important organizational value, consider implications for safety in your decisions, and role model best safety practices. You can display inspirational motivation by setting high safety standards and clearly communicating them to associates in a way that is interesting and meaningful. You can display intellectual stimulation by urging associates to identify potential safety hazards and risks and thinking about causes of injuries as well as ways to eliminate them. And you can display individualized consideration by coaching and mentoring associates on safety issues, and listening to a wide variety of associates to get their perspectives on ways to improve safety. The good news is that training leaders at all organizational levels on these transformational leadership behaviors often results in future positive changes in their associates’ attitudes toward safety and safety programs and fewer incidents and injuries.²⁰

**Environmental Leadership Initiatives**

The environmentally conscious Beatle George Harrison once wryly sang, “We’ve got to save the world. Someone else may want to use it.”²¹ Soon after, scientists told us that there was a hole in the earth’s ozone layer above Antarctica. Despite the advent of the ecology movement in the 1960s and more recent green initiatives, the number of problems facing our natural environment has been
expanding rapidly. As mentioned in Chapter 1, the land has been excessively concreted over, and our human activities have produced a litany of environmental problems that need our immediate attention and proactive actions.

If business leaders are going to “save the world,” they must view our many environmental problems as opportunities to create a better place for all of us while generating new sources of revenue. But often, environmental and societal interests are at odds with each other. In these cases, FRLD is needed to achieve a solution that balances these competing agendas and values. Today more than ever before, top executives need to partner with governmental agencies and the general public to empower people in their green initiatives and demand more socially responsible behavior from corporations. Intellectual stimulation is certainly critical in generating creative solutions that not only protect the environment but also create sustainable business opportunities. This process requires us to question old assumptions, consider alternative points of view, and rethink tried and true practices and policies. Once ideas are agreed upon, leaders should use inspirational motivation to achieve consensus and rally employees, volunteers, and others to put their ideas into action.

One interesting study of CEO transformational leadership offers some hope in finding ways to lead the process of making corporations more socially and environmentally responsible. Leadership scholar David Waldman and his colleagues studied the FRLD behaviors and corporate strategies of CEOs of 56 U.S. and Canadian companies. They found that those CEOs who displayed intellectual stimulation most frequently led companies that were more likely to engage in strategic corporate social responsibility initiatives. These results suggest that the more top executives get their associates to “think green” and focus on the triple bottom line, the more environmentally responsible they will become. Ecomagination, a recent successful green initiative launched by GE and its CEO Jeff Immelt, illustrates this point very nicely.

Contingent reward leadership offers another avenue to lead such environmental initiatives. Since 1992, New York State’s Agricultural Environmental Management annual awards program has recognized the outstanding efforts of farmers who preserve the environment through cutting-edge conservation and innovation. For example, the 2008 award winner was Tim Fessenden of Fessenden Dairy. Fessenden created a unique set of environmental tools to boost his farm’s profits. He designed a polymer lagoon cover to trap methane gas and its odor. This reduced the manure odor as the methane gas was piped off the top. This process reduces greenhouse gases at little or no cost to Fessenden and has been replicated at five other farms in upstate New York. This example shows that you don’t have to be a corporate executive to use intellectually stimulating strategic initiatives. FRLD behaviors can be used by leaders in all walks of life to save our precious Planet Earth and its natural resources.
Putting Full Range Leadership Development
Into Practice at the Strategic Level

While conducting research for this book, John made a nostalgic pilgrimage back
to the Center for Leadership Studies (CLS) at the State University of New York
at Binghamton in July 2008. The CLS is where the great leadership scholar
Bernie Bass was inspired to develop the notion of transformational leadership,
and where we forged our passion for teaching and conducting FRLD research
in our doctoral program. Although John had gone back to Binghamton many
times since graduating in 1995, his return to the CLS after 13 years was still very
much a refreshing homecoming.

As John perused the CLS library, he was filled with the same sense of wonder
and excitement that he experienced as a student. The library contained many
books from Bernie’s personal collection, along with his publications and working
papers. These items were moved into the CLS library after his death in October
2007. To peruse the personal effects of a leadership research legend and mentor
was indeed thrilling for his student and admirer. One item that caught John’s
eye was an unpublished early working paper with implications for strategic lead-
ership. In this paper, Bernie argued that transformational leadership should be
fostered with appropriate organizational policies, practices, and strategies.24 In
honor of our esteemed mentor and “intellectual father,” we draw upon this paper
to provide you with six ways to apply transformational leadership to your own
strategic initiatives.

Use Transformational Leadership Measures
for Promotion and Transfer

To support the innovation and learning perspective of the balanced scorecard,
consider using the Multifactor Leadership Questionnaire (MLQ) to select,
screen, assess, and place leaders into higher-level or lateral positions for man-
aging talents more effectively. This helps to ensure that your associates are in
the most appropriate organizational roles or what the Gallup Organization
refers to as an “appropriate fit” along the Gallup path.25 Human resources
staff can administer the MLQ on a yearly basis to facilitate the development
of aspiring transformational leaders. By providing feedback from the MLQ
report to these managers, the quality of mentoring and coaching typically
increases, and you can accelerate your associates’ leadership development.
Remember that transformational leadership is all about creating a larger
leadership capacity for the whole organization through active mentoring and
developmental opportunities.
Recruit and Select the Best

Your search for new leadership talent should be constant. Today, the key to success is recruiting and retaining the best and the brightest. Google is a great example of building a highly successful company through the recruitment of the best human talents available. When an intelligent prospective recruit is interviewed, she will pay attention to your organization’s climate, culture, and reputation. When she sees that the climate is friendly, collaborative, energetic, and intellectually stimulating, she will be attracted to your organization. If the human resource managers conducting the interview treat her with individualized consideration, the candidate is likely to walk away from the interview with a positive attitude. We have witnessed these practices at successful organizations such as Southwest Airlines, Sanofi Aventis, and the Vanguard Group.

Use Transformational Leadership as a Career Development Tool

Your organization’s training and development processes can benefit from FRLD. As we described in Chapter 5, the first supervisor of a new trainee can either make or break his potential to succeed. Research from the mentoring field indicates that the support and challenges provided to subordinates by superiors goes a long way in determining subordinates’ future promotions, salaries, and career paths. In order to move up the organizational ranks, subordinates often take on the behaviors and attitudes that their superiors display. Therefore, it is important for supervisors to role model idealized leadership, show individualized consideration, and provide intellectually stimulating, challenging, and highly visible assignments. These behaviors can enhance the career development and psychosocial support you give your associates through mentoring and reduce their perception of job-related stress. You might feel a lot of pressure to know that it is you who may either make or break the career of your new subordinate. But, you should also consider it to be a privilege to have such a big responsibility.

Reengineer Jobs and Processes

To support the internal business process perspective of the balanced scorecard, those responsible for operations management should consider introducing challenge, intrigue, and problem solving into jobs, processes, and systems. Our experience is that employees working in research and development, manufacturing, and engineering like to be constantly challenged. They enjoy taking on more
responsibility in their jobs. People love being challenged so much that they are spending their personal time working on many public projects on the Internet, such as Wikipedia and Linux. And they seem to love finding solutions to problems even if they don’t get paid a dime.

So, use intellectual stimulation to design jobs with more challenge built into them. And get your associates excited with tasks that appeal to them. Use individualized consideration to review workflows and operational procedures from the production, engineering, and sales points of view. Be sure to design jobs with the talents, skills, and developmental needs of your associates in mind. This will keep them actively engaged in their work, generate interest in Six Sigma and continuous process improvement, and determine which activities add value to your products and services.

With the advent of advanced information technologies such as smart phones and PDAs, leaders are being challenged to find time to think and perform creative tasks. There are simply too many interruptions these days with 24/7 operations and the electronic leashes that email, voicemail, and instant messaging place upon us. You can be an intellectually stimulating leader only if you are able to design your jobs to be relatively free of interruptions and constant demands. As we spend more time on communication than ever before, we need to make our communication process far more efficient and effective. If you can, take the time to design your own job so that it gives you time to think. This will free you up to examine new strategic opportunities for your organization, learn from the past, solve problems that need fixing, come up with new ideas, and think ahead to envision a brighter future.

**Build a Strong Brand and Corporate Image**

To support the customer perspective of the balanced scorecard, consider developing strategies that project images of quality, excellence, and vision to your customers, like Robert Lockwood used at Gallup and princetongreen.org (see Table 10.4). Your customers need to see value in what they buy, appreciate what is created and sustained over time by your organizational culture and top management. Create an image of your organization as having its eyes on the future, confidence in its strategic direction, collaboration, and teamwork, and valuing its intellectual capital, innovative processes, and development of its associates. A blend of inspirational motivation, idealized influence, intellectual stimulation, and individually considerate behaviors displayed by individuals and teams at all levels of the organization can help you attain this goal. Their passion can create strong emotional connections with your customers and a reputable brand for your product and services.28
Today’s leaders face increased pressure to create sustainable business practices leading to profit, while operating in very challenging economic conditions. Robert Lockwood and his partners saw this trend as a great opportunity to start a socially-responsible business based, in part, on FRLD concepts. In 2008, Lockwood formed Princetongreen.org as an association of entrepreneurs, who work in a virtual workspace and paperless environment, to help other organizations find innovative ways to save natural and environmental resources. The founders strive to boost profits, while saving precious natural resources.

Princetongreen.org has created an image of a research- and educationally-based grassroots organization with a very timely vision. Their lofty goal is to build a “community that believes that we can be both environmentally conscious and fiscally responsible, thus conserving both natural and economic resources...to simply save energy, every day.” They teach their clients about environmental issues and energy efficiency through product offerings and practices that help to conserve more energy.

Lockwood and his associates leverage FRLD and human psychology concepts to strengthen their clients’ organizational cultures in several ways. They blend marketing know-how with inspirational motivation to enhance their clients’ brand image as an environmentally-conscious organization. They use intellectual stimulation to get their clients to apply state-of-the-art technologies, research, and education to find solutions for environmental and energy problems. They employ individualized consideration to enhance their clients’ employee engagement, customer engagement, and diversity initiatives supporting environmentally-conscious living. They also encourage fiscally responsible practices and monitoring of costs to boost their client’s return on investment. By role modeling these FRLD practices, princetongreen.org hopes to create transformational changes in the thinking and behavior of individuals and organizations responsible for the stewardship of our planet Earth.


### Table 10.4 Princetongreen.org: Applying FRLD for People, Profit, and Planet

<table>
<thead>
<tr>
<th>Periodically Examine and Redesign Your Organizational Structure</th>
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<td>Conditions change, and your organizational strategies and the structures required to carry them out change as well. To adapt to market conditions, organizations conduct strategic planning sessions and design an appropriate organizational structure to support the execution of the plan. In most industries, business markets are fraught with turbulence, uncertainty, risk, competition, ill-structured</td>
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problems, and unforeseen opportunities and ever-lurking threats. Organizations
fight with competitors to secure limited financial, intellectual, technological,
and material resources. Such vexing environmental conditions demand constant
renewal and change. Many companies, such as General Motors, Motorola, and
Xerox, have faced crises due to organizational inertia, which prevents these big
companies from reinventing themselves as the market changes constantly.

To overcome these challenges, you should use transformational leadership to
create an organic organizational structure with little hierarchy and specialization
of functions and a fluid and flexible network of highly skilled associates. Organic
structures provide you with the ability to forecast trends using intellectual stimu-
lation and individualized consideration. They allow you to consider a broad array
of issues over both short- and long-term time horizons, meet new challenges, and
embrace new opportunities as they arise. Recognizing the implications of these
trends for your organization requires you to also inspire your colleagues with a
compelling vision that unifies them to execute the objectives laid out in the bal-
anced scorecard. If this vision is communicated effectively, it can add clarity to
the purpose and meaning underlying your objectives and goals.

Making progress toward these goals involves creating product/service value,
improving the activities that create value, and developing the knowledge, skills,
and abilities of people who enable these processes. These are the leading indica-
tors of organizational success that can result in your financial success down the
road. We believe that promoting transformational leadership in your organization
through high-quality recruiting, selection, training, job design, and organizational
structuring will pay off in increased economic and market value over time.29

More Evidence That FRLD Promotes
Prosperity and Well-Being

Bernie Bass would have been most pleased to see how people from all walks of life
are embracing and benefitting from FRLD. Whether promoting the prosperity of
colleagues, building companies and communities, or working to save our precious
planet, these people are helping FRLD to become what sociologists call “part of
the culture.” To further illustrate this phenomenon, we leave you with some tes-
timonials from individuals compelled to share their experiences with you. They
are our clients, associates, and adult graduate students. They work in the educa-
tion, government, for-profit, and nonprofit sectors. They are not famous CEOs
of global companies. They are people just like you—ordinary people capable of
doing extraordinary things and making a truly remarkable difference in the world.
They are able to accomplish great and exciting things because they have made
FRLD part of who they are. May their words guide you on your own fantastic
journey of leadership development throughout your life. May they inspire you to help others to reach their full potential as both leaders and human beings.

**Empowering Women With FRLD**

Two years ago, I spent a life-changing month as an international volunteer in Tanzania, Africa. Tanzania is the eighth poorest nation in the world and, similar to other developing nations, faces significant cultural obstacles to providing even basic human rights for women. Assigned to work at a national women’s organization near the base of Mt. Kilimanjaro, I arrived ready to help the women develop the economic resources needed to improve their lives and the lives of their families.

According to FRLD theory, transformational leadership is the process whereby leaders develop followers into leaders. In my de facto role as leader, I hoped to offer my expertise in a way that would enable the women to effectively market their handmade items at their small shop, thereby elevating their status as businesspeople and leaders in their community.

As a volunteer, my effectiveness depended on my ability to exhibit the behaviors of a transformational leader. I spent time learning about the women who worked at the shop—their challenges, lifestyles, and the context of their work. I asked questions to understand what motivated them and what inspired them. At the same time, I had to expose some of my vulnerabilities—my limited knowledge of the language, the culture, and the business environment in Tanzania. We learned about each other, built trust, and worked together to set challenging goals that would move their business forward. In our limited time together, we remerchandised the store, developed new marketing materials, created a training guide, and doubled the income of the store over the same time period the prior year. These accomplishments led to enormous satisfaction, both personally and professionally, for all of us.

Napolean Bonaparte once said that “leaders are dealers in hope.” My greatest wish is that my work with the women in Tanzania not only empowers them in business, but also opens the door to hope.

—Patricia Enright, social entrepreneur

**Life-Changing Experience**

Since I began my journey to develop my leadership skills as a sales leader through FRLD, I found myself being transformed as a person, a father, and a husband. It was through FRLD and the transformational leadership process that as my leadership development grew, so did my effectiveness in leading others, especially leading my family.
Transformational leaders behave in ways that result in being role models for their followers. In the absence of confidence, followers will gravitate toward a concern for existence or a lack of purpose. Through my behaviors, I now display confidence and self-control during times of crisis, and humility during times of accomplishment. I now offer a transformed perspective and specify a purpose for my actions and the interactions that I have as a sales leader, father, and a husband.

As a sales leader, my mission is to have others believe the purpose of their work is to make a difference in someone else’s life, while leading to outstanding results. I am now achieving this through engagement and attributions of idealized influence. My number one goal as a sales leader is to develop my people. My mission is to have a fully engaged team while developing their skills, knowledge, and leveraging their talents. I believe my open-mindedness has allowed me to process diverse ideas and opinions and help lead my teams to greatness.

My children are ages 10 and 7, respectively; they are at a tipping point of becoming industrious and initiative. As a father, my mission is to make sure my daughters know that I believe in them; children are likely to live up to what you believe of them. As with my sales team, I now utilize attributions of idealized influence to build my children’s self-confidence and to respect others. I now discuss the importance of values and beliefs and specify the importance of having a strong sense of purpose. It is through my own FRLD that I am building their identity.

As a husband, I have grown more supportive of my wife and her role as the mother of our children. It is through individual consideration that I pay special attention to her needs. I am now more in touch with her needs and her aspirations as she is the primary care giver while I am at work and school. My wife and I now discuss how our family values, such as integrity, fairness, and open-mindedness, will guide our family’s behaviors to greatness.

Now that I have grown as a transformational leader, I have been able to lead my sales team, my children, and my family to be open-minded. I have been able to stimulate their interest to new perspectives and motivate them to do more than they expected. I have been able to motivate others more than I expected.

—Larry Hinson, Astra Zeneca

Creating Sustainable Changes With FRLD

Allstate Insurance Company has been going through a variety of changes simultaneously that could be classified separately as developmental and transitional. For much of its 75 years, Allstate has been considered a market leader and
rewarded for this leadership. Despite our many successes and the recognition that has accompanied them, we find ourselves in transition between who we are and who we are becoming. The transformation is being forced on the organization by rapid changes in technology, demographics, competition, consumer habits, and deregulation. My perspective is that the organization is responding to the changes it recognizes are occurring, and has proactively chosen to adapt to those changes.

Since no organization can change without people changing themselves, I consider it part of my leadership responsibilities to embrace change, anticipate change, and, in many respects, initiate change. The skills required to effectively lead the type of disruptive change encountered by Allstate are embodied in FRLD, especially transformational leadership. I have used these skills and personally seen their effectiveness.

Providing a compelling vision of the future and inspiring others are critical aspects of successful leadership, and FRLD has provided me with these skills. Embracing the FRLD model has enabled me to apply the behaviors of transformational leadership in my role as a territorial leader and as chairman or president of a number of community organizations.

FRLD and the MLQ gave me a chance to measure and compare my leadership behaviors through self-evaluation and independent assessment as perceived by my subordinates, peers, and supervisors. I then designed a leadership plan of action and applied it in my various leadership roles, at home, at work, and in my community. Having been exposed to Gallup’s StrengthsFinder™ as part of my leadership curriculum, I have embraced the concept of developing my own unique talents and strengths, and understanding those of the people I manage, thereby enhancing my individualized consideration. Doing so and embracing all of the behaviors of the FRLD model has made a tremendous difference in their performance and my own career progression.

—John G. Wischum, Allstate

**Raising Funds and Lifting Spirits With FRLD**

When I decided to join Penn State’s Master of Leadership Development program, I knew that I had already done well as a leader, but I did not understand why and consequently how to improve myself. This program, with its strong research-based FRLD foundation, has given me an understanding of my own leadership style as well as leadership in general. I enjoyed the Social Entrepreneurship and Community Leadership capstone course, which concluded the program by putting what we had learned about FRLD into practice. It gave me the opportunity to close the circle of using what I learned about
transformational leadership in a socially responsible manner. This was a most gratifying experience—a sort of eureka moment!

As a fund-raiser/volunteer, I had at times had some concern that the program was mostly geared toward those who planned to work in the for-profit sector. Realizing the overlap of transformational leadership with social entrepreneurship, I experienced a newfound burst of energy, and felt an urgent responsibility to share with others in the volunteer sector some of the tools available for all of us to improve our work. I have already started employing concepts such as social impact assessment as we give new priority to turning annual fund-raisers into more sustainable models.

We can all become change makers. I may be a very small part of a very big picture, but I believe that we can all benefit from working and learning together and supporting each other at all levels. We can only truly improve our society by improving every little part of it. I believe that FRLD has given me some great tools to become a more effective change maker as I pursue my volunteer fund-raising work.

—Grete Greenacre, The Franklin Institute

Developing Righteous Minds Through FRLD

My experience as a middle-level leader in a top Fortune 50 corporation is that many agency owners I consult with are not aware of or committed to personal self-improvement plans. These business owners find themselves so absorbed in the action of closing the next deal that they lack a sense of the legacy they may leave behind.

The FRLD model has provided me with a unique platform of skills and tools to help these business owners develop a broader vision than the day-to-day business transaction. Recently, one of the large tenured agency owners called to thank me for helping him through what he described as a four-month period of self-imposed paralysis due to his frustration with senior management’s direction for the company. He acknowledged my work with him on a continuous personal improvement plan was extremely valuable. He also stated my assistance in redefining his business objective to focus on consumer relationships and not just profit was a tremendous personal awakening for him. He told me that he now has a game plan that keeps him focused and personally motivated. He is less troubled with corporate decisions over which he has no control.

That agency owner’s call gave me an adrenalin rush and I was reminded of a phrase from the award winning movie The Great Debaters. The leading character, Professor Melvin Tolson, comments to a student that his job, as is the job of every professor at the university, is to “help you to find, take back, and keep your righteous mind.” That is what I did for this agency owner, and it was refreshing.
Using the continuous personal, people, and process improvement concept within FRLD, I have stretched the minds and the abilities of these owners to achieve results they did not believe were possible. They no longer look at problems as insurmountable obstacles but as creative opportunities.

—Michael W. Lomax, Allstate

Negating the Naysayers With FRLD

“I’m sorry, I can’t give you one. I just don’t think you’ll be successful.” As I heard these words from my favorite high school teacher when I asked her for a college recommendation, I was not quite sure if I should laugh or cry. I cried. Always social in high school, I hid the stress of medical issues that were ongoing. Suffering through them in college as well, I fought for every grade, and barely made it through. My mistakes were glaring, and my goal became to prove to the world that I could be successful.

Deciding to work with adolescents with behavioral and psychological disorders, my advice from those around me was “I just don’t think you’ll be successful in the long run.” I worked for five years in the field, attempting to prove everyone wrong. After my attempt to enter a graduate program for adolescent counseling failed, due to an insufficient undergraduate GPA, I left.

As time went on, I discovered that FRLD and the Master of Leadership Development program encompassed all that I was looking for—a positive approach to leadership and the belief that people can achieve great things. After expressing my decision to apply, I began to hear from some people around me, “I don’t think this is the time,” and “You don’t need this to be successful.” I was accepted on provisional status, requiring a 4.0 average GPA for the first three classes to continue. Feeling the need to prove myself once again, I began to question if everyone around me was right.

When I got acquainted with the FRLD theory, my heart, mind, and soul became inspired. When asked to picture our idealized leader, I realized that I, myself, did not have one. Perhaps I could become an idealized leader myself for others by learning the 4Is of transformational leadership. Incorporating the 4Is of transformational leadership into my life was my goal. Over the past two years, I have abandoned the need to prove myself, and have simply enjoyed learning. More importantly, I have embraced the desire to help others believe that they can always be successful. My 4.0 GPA has since dropped to a 3.96, and I received an award for academic achievement at graduation. Life is for living and learning, and for saying “yes you can.”

—Kate McKinnon, Verizon Wireless
A Most Noble Form of Transformational Leadership

As a parent, I find the FRLD model useful in monitoring the leadership style that I apply with my daughter. I can easily point out when I am on the one extreme, approaching transformational, as well as those times when I am just too tired and drift toward laissez-faire.

With children, a transactional approach can have such a big impact. My daughter loves stickers. I can get her to do just about anything by waving a sticker in front of her. And her blanket? Threatening to take that away has an even bigger effect. But, if used too much, those transactions will not have a long-lasting effect. The model serves as a reminder that I must work toward transformational interactions, despite the short-lived results of a transactional approach.

Analyzing my leadership style with my daughter is pretty simple when so much of the focus is on her personal development. This is in sharp contrast to a work environment, where leaders have the responsibility to develop several people and also accomplish a variety of tasks. The day-to-day routine can often make it easy to focus on the tasks and ignore their development.

Being more aware of my leadership style in a focused one-on-one environment has helped me to translate that awareness into the work environment. Rather than thinking of my leadership style in terms of a one-to-many relationship, I have started to analyze my style with respect to each person in our group. The key measurements I use are the amount of time I devote to each person and my ability to set aside tasks and deadlines to focus on individual development. I benefit by getting better feedback on how I can apply transformational principles to each person I work with. The team benefits through each individual getting a focused period of development. With FRLD, it’s a win-win situation for the entire team, my family, and myself.

—Richard Pomager, large defense contractor firm

* * *

If you have followed the pathways we have paved throughout this book to becoming a transformational leader, you will be able to make a similar testimonial in the future. We hope that your story will be about the changes you initiate at home, work, and in your community. You now have the potential to be a brand new leader who embraces FRLD to create positive change in your life and the lives of others. Remember that leadership is all about change. If you are not creating change in your life and others’ lives, you are not leading. So be a champion of change! You have been empowered, and you now have what it takes. Your journey as a leader that champions positive change in people, profits, and planet begins this very minute. Godspeed!
Summary Questions and Reflective Exercises

1. Interview a member of the senior leadership team at your organization or an organization that you admire. This person should be a C-level executive (e.g., CEO, CFO, CIO, COO). Inquire about the organization’s vision, mission, core values, and major objectives. Summarize your ideas regarding how aspects of FRLD can be used to support these elements of organizational strategy. Present your findings to your learning partner, team, or class.

2. Building upon your response to exercise 1, identify how specific aspects of FRLD can be used in the organization you selected to support or enhance each of the following strategic initiatives:
   a. Leveraging core capabilities
   b. Building a foundation for future growth
   c. Addressing an unmet need in the market
   d. Establishing a strong, differentiated position in the market
   e. Improving process efficiencies and effectiveness
   f. Developing new businesses
   g. Penetrating a large new market

3. Review the accounting and organizational literatures for information on the balanced scorecard. This strategic leadership concept describes how an organization’s mission drives the major strategic objectives in the customer, employee, operational, and financial functional areas of an organization. What are your organization’s major strategic objectives in these four areas? What metrics or measures can be used to assess the progress made toward these major strategic objectives? How can specific FRLD behaviors be used to help achieve each of these objectives in your organization?

4. Identify ways that specific FRLD behaviors can drive innovation processes in your organization. How can you get your customers and markets to provide information for your innovation processes? How can FRLD behaviors be used to prompt your customers to provide inspiration, design, testing, and product/service enhancement ideas? How can you use FRLD behaviors to leverage your core competencies and technology to accelerate your rate of innovation?

5. Summarize your FRLD leadership strengths as indicated by your Multifactor Leadership Questionnaire (MLQ) report. Assess how these strengths help or hinder your current leadership role/responsibilities and your organization’s mission. How well do you currently fit into your leadership role based on your MLQ report?
6. Conduct an external environment assessment for your organization. List the top three most relevant trends pertaining to the following areas for your organization:
   a. Economic
   b. Sociocultural
   c. Global
   d. Technological
   e. Political/legal
   f. Demographic
   g. Competitors
   h. Industry (e.g., threat of new entrants, power of suppliers and buyers, product substitutes, intensity of rivalry)
   For each of the above factors, how can you use specific FRLD behaviors to help shape or adapt to the trends you identified?

7. Identify a local nonprofit organization that is in need of leadership, management, or operational assistance. Volunteer at the organization for a few hours a week to provide assistance. How can you use your leadership strengths as identified in your MLQ report to best help this organization? Provide a weekly report to your learning partner, team, or class on your activities.

8. Work with a local group to develop green or environmentally responsible initiatives in your community. How can you use specific FRLD behaviors to motivate your group to prepare a plan for being more eco-friendly? (Hint: Intellectual stimulation and inspirational motivation work well here.) Present your plan to your learning partner, team, or class for feedback as you develop it.

9. Lead a team advocating improved workplace safety in your organization. Remember that the key to success here is reducing the amount of exposure to hazards for your associates. What changes in systems, culture, and equipment are needed to reduce exposure risk and severity level? How can the 4Is of transformational leadership be used in this regard?

10. Reflect upon how you will lead in a way that reconciles the need for profit with the imperative of developing people to their full potential, while protecting and saving the earth’s natural resources. Why is such a balanced agenda necessary? How can you help advance such an agenda both locally and globally? How will you measure your progress in meeting your goals?
Notes


10. For more information on EVA™, visit http://www.sternstewart.com/.


http://www.psypress.com/full-range-leadership-development-9781848728066