

## SUPERIOR LEADERS TODAY

By

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*“Success will belong to companies that are leaderless –or, to be more precise, companies whose leadership is so widely shared that they resemble beehives, ant colonies, or schools of fish.”* Says John A. Byrne in August 23<sup>rd</sup>'s *BUSINESS WEEK* cover article “21 Ideas for the 21st Century”.

I have recently completed a five-year research study of 140 leaders in thirteen companies, eight industries and five countries. Everywhere I found the charismatic, visionary leader is being superceded by the leader who: brings a focus on creating accountability within others; who cedes decision making to others; who encourages experimentation and flexibility; and, who concentrates on building a shared sense of purpose and shared values. Organizations led by the charismatic visionary Leader are, by and large, joining the ranks of the also ran. In many ways, organizations led by the new Leaders are, as *BUSINESS WEEK* suggests, like leaderless teams. It is increasingly clear within today's most successful organizations that Teams and individuals have both the authority and the responsibility to achieve results and that they will be held accountable for them. It is not clear that Leaders themselves will ultimately disappear as predicted but certainly their role in success is radically changing.

I have been involved in identifying the competencies of successful Leaders for 25 years. I began this new research study because the competencies of leadership, which the late Dr. David C. McClelland and I identified in a series of empirical studies in the 1970's, seemed two decades later to be no longer predicting success.

When David McClelland and I first began attempting to find the competencies that characterized superior performance in a particular job, we defined competence as *an underlying characteristic of a person that results in superior performance*. Our objective was not simply to identify and define the competencies but to use the competencies identified as a basis for developing individual jobholders so that they could attain superior performance.

In the 1960's McClelland's research found that the underlying characteristic which differentiated successful small business owners was the Achievement Motive. A motive is defined as: *a recurrent concern for a goal state which drives, directs and selects an individual's behavior*. Motives exist on both the unconscious and the conscious level and, in short, may be thought of as what one thinks about. Achievement Motivation is a concern with efficiency. McClelland and others hypothesized that if they could teach small business owners to produce the motive, that is actually think the same thoughts as the successful small business owner they should in theory, become substantially more successful. In India a partial test of the

theory seemed to confirm the hypothesis. Later, with sponsorship from the Small Business Administration and again from the Office of Minority Business Enterprise (with myself as Project Director) a full-scale test of the hypothesis was conducted. Hundreds of small business owners were trained to think like superior performing small business owners. Two different control groups were established: (1) those who received no training and (2) those who received training in the behaviors of successful small business owners. In a series of follow up studies, the hypothesis was confirmed. About two thirds of those trained in Achievement Motivation became successful compared to 15% in the control groups.

From here we turned our research attention to Leaders. Over a series of studies we identified that nearly all Leaders had the underlying characteristic of Power Motivation but that successful Leaders had a specific aspect of Power Motivation. We defined success as: *better business performance than average and satisfied employees as measured by employee perception on a 360° basis*. We tested our hypothesis by training sales managers, whose subordinates were only delivering average performance, to produce the thoughts of the more successful sales managers. It turned out, as reported in the *HARVARD BUSINESS REVIEW* in our article "Power Is the Great Motivator" that for two thirds of those trained their subordinates not only significantly improved their sales performance, but also experienced significantly more satisfaction with their work place. In later studies we compared the results of Power Motivation Training for Leaders with control groups who were given so called "competency training" which concentrated on developing the behaviors associated with successful Leaders. We found, as Dan Goleman reports in Working With Emotional Intelligence, that behavioral training resulted in improvement by about one third of those trained versus the two thirds achieved by what we came to call motive training (literally training people to produce, at will, the thought patterns associated with success). Goleman goes on to report that in numerous studies, leaders also experience that same one-third improvement with no training at all.

By the mid nineties it began to be clear that the underlying competency of Leaders which McClelland and I had identified in the 1970's was no longer meeting our definition of competence. That is, Leaders who had these competencies were no longer the ones whose subordinates were delivering superior performance nor were they experiencing their workplaces as particularly satisfying.

So, I began a five-year competency study of Leaders. I discovered that much has changed. Today's successful Leaders are still motivated by Power but by a very different aspect of Power Motivation. In our earlier research we found that successful Leaders derived their power from the self and exercise it for the benefit of others. That is not to say that they are autocrats or tyrants - far from it. They are visionary, charismatic, often democratic and good at coaching others but they, nevertheless are ultimately the source of power no matter how democratically they exercise it. Today's successful Leader no longer derives their power from the self, but rather they derive it from the group itself and it flows through the Leader back to

the group. This change in where Leaders derive their power, while seemingly quite subtle, is in fact profound with far reaching implications.

It is the thought patterns of this newly successful Leader which are key. These Leaders think about authority differently. For example returning authority to others is a recurrent theme while the Leaders of the past thought about stratagems to maintain their authority. Today's successful Leaders think about people differently. They think about them as whole persons, their peers and equals not as the old Leaders do, thinking about people as a means of production to be treated instrumentally as a means to an end. Consequently the new Leaders have high empathy, as distinguished from the old Leaders' superior interpersonal skills, which they develop to maintain and increase their ability to influence others. The new Leader thinks of situations as complex, presenting paradoxes and they, as a result, encourage experimentation and flexibility whereas the old Leader experiences complexity as a challenge into which their role is to bring order and clarity. Finally, the new Leader thinks about how to gain pride in work for them and for the group. This drives them to enable groups to define their purpose, their reason for being and to define and adhere to values not as slogans but as real living guides to behavior and to achieving purpose. These thoughts help create a shared focus on quality and delivering a superior product or service as a source of pride.

I have labeled this collection of thoughts which characterize the new Leader as Interactive Power because Leaders with these thoughts lead to maximize interactivity amongst and within the group of which they, the leader, are only one part. This is in direct contrast to the charismatic and visionary Leader who seeks to encourage maximum appropriate involvement where the key word is appropriate as defined by the Leader. In my research I found that 65% of the Leaders I studied, whose organizations were delivering superior business performance as compared to their peers, were motivated by what we now call Interactive Power. Only 20% of organizations whose Leader was motivated by the older aspect of Power Motivation were in the superior ranks and nearly 80% of average performing organizations were led by Leaders who fell into this prior category. As described earlier, much of what we as Trainers, and Change Agents believe about effective Leadership is derived from this now increasingly out-of-date model. The challenge for us all will be to understand this and in our roles as Change Agents help our client leaders to grow and develop into this new role demand.

September, 1999