

The Seven Deadly Sins of Leadership Theory – Mitch McCrimmon, Oct 05

We are today assailed by so many diverse accounts of leadership that its essence is now murkier than ever. If we can agree on anything about leadership it is surely its growing elusiveness. The problem is that our foundations are rotten. We are trying to build an understanding of leadership on a faulty image, erroneous assumptions and a biased starting point. Contemporary leadership theory might not be guilty of all of the traditional seven deadly sins, but accusing it of gluttony and greed would not be unfair given its currently bloated nature and its elimination of any constructive role for management. The strident call to replace all managers with leaders is responsible for leadership's current obesity.

The seven deadly sins of leadership theory refer to erroneous preconceptions about the nature of leadership. We can only hope to achieve agreement on what leadership means if we can rid ourselves of these faulty assumptions. After listing them I will explain what I mean in more detail, then offer a very different but sounder conception of leadership, one based on a clearer distinction between leadership and management where the latter is restored to its rightful place in organizations.

The bottom line

Leadership needs to be recast as focusing only on challenging the status quo to provide new directions while everything to do with getting things done through people is assigned to management. Some surprising and unconventional conclusions follow from this realignment of the two functions. Most critically leadership has nothing to do with implementation or managing people to get things done. Everything to do with empowering, coaching and developing people falls within the sphere of management recast along the lines of the sports coach as opposed to the controlling bureaucrat. Limiting leadership to promoting new directions is the only way to make sense of the fact that leadership can be shown upward as well as down or how it can be shown by organizational outsiders. Further, a purely functional distinction between leadership and management means that they can both use the same influencing tactics, hence leaders can be inspiring or quiet and so can managers. The essential difference between this view and transformational leadership theory is that both leaders and managers can be transformational, only their focus separates them. Hence, it is a mistake to align leadership with being transformational while limiting management to being transactional. Other, equally unconventional implications follow, but let's look at the preconceptions currently blocking us from moving away from our dysfunctional view of leadership.

The seven deadly sins

One broader sin underlies all the others and that is our focus on what it means to be the head of a group to understand leadership. As we shall see, the group as a model for leadership breaks down in a world driven by innovation where any group's direction can be as easily moved by outside or bottom-up influences as the CEO's vision. I discuss the shifting fortune of the group after we look at the 7 deadly sins.

1. **The organizational sin** – By modelling leadership on what it takes to run a group, with the CEO as our primary image of the leader, we distort leadership to the aim of getting things done through an organization. This view fails to capture the leadership of non-organizational leaders such as Martin Luther King and other lone voices in the wilderness who challenge the status quo without the CEO's power to execute. Further, thinking in positional terms, formal or informal,

makes leadership a downward only force, ruling out upward leadership which has nothing to do with managing a group of people to execute a task.

2. **The sin of consideration versus structure** – Popular views of leadership and management are still rooted in the old distinction between showing consideration for people and initiating structure. These are the classic twin levers for managing organizational performance. This way of viewing the world stems directly from the first sin, associating leadership with occupying an executive role. But when we assign both processes to management and recast leadership as promoting new directions, we free leadership from everything to do with managing people by any means, a totally different slant on things.
3. **The sin of killing off management** – By defining management as mechanistically controlling, leadership claims all the “good guy” territory, relegating management to the “tough guy” tasks, the dirty work. The crusade to replace managers with leaders was an over reaction to the 1970’s business success of the Japanese.
4. **The transformational sin** – By limiting leadership to being transformational (visionary, inspiring, morally uplifting), all forms of quiet, factual or evidence-based leadership are ruled out. Transformational leadership is merely “showing consideration for people” on steroids, not the revolution it is cracked up to be.
5. **The sin of learnable process** – By viewing both management and leadership as processes we fail to see that leadership is not as transferable across contexts as management, that leadership is more closely aligned to unique *content* – it makes a statement about a particular subject unlike management which facilitates results across situations. Portraying leadership as a set of transferable skills, makes it seem learnable. But, if we break leadership into two elements – content (saying something new about a subject matter) and influencing skills, we get a different picture. Influencing skills can be learned, but the inclination and the courage to challenge the status quo in relation to entrenched content depends on youthful rebelliousness, not a skill set, learned or otherwise.
6. **The sin of character and emotional intelligence** – Our preferred image of the leader is an executive with admirable character traits, including emotional intelligence. Managers need to be trustworthy and capable of showing appropriate sensitivity toward people, but leadership does not require such traits, simply because it is possible for technical experts with poor interpersonal skills to show leadership viewed as challenging the status quo.
7. **The sin of parental dependency** – Our motivation to regard leaders as heroes is deeply entrenched, but worse, we have a specific heroic model in mind, not the high achieving sports person, scientist or artist but rather the parental hero, the omnipotent parent figure who we wanted from an early age to take care of everything for us and soothe all our anxieties. Unless we rid ourselves of this model of leadership we will never get any closer to agreeing what it means to lead in a contemporary organizational context.

1. The organizational sin

The basic question CEOs ask is: “How can I execute my goals through this group of people as effectively as possible?” CEOs achieve results through the vehicle of an organization and they have the authority to do so. The comparable question a non-organizational leader, such as Martin Luther King, Nelson Mandela or Gandhi, would

ask is: "How can I influence those in power to change their ways, beliefs, attitudes and values?" CEOs look *downward* to organize and motivate a group of subordinates to achieve a task while non-organizational leaders focus *upward* to influence those in charge to change their minds. CEOs achieve their goals *through* their followers, while the followers of Martin Luther King, for example, actually join him on the leadership stage to challenge the prevailing views of government and the population at large. Martin Luther King could not work through his followers to achieve his aims. Quite the opposite, they helped him to show leadership to the real target audience: those in power who make policy.

What is the core difference between these two types of leadership? Because non-organizational leaders lack the power to implement their visions, their leadership has nothing to do with implementation. Their leadership comes to an end, it achieves its objectives, when those in power decide to change their policies. Government officials in turn must take responsibility for implementation. By challenging the status quo, such leaders are offering new directions. CEOs who promote a new vision are also offering a new direction but we tend to understand their leadership, at least partly, in terms of implementation, not limiting it to merely selling their vision.

In addition, positional leadership, conceptualized as inducing a team to perform at a high level, rules out upward leadership where the target audience does not report to those attempting to show such leadership. Consider thought leadership, the promotion of new ideas. This is a form of leadership that can be shown upward and sideways as well as down. Anyone who argues for doing something different is showing thought leadership. But, like the leadership of Martin Luther King, Nelson Mandela and Gandhi, thought leadership has nothing to do with implementation. It comes to an end once the target audience, those in power, accept the new ideas. For example, thought leaders promoting new products to their superiors must leave it to them to implement the new products. Showing such leadership is simply a matter of doing a convincing job of selling good ideas. It has nothing to do with managing a team to achieve a goal. Again, implementation is a separate phase.

The bottom line here is that, if we want a single theory of leadership, one that covers both in-group and out-group situations, then we must say that leadership is about challenging the status quo and offering a new direction, end of story. Implementation is a separate sphere of action or phase that, even in organizations, may not be managed by the Chief Executive. The implications of this shift for our conventional understanding of leadership are massive. So much of traditional leadership theory and talk of leadership style revolve around how best to manage a team to achieve a task within a working group or team. But focusing leadership on selling new directions means that leadership has nothing to do with the actual management of a team of people. This is a managerial job. Leaders sell the tickets for the journey but managers drive the bus to the destination.

To avoid the first sin, therefore, we need a conception of leadership that unites positional and non-positional, organizational and non-organizational, in-group and out-group leadership. Such an account portrays leadership as challenging the status quo to provide new directions. This form of leadership can be shown by CEOs as well as knowledge workers leading upward and outsiders calling for change from the sidelines.

2. The sin of consideration versus structure

This sin stems directly from the first, specifically from the basic question CEOs ask about how to obtain maximum productivity from the group of people reporting to

them. The old and still popular answer is to strike the right balance between initiating structure and showing consideration for people. We didn't worry about whether management differed from leadership when this solution first saw the light of day. It was only later that leadership became associated with the people side while management was consigned to initiating structure. This move lent itself neatly to early attempts to offer a functional differentiation between leadership and management. It was easy to say that leadership dealt with change and worked through inspirational consideration for people while management dealt with the task side through planning, organizing and controlling.

But this is surely to confuse ends and means. A purely functional distinction between leadership and management points only to their differing ends, implying nothing about means. So, leadership is well conceived as championing change while management can be seen as executing the new directions that leadership promotes. But, and this is the key point, both leaders and managers can use the same means of moving people. Leaders can be inspiring when necessary or quiet and factual. Similarly managers can either routinely reward performance or they can be inspiring when their team is up against a difficult challenge such as achieving a nearly impossible deadline. On this view, the basic question a CEO asks about how to maximize productivity is a managerial one, nothing to do with leadership. Managers can both initiate structure *and* show consideration for people. Leaders are interested in championing new directions. When they move into implementation mode, they put on a managerial hat, throwing in only occasional injections of leadership when (or if) new resistance develops. Leadership, as a function, does not govern implementation.

We need to rid ourselves, therefore, of old fashioned attempts to differentiate leadership and management functionally that carry the added obsolete baggage of allowing only leaders to be inspiring (transformational) while managers are limited to being controlling drones (transactional). While managers may not champion change, they surely can be inspiring in the way they motivate exceptional performance. But so long as their focus is execution, not the promotion of new directions, they are operating as managers not leaders. This means that managers can be as transformational, empowering and emotionally engaging as the situation demands.

3. The sin of killing off management

Management is not as admired as it deserves to be. It is still too often seen as bureaucratic and controlling rather than value adding or facilitating. There are two main sources of this disrepute. One is Fredrick Taylor's identification of management with the efficiency of the assembly line and the other is the way American commentators reacted to the Japanese commercial invasion in the 1970's. A scapegoat was needed to blame for U.S. industry's lack of competitiveness when the Japanese struck. Management was fingered for this role. But the real problem was the way management was practiced at the time. Because there was little incentive to innovate or radically reinvent processes, U.S. and other Western managers could focus on making minor upgrades in efficiency or products. The truth is that U.S. industry was uncompetitive because it had not had to face serious competition prior to the arrival of Japanese businesses. It was this lack of pressure to change that was the cause of *both* its poor performance against the Japanese *and* the way management was practiced. Management was not the source of the problem but one of the outcomes of a lack of competitive pressure.

This sin is clearly related to the sin of structure versus consideration. Management was vilified for placing too much emphasis on control, hence stifling innovation, but it was the *style* of management that was the problem, not the actual function of

management. (Recall the point about confusing ends and means.) All we needed to do was adopt a more empowering, facilitative, coaching and developmental style of management, not throw it out altogether and put all the burden of achieving excellence on the shoulders of leadership. Our image of management should be something like that of the sports coach, not that of the controlling disciplinarian or bureaucrat.

What follows from our story so far? Well, by resurrecting management and assigning it the function of getting things done in a manner that makes the best use of all resources available, we can reserve leadership for inspiring change. This means that everything to do with getting the best out of people in relation to achieving a set of organizational goals calls for good management. Not convinced? Why would we not want to allow leadership a hand in implementation? Because, as we saw in discussing our earlier sins, upward leadership must stop once the boss is convinced. Such leaders do not manage implementation through their bosses – the target of their leadership efforts. This means that, if we want a general conception of leadership, one that encompasses both in-group and out-group leadership, we must say that leadership has nothing to do with implementation except where a change needs periodic reselling. But everything to do with motivating people and achieving high performance calls for excellent managerial motivation, coaching and empowerment, not leadership.

It is critical to note that leadership as characterized here is not about *change management* and management is not restricted to keeping static operations ticking over as many have claimed who differentiate between leadership and management along functional lines. Leaders promote new directions and managers implement all major change in addition to running current operations efficiently. This is not to say that leadership is no longer required once major change initiatives are launched. Periodic injections of leadership may still be necessary to resell the benefits of change. But if we apply the 80/20 rule, the bulk of getting to the destination requires a combination of good project management skills and managerial motivation. The latter includes coaching, empowerment, inspiration, emotional engagement and all necessary people development activities. These are all managerial actions so long as the focus is on implementation, not the promotion of new directions.

4. The transformational sin

The remarkable fact about transformational leadership is that anyone could ever have taken it as a model for all leadership. It is so obviously possible to show leadership quietly or by example without even being aware of it let alone explicitly making a stirring, visionary speech that it is puzzling why transformational leadership has had such a long run. The reason it has been at all credible is because we admire heroic, larger than life people. But we now must recognize that being transformational is no more than a situational requirement, useful in situations of major change or conflict. It is not a template for a general understanding of leadership, precisely because it rules out all forms of quieter leadership. For example, the health sector is big on evidence-based practice. Showing leadership in this context depends on an ability to cite hard evidence for new proposals regardless of whether the pitch is made in an emotionally inspiring manner or not.

The transformational sin is really just a corollary of the sin of structure versus consideration because it is merely an extension of the earlier view of how best to maximize performance – to show consideration for people. What we need is a conception of leadership which says that it helps if you can be transformational when you have to tackle massive resistance to your ideas or when you are trying to get

people to change their fundamental, dearly held values. But if you are championing a new product and your prospective followers are out and out opportunists, they might jump on the bandwagon with little persuasion at all from you, let alone requiring a visionary, inspiring appeal. The truth is that all particular influencing styles, whether transformational or quiet and factual, are situational facilitators rather than essential definitional elements of leadership.

5. The sin of learnable process

Again, this sin stems from the first one, conceptualizing leadership in organizational terms with a focus on what it takes to operate effectively in a senior position within a working group. It also ties in with the sin of consideration versus structure where being effective in an executive position meant being able to shift between the use of the two core processes of initiating structure and showing consideration for people. Certainly, these two factors are processes, but they are both managerial processes, not a basis for differentiating leadership from management.

Let's take a closer look at the nature of leadership conceived as challenging the status quo and offering a new direction. There are two components comprising such leadership: having something new to say and having the ability to say or demonstrate it in a manner that wins the support of the target audience (within or outside your immediate team). So, there is content and influencing skills. The latter has a process feel to it, but the former refers to a concrete subject matter, not a process at all. It is not impossibly difficult to shift from being a business leader to taking a leadership stance in politics, but it is not so easy to be a leader in molecular genetics one day and a leader in software development or financial services the next. To the extent that leadership says something new about a subject area, the harder it is to show leadership across widely divergent subjects. Conversely, the management skills of utilizing people and other resources in a manner that yields the highest return on the investment of those resources is much more readily transferable across widely diverse industries. Content is less important to manage well. Hence we can more readily view management as a set of process skills.

Why does this point matter? Well, it is easier to associate a process with a role such as CEO, but the fact is that CEOs don't have all the answers when it comes to content, which is why, to be fully effective, organizations today need to foster leadership in all of their content experts or knowledge workers as well as looking for it outside the organization (outsourced leadership?). A related point is that younger or new employees with good ideas are the real leaders in organizations and that promoting them to positions of responsibility does not amount to making leaders out of them. Rather, we are turning employees who are already leaders into managers, some of whom might still be good leaders and poor managers. Others may become good managers but lose their leadership edge. A few excel at both.

Talk of processes suggests a learnable set of steps, most clearly true for management and influencing skills. Showing leadership no doubt requires influencing skills but these can range from unwitting example through explicit but logical, factual arguments to inspirational vision statements. There are two other essential ingredients: having something novel to say about a particular subject and having the courage to stand up and say it, to challenge the status quo, to risk group rejection and ridicule. Content knowledge and insight into how a field might progress are acquired through close study and hard thinking about the domain in question, but the other essential ingredients are associated with youthful rebelliousness. Creativity is not required because leaders can be early adopters of new ideas developed by others, but the essential traits for leadership overlap with those that underpin

creativity – a drive to differentiate yourself by doing something new or different and a curiosity about how things work. Such traits emerge in people naturally. They are not learned skills or a formulaic process. While they are not the exclusive province of youth, creativity flourishes more readily in the young, just as does youthful rebelliousness. And, naturally, some are more rebellious than others. Some rebels become deviants, dropouts or criminals. Not all channel their spirit of adventure in productive directions, thereby becoming leaders.

It is nothing new to say that leadership involves content and influence. All great leaders are said to have a vision – a new idea for a better future or direction, supplemented by great influencing skills. But, because we so strongly admire powerful influencing skills, we have over emphasized them as the key to being a leader. But this is a dead end because leadership is ultimately in the eyes of the beholder and, the fact is, some people are more swayed by hard facts than an emotional appeal, so particular styles of influencing can only be situational, not definitional. Also, as we move inexorably into a knowledge driven world, the emphasis needs to shift to the power of ideas and away from the force of personality to move us. As we now say: “Content is king.” What is less understandable is why we have overlooked the similarity of leadership to creativity such that both are underpinned by youthful rebelliousness, an unlearned spirit of adventure.

The implications of moving away from the sin of learnable process is that we can develop managers and rounded executives, but only foster leadership just as we can only foster creativity. It is important to add, however, that everyone can show a degree of leadership because much of it is very small scale and local – such as suggesting a small improvement in an operating process. Leadership only needs to be seen as heroic when we associate it with the ability to ascend to the top of a vast organization or move hordes of people in the domain of human values. Much of business leadership occurs in very technical domains where basic human values do not play a key part.

6. The sin of character and emotional intelligence

Leadership conceived as challenging the status quo can range from an interpersonally sensitive, emotionally uplifting appeal to an aggressive frontal attack. Consider, for example, a software developer who is very unreliable, who regularly fails to show up for work and who relates to others in a rude, aggressive and insensitive manner but who develops a revolutionary new piece of software. He attacks management for weeks, promoting his product and verbally abusing management for sticking with their pet products. Because he can demonstrate the superiority of his product and begins to gain serious interest from customers, management finally gives in. The new product requires a fundamental reorganization of the business as the new product takes them into a totally new market. No one likes this developer and many resent his success in moving the organization in a new direction. He cannot even manage himself so is not given any responsibility for managing the new product or the organizational change process. This is an example of leadership, however, despite the total absence of admirable character traits or emotional intelligence. Such traits are necessary, however, for anyone in a role with responsibility for people – a manager or executive. We have to place our trust in managers because they hold the fate of our careers in their hands. To earn our trust, they must have a reputable character and display a modicum of emotional intelligence. Not so for leadership. Having such traits is situationally valuable for leadership to influence people who only respond to such approaches but they are not universally necessary so cannot form any part of our definition of leadership. Hence the meaning of leadership is totally independent of all style considerations.

7. The sin of parental dependency

Why have we over emphasized powerful influencing skills in our efforts to understand leadership? Why do we so admire such people? It is not just that we tend to admire heroes. Conventional leaders are a specific sort of hero – they take the place in our minds of powerful parental figures, usually fathers. Traditional leadership theory is, therefore, inescapably paternalistic. It is also biologically primitive because all higher primates tend to align themselves into hierarchies. Our intuitive or unconscious distinction between leadership and management parallels our image of the good and bad father. The former protects, guides and supports us while the latter controls and punishes us for stepping out of line. As children we needed to trust our fathers. Not surprisingly we fly into a rage when “leaders” disappoint us or betray our trust. One of the main reasons why many will be dissatisfied with a conception of leadership that allows every obscure knowledge worker in the lower reaches of organizations to show leadership merely by flogging a new product is that it clashes head on with our paternal image of the leader. Such knowledge workers may be capable of successfully promoting new directions but many are neither able nor interested in being managers or having parental authority over people. Hence they just do not fit the image of the conventional leader.

This is the crunch. I think we need to rid ourselves of our paternal, biologically primitive, image of leadership if we are ever to succeed in fully understanding and capitalizing on leadership properly recast for a digital age. We may not get rid of our hard wired tendencies to form ourselves into hierarchies or to look up to father figures but we can stop calling such people leaders. Senior executives are executives. They may be successful simply by being effective managers. They may also show some leadership, where leadership is seen as an occasional activity not a role or position. CEOs and political leaders such as Churchill or Roosevelt or any other admired head of state display a mixture of management, genuine directional leadership and paternal leadership. The latter is what they are mostly admired for but it is not what propels businesses that compete through rampant innovation.

In summary, what is leadership?

Leadership is the promotion of new directions through challenging the status quo. It is complemented by management which focuses on all aspects of getting things done efficiently through people. Style is another matter altogether. Leadership champions a new perspective on some content or subject matter. It is successful when people are willingly influenced to accept the leadership attempt. How they are moved is a completely situational or contextual matter, not definitional.

Benefits of a more sharply focused concept of leadership

- Executives are better able to focus their energies where they can best add value by not having to be all things to all people.
- Greater engagement, motivation and retention of key knowledge workers by encouraging them to be leaders now.
- More employees thinking about how to improve the business due to more widely dispersed ownership over future directions.
- Greater receptivity to new ideas and upward challenges as executives better understand their roles as managers, coaches and facilitators and as they learn to relinquish their monopoly on leadership.

The fading fortune of ingroup dynamics as a foundation for leadership

Our model of leadership is distorted by our focus on working groups because it leads us to study the person who emerges as the most influential within the group. But Martin Luther King, Nelson Mandela and Gandhi attempted to show leadership to people who were outside their working group – governmental authorities and the general public. Similarly, lowly but innovative knowledge workers who promote new products to their superiors are striving to lead people who are not, strictly speaking, members of their working groups or teams. Thirdly, leadership can be shown to whole organizations by industry gurus or market leading competitors – again a source of leadership that emerges from outside the groups that experience the leadership impact. A working group or team can both decide what to do and then proceed to do it. But there are separate actors involved when outsiders influence a group to change direction. The outsider leader has no part in enabling or overseeing the group's movement toward its goals. Hence such leadership must come to an end once the group decides to move. Another example of what might be called out-group leadership was Churchill trying to persuade the U.S. government to get involved in World War II. Churchill was not an American leader. He was the head of a different group. His leadership intent was to win U.S. commitment to take a more direct part in the war effort. It was not about managing or inspiring his organization to reach a goal.

Consider the following three themes:

1. How the basic goals of groups have shifted from (a) stability through (b) efficient production of a product to (c) being able to change quickly.
2. How the forces that move groups have shifted away from the personal power of the group leader to all manner of forces external to that individual's control.
3. How the boundaries between groups are breaking down.

1. The shifting of group goals

The objective of a primitive tribe or group of higher primates is subsistence – to eat and reproduce free from external threats. Leadership in such groups is clearly a position and a relatively stable one at that. Being a leader means having the power to attain and hold the top slot. Such groups do not have a product, they do not make or even do anything other than whatever it takes to survive. Stability, not effective change, is the measure of success.

By contrast, the goal of early business groups was to produce a product efficiently. It was not enough simply to exist as a group and do nothing. Successful forward movement is also required for the person in charge to be seen as an effective leader. Now leaders needed to accomplish two things: they had to display enough personal power to gain the top position in the first place. Then they had to get the group producing its product effectively. In this context leadership researchers had two questions to answer:

- What does it take to make it to the top?
- What do you have to do to get a group producing effectively?

Since the early 1970's, business groups have developed a third goal beyond efficient production of a product and that is to continually evolve to keep up with a rapidly changing environment of aggressive competitors and rapidly shifting customer demands. Now, efficient productivity is the new stability and effective leadership must

be aligned with engendering successful change. Unfortunately for positional leaders, this shift in group goals destabilizes their power base for the simple reason that the world is now too complex for any one person to figure out what to do next. Brute strength was once enough to hold onto a leadership position, followed later by the force of larger than life personality, but now there is the added pressure to divine new directions fast while wearing a blindfold. A wide range of other voices are now crying out to be heard.

2. The shifting forces that move groups

In primitive groups it was not safe to challenge authority. Death or excommunication surely followed. As recently as the time of Galileo and Martin Luther, questioning received wisdom was done at great personal risk – you could be burnt at the stake. Leadership in this world was a win-lose monopoly. Either you had the power to topple the leader or you paid the ultimate price. You could take the safe option and say nothing of course. Even in our time, Nelson Mandela was imprisoned for his challenge to the status quo while Martin Luther King was assassinated.

Within the political realm, deeply held values cause seemingly irresolvable conflict making change nearly impossible in many cases. Not so in business where rapid change driven by innovation is unstoppable. The key point here is that, for groups that operate in an innovation-driven world, new ideas are the motor that propels change and, most critically, such ideas can come from any source other than (but not excluding) the person in charge of the group. This rise to prominence of external group forces complements the group's new goal of continually reinventing itself discussed above where no single person has a monopoly on good ideas.

3. Breakdown of group boundaries

In primitive times, when 2 groups clashed, one was defeated and the leader replaced by the winner. Much the same still happens today when a business is acquired. But in modern business, it is possible for several groups to compete in the same markets without any of them getting acquired or killed off. Winning has become less absolute, more relative. This makes business a bit like a multi-team sports league where one team is temporarily in the lead and others must sit for a while in second or a lower place. In this context, lower ranked groups often look to their betters for leadership which means that their sole or main source of leadership need no longer be the person in charge of their own group. Rapid change and growing complexity have also led to strategic alliances and complex outsourcing arrangements where it is unclear who is leading whom. Further, employees are unsure who is their leader in such complex marriages. Who is an outsourced employee's formal leader? With what group do such employees identify or belong?

Implications for leadership

The fundamental implication of the shifting fortunes of groups is that we can no longer restrict our efforts to understand leadership to the dynamics *within* groups. We now need a concept of leadership based on a much wider set of dynamics. The traditional small group, such as the street corner gang are *closed* in the sense that direction and power revolve around the one person acknowledged as the group's leader. By contrast, innovation-driven organizations are considerably much more *open* to outside influences.

Here are just a few key implications of the shifting fortunes of the group:

- Leadership must be reframed strictly as a call to change direction because it can come as easily from outside an organization or from its frontlines as from the top.
- If leadership can be bottom-up, where the successful leadership attempt ends when those in power accept the proposal, then leadership cannot be formulated in terms of overseeing a group's journey toward a new goal. This means that everything to do with people management and implementation must be recast as a management function, having nothing to do with leadership.
- If leadership entails nothing more than challenging the status quo to offer a new direction, rather than facilitating the achievement of a group goal, then leadership is not a process. It is, rather, an impact based on someone's insight into how the world could be better, combined with the nerve to speak up. This is youthful rebelliousness, not a relationship, process, or learned skill set.
- If leadership, viewed as a successful challenge to the status quo, can be done in an aggressive manner, then leadership does not require emotional intelligence.

Conclusion

What does it mean to be a CEO in this revised leadership framework? CEOs do not need to display genuine leadership if there is no need to champion new directions. Industries that, relatively speaking, major on service, cost and quality, rather than rampant innovation, need effective management and not so much leadership. On the other hand, all CEOs admired by their organization members display primitive or paternal leadership. There is nothing wrong with acknowledging a legitimate place for someone to help employees allay their anxieties, but it is confusing and old fashioned to call this leadership.

There are some interesting postmodern themes running through the shift in our understanding of leadership that I am advocating. Although postmodernism is not as popular as it was a few years ago, some of its tenets are likely here to stay. One of these is the view that there are no authorities, that we are all our own authorities. In organizations, the power to generate novel directions is inexorably slipping through the hands of those in positions of authority to everyone else. Knowledge (content) is increasingly more powerful than position and the force of personality. Accordingly, we need a conception of leadership that captures the central role of innovation, the promotion of new ideas. Boundarylessness is another postmodern theme. Thought leadership is not only shown by positionless knowledge workers at the bottom of the pile, it can also come from outside the organization. In simpler times we could get away with limiting our attempts to understand leadership by studying what happens within groups. But boundaries are breaking down and the impact of the world outside immediate groups is now such that we need a theory of leadership that can account for cross-group, out-group or lone operator influences on group action.

If we can agree that leadership is nothing other than the promotion of new directions rather than associated with senior organizational roles, then we can now effectively capture the fact that some whole organizations are better followers than leaders. Microsoft would be an example. But even those organizations that are leading edge might occasionally follow the lead of external gurus or innovators.

In conclusion, for this view of leadership to be accepted, we need to rebuild our conception of management and stop calling executives leaders no matter how much they meet our emotional needs for guidance, support and anxiety reduction.