INTEGRATIVE EXECUTIVE LEADERSHIP:
TOWARDS A GENERAL THEORY OF
POSITIVE BUSINESS LEADERSHIP

by

Mark David Reno

A thesis submitted in conformity with the requirements
for the degree of Doctor of Philosophy
Department of Curriculum, Teaching and Learning
Ontario Institute for Studies in Education
University of Toronto

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ABSTRACT

Business today is conducted within societies facing complex global challenges and unprecedented demands for effective, ethical, and excellent business leadership that proactively manages its societal impacts. Integrating economic success with service of the common good requires a sound, shared understanding of “positive” executive business leadership to guide executive selection, education and development, and practice. This thesis formulates and theoretically grounds a general theory of positive executive business leadership. Integrative Executive Leadership (“IEL”) addresses the individual, pairs/groups/teams, organizational, and societal levels of business. Within these contexts, IEL exercises positive integrative agency through multi-stakeholder professional stewardship, integrated performance management, and living codes of ethics. This requires the practice of five mutually-reinforcing positive behavioural repertoires: contemplative self-leadership, functional-relational facilitative leadership, full range managerial-leadership, visionary strategic leadership, and transforming-
developmental leadership. These are reinforced by five positive philosophies or styles of leadership: authentic, moral, spiritual, servant, and wise leadership. Consequently, IEL is predicated upon essential competencies, attainments, and positive dispositions. Especially, IEL requires the cultivation of positive psychological states, traits, and virtues, eudaimonic character, postautonomous levels of ego development, psychological complexity, integrative consciousness and flow. In addition to promoting intrinsic morality, these farther reaches of human nature contribute to effective and excellent leadership performance. *Integrative Executive Leaders do well by doing good.*

IEL was developed through multiparadigm theory-building, adopting a pragmatic epistemology, and employing a transdisciplinary, positive scholarship approach to integrate the findings from a broad range of qualitative and quantitative research from the humanities and the social sciences. IEL theory articulates important theoretical relationships derived from: leading insights from management and organization theory; salient research findings from the social sciences and the humanities; insights from positive psychology, positive organizational behaviour, positive organizational scholarship, constructive developmental psychology, transpersonal psychology, and integrated empirical ethics; interpretive analyses of the biographies of great world leaders; and, a rich case study of an extraordinary executive business leader. Accordingly, IEL is advanced as an emergent theory with both theoretical grounding and empirical reference. The path forward requires further transdisciplinary, multiparadigm, multi-method research to further develop and refine IEL and establish it as a grounded theory of positive executive business leadership.
ACKNOWLEDGEMENTS

I cannot adequately express my gratitude to all of those whose contributions made this thesis possible. If I have attained a valuable perspective on positive leadership, it is only because “I have stood on the shoulders of giants”. So I begin with a heartfelt “Thank you” to those countless leadership scholars whose wisdom I have attempted to integrate herein. Also, I could not have formulated this vision without the expert and patient guidance of Dr. Marilyn Laiken, Dr. Kenneth Leithwood, Dr. John Miller, and Dr. Gareth Morgan. I trust that I can repay my debt to you by passing along to others the wisdom you have so graciously shared.

As well, this undertaking would have been impossible without the love and support of my wife of over thirty years, Christine, my daughter Danielle, and my sons Aaron and Ethan. You are the foundations for my inspiration. I am also indebted to my parents Paul and Loretta, whose compassion, wisdom, and guidance set me on this course, to my sisters and their spouses, Nora, Paula and Geoff, Karen and Dan, Diana, Laura and John, and to my in-laws, Rose, Claude, and David Marquis whose love and friendship encouraged me when the journey was difficult. I promise to apply all that I have learned to help develop business leaders who can make the world a better place.

Finally, I could not have completed this task without my friends and colleagues who prodded, challenged, and encouraged me along the way. I would especially like to thank John and Bryna McLeod, Art Horn, Dr. Bastiaan Heemsbergen, Kevin Youse, Shawn Ballard, Raymond LaFrance, Harry French, Mike Verhey, Cheryl Byrne, Donna Bailey, Joan Ellis, and Bill Weber, whose dialogues about positive leadership powerfully shaped my thinking. As well, I would like to thank Chris and Karl Zorn, Joanne Coyle and Dr. Harry Panjer, Claire Lewis and Mark Franklin, Liz and Rob Hill, Dr. Joan Jory, Jeremy Schrubbs, Joyce Herbinson, Carole Desmeules and Ken Denholm, Cheryl and Paul Woytko, and Dr. Brenda Berge. Your friendship and support is an important reminder that no one is an island. We are all parts of and must serve the indivisible whole – the “true north” of Integrative Executive Leadership.
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CHAPTER 1

Introduction

Business today is conducted within societies facing complex global challenges, including: achieving sustainable development and protecting the environment; avoiding economic and environmental catastrophes and interlocking crises of energy, water and food shortages; stabilizing the world's population and narrowing the gaps between rich and poor; as well as reversing the proliferation of mass extinctions, pandemic diseases, terrorism, refugee movements and violent conflict (Sachs, 2008). These create unprecedented demands for effective, ethical, and excellent business leadership that proactively manages its societal impacts. There are many effective, ethical and excellent business executives. Unfortunately, business leadership appears to be afflicted by serious cognitive-moral failures that cause many societal problems and threaten rather than serve the common good (Bakan, 2004; Leeds, 2003; Simon, 2008). Societies eroded by incompetent or corrupt business practices cannot serve the collective well-being. Nor can businesses thrive within toxic societies. Integrating economic success with service of the common good requires the sound, shared understanding and practice of “positive” executive business leadership. This requires answers to:

1. Is there a general theory that can reliably inform the selection, shape the education and development, and guide the practice of business executives to exercise “positive” forms of leadership?

2. What forms of “positive” executive leadership are essential to addressing the challenges of business in the 21st century?

As yet, although considerable progress has been made on various facets of business leadership, there is no widely-accepted, general theory of positive executive business leadership (Bennis & Nanus, 1985; House & Aditya, 1997; Stogdill, 1974; Yukl, 2006). The vast majority of business leadership theories are limited to: narrow forms of agency; specific levels of the management hierarchy; restricted contextual levels; certain behavioural repertoires; specific constellations of traits; or particular philosophies and styles (Yukl, 2006). Consequently, there is no general consensus as to how to reliably select, educate and develop, and guide the “positive” practice of business executives (Burns, 2006; Khurana, 2007). Therefore this thesis
formulates and theoretically grounds a general theory of Integrative Executive Leadership ("IEL"), focused upon the forms of positive leadership that are required for effective, ethical, and excellent management of business and societal well-being. IEL is situated at what The Aspen Institute calls: “the intersection of business practice and wider societal concerns that reflects and respects the complex interdependency between the two, and that focuses on how to manage this complex interdependency to mutual benefit of both realms” (Gentile, 2002b, 2000c).

Sachs describes the scale and scope of this challenge (2008, pp.36-40):

The 21st Century will overturn many of our basic assumptions about economic life…The challenges of sustainable development - protecting the environment, stabilizing the world's population, narrowing the gaps of rich and poor and ending extreme poverty - will render passé the very idea of competing nation-states that scramble for markets, power and resources. The defining challenge of the 21st Century will be to face the reality that humanity shares a common fate on a crowded planet…Human beings fill every ecological niche on the planet, from the icy tundra to the tropical rain forests to the deserts. In some locations, societies have outstripped the carrying capacity of the land, resulting in chronic hunger, environmental degradation and a large-scale exodus of desperate populations. We are, in short, in one another's faces as never before, crowded into an interconnected society of global trade, migration, ideas and, yes, risk of pandemic diseases, terrorism, refugee movements and conflict. We also face a momentous choice. Continue on our current course, and the world is likely to experience growing conflicts between haves and have-nots, intensifying environmental catastrophes and downturns in living standards caused by interlocking crises of energy, water, food and violent conflict. Whether we end up fighting one another or whether we work together to confront common threats, our fate, our common wealth, is in our hands.

Accordingly, business executives must focus serious attention on “the relationships between their companies and the societies in which they operate…[and] think about corporate citizenship and social responsibility, not just as philanthropy and good public relations, but as an integral part of their business” (Garten, 2002). In doing so, they must resolve a dilemma: “competitiveness in a global economy…we renounce at our peril. At the same time, there is a hazard…that can threaten the ability of both individuals and organizations to achieve them ethically… competitiveness or conscience? The answer to this question has never been more important for business decision making” (Goodpaster, 2004). Ciulla crystallizes this issue:
“What is good leadership?” The use of the word good here has two senses, morally good and technically good or effective. “What constitutes a good leader?” lies at the heart of many public debates about leadership today. We want our leaders to be good in both ways...[however] good leaders...face a paradox. They have to stay in business or get reelected in order to be leaders. If they are not minimally effective at doing these things, their morality as leaders is usually irrelevant, because they are no longer leaders (1999, pp. 167-168)

The thesis aims to show that the choice, “competitiveness or conscience?” is a false dilemma, and that business effectiveness, ethics, and excellence are not mutually incompatible, but rather are inseparable and highly synergistic.

**IEL is a Positive Theory of Executive Business Leadership**

The need for a general theory to help select, educate and develop, and guide business executives in the practice of positive business leadership has never been greater.

The unique stressors facing organizations throughout the world today call for a renewed focus on what constitutes genuine leadership. Public, private and even volunteer organizations are addressing challenges that run the gamut from ethical meltdowns to terrorism...What constitutes the normal range of functioning in these conditions is constantly shifting upwards...such challenges have precipitated a renewed focus on restoring confidence, hope and optimism; being able to rapidly bounce back from catastrophic events and display resiliency; helping people in their search for meaning and connection by fostering new self-awareness; and genuinely relating to all stakeholders (associates, customers, suppliers, owners, and communities)...we need leaders who lead with purpose, values and integrity; leaders who build enduring organizations and...concentrate on...positive forms of leadership (Avolio & Gardner, 2005, p. 316).

Just as there are death spirals for organizations and societies, there are also positive growth spirals. While it is essential to avoid the incompetence and corruption that can destroy an organization and society, it is most important to do so by building strengths into the very fabric of business leadership and organizations. **IEL** describes and prescribes the forms of positive executive business leadership that develops strengths, foster healing and resiliency, and cultivate extraordinary individual and collective performance that can create and sustain upward spirals of individual, team, organizational, and societal effectiveness, ethics, and excellence. As such, **IEL** is not simply corporate philanthropy or social enterprise. Rather **IEL** integrates ways of
leading that are conducive to healthy and sustainable businesses and societies and that guide management to exercise responsibility for the wider implications of its actions.

**IEL** adopts “positive scholarship” as its integrating focus. *Positive scholarship* draws on a number of different fields, such as philosophy, positive psychology, positive organizational behaviour (“POB”) and positive organizational scholarship (“POS”) (Fineman, 2006). These fields deliberately shift attention away from an exclusive preoccupation with the negative and pathological in the study of human behavior to what is good and positive – the finest of human capacities, experiences, intentions, virtuous acts, and outcomes that can be harnessed for noble individual and organizational ends (Cameron, Dutton, & Quinn, 2003; Luthans, 2003; Seligman, 1999). Positivity involves positive subjective experiences (states), such as past and present feelings of happiness, pleasure, joy, flow, gratification, fulfillment, and well-being and future-oriented feelings, like optimism, hope, and faith (Peterson & Seligman, 2003; Seligman, 2002) that “make life rewarding” (Diener, Lucas, & Oishi, 2002). Positivity also involves individual traits and virtues, especially the capacities for wisdom and knowledge, courage, love, justice, temperance, and transcendence, described as core ingredients of “good character,” (Park & Peterson, 2003). Positivity is also about institutions and organizations that cultivate and enable positive states, traits and virtues in the service of organizational values such as societal responsibility, nurturance, altruism, civility, moderation, tolerance, and the work ethic (Park & Peterson, 2003; Seligman, 2002). Positive scholarship acknowledges a world where competition, conflict, and self-serving behavior prevail, but urges scholars and practitioners to shift their attention away from organizations typified by greed, selfishness, and winning at all costs to ones “typified by appreciation, collaboration, virtuousness, vitality and meaningfulness (Cameron, Dutton, & Quinn, 2003b). Within positive scholarship, positive subjective experiences, positive individual traits and virtues, “positive deviance”, and positive institutions are the keys to producing that which is “flourishing,” “flawless,” “excellent,” and “honorable” (Cameron, 2003; Seligman, 2002; Spreitzer & Sonenshein, 2003). *Positive deviance* is characterized by a cluster of virtues derived primarily from Aristotelian notions of *eudaimonia*, the “good spirit”, and the happiness that comes from a life of moderation and doing good for its own sake or for the benefit of others (Cameron, 2003; Park & Peterson, 2003).
Fineman (2006) notes that, continuing in the traditions of its seminal writers, positive scholarship fuses positive features of human nature with ethics. As opposed to struggling with our dark impulses, positivity portrays human beings as ready to connect positively and prosocially with the world, given the right opportunities. Lazarus observed that positive psychology “in one form or another…is thousands of years old” (Lazarus, 2003a, p. 94). Seligman and Csikszenmihalyi also advise that “positive psychology is not a new idea. It has many distinguished ancestors” (2000, p. 13), going back to ancient philosophers such as Aristotle, and pioneering psychologists such as: William James who emphasized the importance of “healthy mindedness”; Allport who was interested in positive characteristics such as courage and wisdom; Maslow who advocated for the “direct study of healthy rather than sick people” and whose book *Motivation and Personality* (1954) even contains a chapter entitled “Toward a Positive Psychology”; and humanistic theorists such as Rogers, May, and Frankl who concerned themselves with the positive features of human functioning. Also, since their inceptions, the fields of organizational behavior and organizational development have tended to be very positively and humanistically oriented in theory, research and practice. Many of their predominant personality, motivation, attitude, and leadership constructs are mostly positive (Luthans, 2002b). Accordingly, Fineman notes that “current renditions of positiveness reinvent many of the spokes of the traditional positive wheel” (2006, p. 272).

Positiveness embraces the human intrinsic desires to self-actualize and express their capacities to the fullest extent that are said to be indicative of a “better human awaiting to be discovered” (Snyder & McCullough, 2000, p. 159) and of human capacities to “forge paths towards positive change and…organizational well-being” (Cooperrider & Sekerka, 2003, p. 236). In place of material wealth, positive scholars advocate a life shaped by virtues, as enunciated by the philosophers of ancient Greece, such as wisdom, courage, love, justice, temperance, and transcendence (Peterson & Seligman, 2002). By nurturing individual and collective positive potentials positive scholars seek to: create buffers and antidotes to the corrosive effects of anger, envy, and greed in organizations (Emmons, 2003); produce self-reinforcing “upward spirals” of well-being and “optimal” organizational functioning (Frederickson, 2003); cultivate robustness through “principled dissent,” and the courage to speak out in defense of what is morally right (Worline & Quinn, 2003); nurture positive emotions on the job that are linked to better
performance and higher levels of organizational citizenship (Cameron et al., 2003a; Diener & Seligman, 2004); fuse personal identity with one’s work to create meaningfulness (Nakamura & Csikszentmihalyi, 2002); and develop positive leadership that is authentic, confident, hopeful, optimistic, transparent, resilient, and ethical (Luthans & Avolio, 2003). Positivity is directed toward morally well-defined ends to address the apparent moral malaise of industrial, consumerist societies and workplaces that seem to lack ethics, compassion, sensitivity, or responsibility toward their various stakeholders (Diener & Seligman, 2004; Fineman, 2006).

*Positive scholarship* is an umbrella term that provides an organizing frame for previous, current and future research on positive states, outcomes, and generative mechanisms in individuals, dyads, groups, organizations, and societies. The emphasis of this work is on identifying individual and collective strengths (attributes and processes) and discovering how these strengths enable human flourishing (Fredrickson & Losada, 2005). This undertaking diffuses positive scholarship across disciplines, which is reflected in psychological research, medical research (health building and wellness), social work (community building), political science (peace building), education (character building) and organization theory, where there has been a growing interest in applying the principles and methodology of positive scholarship to micro and macro level organizational issues (Roberts, 2006). This collective emphasis has greatly expanded the range of variables that are considered, and the paradigms and methodologies that are employed, in positive scholarship.

Seligman (1999) officially placed *positive psychology* on the scholarly agenda during his term as president of the *American Psychological Association* as “the study of the conditions and processes that contribute to the flourishing or optimal functioning of people, groups and institutions” (Gable & Haidt, 2005, p.104). Positive psychology focuses primarily upon three areas of human experience: positive subjective states, positive individual traits, and positive institutions (Seligman & Csikszentmihalyi, 2000). Applied to organizational behaviour research, positive psychology has sharpened the focus on positive states (e.g., authenticity, optimal performance, engagement, thriving, high-quality connections, societal responsibility, sustained peace, dynamic capabilities, etc.) and their generative mechanisms (e.g., trust,
empowerment, creativity, humanistic work ideology, etc.). A central generative mechanism is *positive psychological capital* or “PsyCap”, consisting of efficacy, hope, optimism, and resilience (Luthans, Youssef, & Avolio, 2007). *PsyCap* is positively related to various favourable individual and organizational attitudinal, behavioral, and performance outcomes, and in general, is positively related to employee well-being over time (Avey, Luthans, Smith & Palmer, 2010). Accordingly, many institutions are now actively involved in research, each of which offers a slightly different yet complementary perspective, in how to incorporate positive scholarship into organizational studies. They include: the *Center for Positive Organizational Scholarship* (Stephen J. Ross School of Business, University of Michigan: www.bus.umich.edu/positive), the *Gallup Leadership Institute* (University of Nebraska: http://gli.unl.edu/), and the *Center for Business as an Agent of World Benefit* (Case Western Reserve University’s Weatherhead School of Management: http://worldbenefit.case.edu/).

*Positive organizational behavior* (“*POB*”) is most closely tied to the University of Nebraska and directly links positive psychology and micro-organizational behavior studies (Nelson & Cooper, 2007). Luthans defines *POB* as “the study and application of positively oriented human resource strengths and psychology capacities that can be measured, developed and effectively managed for performance improvement in today’s workplace” (2002, p. 59). *POB* differs from positive psychology in its emphasis on state like strengths that can be developed (Luthans, 2002), rather than a focus on fixed, trait like characteristics and virtues. In addition, *POB* scholars seek to identify the role of organizational climate and human resource practices (e.g., selection, socialization and norms, social capital, social contagion, etc.) in fostering authenticity, continuous self-improvement, and sustained performance (Avolio & Luthans, 2006).

*Positive organizational scholarship* (“*POS*”) has a similar quest, but emphasizes investigating “positive deviance, or the ways in which organizations and their members flourish and prosper in especially favorable ways,” and identifying “the dynamics leading to exceptional individual and organizational performance” (Cameron & Caza, 2004, p.1). *POS* researchers incorporate both micro-dynamics and macro-dynamics in their study of flourishing, and examine processes of positive organizing and the institutions that positive organizing can create (Cameron, Dutton,
and Quinn, 2003). POS enriches the positive psychology agenda by more deeply contextualizing psychologists’ accounts of positive subjective experiences and states, by examining the interplay between individuals and social contexts in generating positive deviance, and by illuminating the social embeddedness of individual and organizational flourishing (Roberts, Dutton, Spreitzer, Heaphy, & Quinn, 2005; Wooten & Crane, 2004). POS draws on positive psychology but pursues a broader agenda to ascertain how positivity opens up new and important ways of understanding organizational phenomena - like executive leadership.

Positive psychology, POB and POS are highly complementary (Luthans & Avolio, 2009). The main difference is that positive psychology is primarily concerned with the individual, while POB is more concerned with micro and meso levels, and POS is more concerned with the organizational level of analysis (Cameron & Levine, 2006). POB also utilizes a state-trait continuum as a central part of its conceptual framework, whereas POS tends to focus more on traits and virtues. Also, whereas POB focuses on bringing negatively deviant, harmful and toxic relations to normal supportive levels, POS features a deviance continuum (negative to normal to positive), and emphasizes moving from negative to normal to positive deviance. In addition to solving problems and attaining goals, POS pursues resilience, flourishing, and vitality. The goal is to “make the impossible, possible” (Cameron & Levine, 2006). POS shows how to reach beyond ordinary success to achieve extraordinary effectiveness and “positively deviant performance” – performance far above the norm. To go from successful to exceptional, leaders must learn how to create profoundly positive environments in the workplace. They must build on strengths rather than simply focus on weaknesses; foster positive emotions like compassion, optimism, gratitude, and forgiveness; encourage mutually supportive relationships at all levels; and provide employees with a deep sense of meaning and purpose (Cameron, 2008). Luthans and Avolio (2009) see POB and POS as potentially converging fields, and are currently conducting multidisciplinary research into increasingly complex and multilevel research questions, using multiple methods including longitudinal analyses. They are encouraging similar approaches among colleagues and other researchers. Accordingly, this thesis adopts the positive scholarship foci and this recommended integrative, “transdisciplinary” approach.
Background & Significance

Executive Roles and Responsibilities

Business organizations would cease to be viable and economies would cease to operate were it not for effective and ethical, and occasionally excellent, business executives. These are the “salt of the earth” business leaders described by authorities such as Badaracco (2002), Collins (2001), and Collins and Porras (1994), etc. In addition to these effective and ethical executive leaders, there is a growing number of “social entrepreneurs” like Muhammad Yunus (1999, 2007), as celebrated by Bornstein (2005, 2007) and Counts (2008), who exhibit exemplary moral and socio-economic leadership. Although social entrepreneurship is a promising area for future IEL research, for the present purposes this thesis focuses upon executive business leadership.

Many consistent patterns have been observed in the roles and activities of effective business executives across industries, organizations and functional areas (Hales, 1986; Mintzberg, 1973; Sayles, 1979). To begin with, although “managing” and “leading” are sometimes treated within the literature as being mutually exclusive, in the case of business executives, the consensus is that managing and leading are inextricably interconnected, integrated activities that are essential to one another (Mintzberg, 2004; Yukl, 2006). Effective executives must “manage”, to ensure that people “do things right” in order to maintain stability, order and efficiency within the organization. Effective executives also must “lead”, to ensure that people “do the right things” to promote flexibility, adaptation, innovation and change. Although different situations may require emphasizing one over the other at times, managing and leading are blended and simultaneous. Effective business executives integrate these roles into what might be more appropriately called “managerial-leadership” (Bass, 1990; Hickman, 1990; Kotter, 1990; Mintzberg 1973; Yukl, 2006). There are important underlying integrating activities in managerial-leadership work. Mintzberg (1973) through extensive field observation identified ten roles, which he grouped into three general categories, as outlined in Appendix A.1. These executive roles are demanding and are largely predetermined by the specific context and nature of the job. In general, the managerial-leader “may be likened to a juggler. At any one point in time he has a number of balls in the air. Periodically, one comes down, receives a short burst of
energy, and goes up again. Meanwhile, new balls wait on the sidelines and, at random intervals, old balls are discarded and new ones added” (Mintzberg, 1973, p. 81). Even though on the surface executives’ day to day work appears fragmented, at a deeper level, effective executives’ roles are largely defined in terms of their integrating functions. In fact, Mintzberg advises that executives’ leadership role requires essential integrating functions that interpenetrate and shape all of their specific roles, as indicated in bold italics in Appendix A.1. Many contextual factors intensify the need for these integrating activities, as outlined in Appendix A.2. These factors are amplified by the profound changes affecting the workplace including: increasing globalization of business; cultural, generational and lifestyle diversity in the workplace; rapid quantum changes in scientific innovation, computing and telecommunications technologies; and “New Economy” forms of organization featuring decentralized, flattened, and “boundaryless” structures (Dess & Picken, 2000). These are intensified by global societal forces that are radically transforming the agendas of entire nations, economies, industries, and organizations (Dess, Lumpkin & Peridis, 2006, pp. 32-61; Sachs, 2008).

Executive Leadership Effectiveness

There is mounting evidence that a large proportion of business executives are ill-equipped to provide effective leadership in addressing these challenges. In a 1998 study of Fortune 1000 companies, The Conference Board (1998) surveyed executives’ perceptions of their own companies’ leadership practices, overall leadership capacity, leader behavior and effectiveness, and leadership training and development. Among the observations were: (1) managers receive mixed performance reviews - although respondents show very high consensus in their lists of the most important leader behaviors, a significant percentage report that their own managers are not practicing the key behaviors for effective leadership; and (2) companies are short on leaders - a slim majority rated their company’s overall leadership capacity as good (44 %) to excellent (8 %), while almost one-half (48 %) of the companies report this capacity to be fair or poor.

In a 2001 follow-up study of business leadership and development practices, The Conference Board and Development Dimensions International (“DDI”) surveyed 153 companies, conducted interviews with 22 thought leaders in the field, and received ongoing input from a 35 member
working-group that included high-ranking representatives from leading global corporations in many industries, the US military, and international consulting firms. In this study only about one-third of the respondents rated their company’s leadership capacity as good to excellent in meeting business challenges (36 %), or responding to sudden change (34 %). The study participants also advised that, despite their current leadership shortcomings, business executives would face even greater leadership challenges in the projected 2010 business world, related to: increasing globalization; changing workforce demographics; accelerating technological change; hyper-competition; escalating expectations of boards, investors, customers, and employees; and changing organizational structures, systems and processes. They expected that these environments would test the capabilities and strain the supply of senior business leaders, many of whom would be incapable of leading increasingly complex global organizations. The study participants also anticipated that business environments in 2010 and beyond would be characterized by “extreme cognitive complexity in many industries, requiring extraordinary strategic thinking skills and the ability to make high-quality decisions quickly in the face of competitive pressure and uncertainty” (2001, p. 5). These forces were expected to require executives to possess highly developed:

1. cognitive ability and mental agility;
2. strategic thinking skills;
3. analytic and integrative thinking ability;
4. skills in sound decision-making with incomplete information in ambiguous situations;
5. versatility with a variety of management styles;
6. communication and influence skills to deal with diverse stakeholders and cultures;
7. ability to delegate tasks and responsibilities while effectively managing risk;
8. capacities to identify, attract, develop, and retain talent at all levels; and
9. the ability to adapt and learn from experience.

In 2008, Howard and Wellins conducted a follow-up study for DDI that examined business leadership performance and development practices among organizations in every major economy and industry around the world, tapping the views of not only HR professionals, but also leaders up and down the management hierarchy and across all major job functions. They surveyed 1,493 Human Resources professionals and 12,208 business leaders (executives -10%; senior level managers - 27%; middle managers - 37%; and first level supervisors and team leaders - 26%). Overall, they found “intensified dissatisfaction” and that most organizations
“have a sense of urgency about developing their leadership talent, but their attempts to do so are falling seriously short” (2008, p. 1). Their study revealed six major problems (2008, pp. 7-9):

1. confidence in business leaders generally is declining;
2. confidence in lower-level business leaders especially is sagging;
3. most of the world’s business leaders are not considered to be of high quality;
4. more than one-third of business leaders fail;
5. basic managerial-leadership skills are business leaders’ primary downfall; and
6. higher-level business leaders don’t even see these flaws.

Higher management tends not to recognize these problems because the higher the manager’s level, the more favorable tends to be his or her view of leadership quality in the organization. Howard and Wellins speculate that higher management levels systematically bias leaders’ perceptions of the capabilities of those throughout the organization. This “false sense of security…might keep executives from fully understanding the pressing need to develop leaders farther down the management chain” (Howard & Wellins, 2008, p.9). They concluded that business leaders are performing poorly and organizations worldwide are falling far short of satisfying their needs for effective business leadership.

In a separate study conducted between 2006 and 2008, The Center for Creative Leadership (“CCL”) surveyed 2200 leaders to determine: (1) which leadership skills are critical for success now and in the future; (2) how strong are current leaders in these critical skills; and (3) how equipped are today’s leaders with the most important skills required for the future. Employing its Benchmarks multi-rater assessment instrument to ascertain the most important required leadership skills now and 5 years in the future, and comparing them to current associated strengths, CCL concluded that leadership strengths are not sufficient for effectiveness currently. Also, skills most important to the future exhibit the largest gaps:

1. Inspiring commitment
2. Strategic planning
3. Leading people
4. Resourcefulness
5. Employee development
6. Managing change
7. Participative management
8. Building and mending relationships

CCL concluded that not only are business leaders not adequately prepared for the future, even if nothing were to change, business leaders are insufficiently skilled to meet current challenges.
Since this research was conducted before the US financial services meltdown in the fall of 2008, CCL also suspects that these deficits are greatly understated (CCL, 2009).

**Executive Leadership Ethics**

Leeds (2003) argues that a prerequisite for a smoothly functioning economy is public trust in a system where the laws governing market behaviour are effective and enforced. He advises that this public trust is sustained by the competence and integrity of the interconnected network of public and private institutions that set the rules for market behaviour, and monitor performance as well as by the individuals in key leadership positions who set the standards and determine how their corporations operate on a day to day basis (Leeds, 2003, p.76). He recounts how this public trust has been severely damaged since the flood of revelations about corporate misconduct, commencing when Enron filed for bankruptcy protection in December 2001. These scandals - Enron, Tyco, WorldCom, Adelphia, Hollinger, Parmalat, Vivendi, Nortel, ad nauseam – seemed to take on epidemic proportions in country after country. The cumulative evidence suggests that this was not the case of one or two rogue corporations, or a few “bad apple” corporate leaders, but rather the result of a systemic erosion of the market structures, standards and processes upon which is based the public trust.

Although many business leaders exhibit a strong sense of public responsibility and value high personal integrity, there are tremendous pressures on business executives to compromise their personal ethics. Leeds notes that over the past two decades, stock markets have pressured executives to meet the short term share price expectations of stock analysts and shareholders and they have managed their operations primarily to boost short term earnings (Kochan, 2002; Useem, 1996). Also, Leeds believes that the growing concentration of power in the CEO and the executive team leads to situations where absolute power corrupts absolutely. He reports widespread ethical failings: government agencies that failed to effectively monitor market behaviour; self-regulators, such as accounting firms, that were more intent on protecting, rather than monitoring and disciplining their members; and corporate executives who were enriching themselves at the expense of shareholders and taxpayers. Perhaps presciently, given the unraveling of the American financial services industry in the fall of 2008, Leeds pays special
attention to the financing processes in these earlier egregious cases. Virtually all of the major players in these processes were compromised by self-interest (Leeds, 2003, pp. 77-78):

- Executives involved in various self-enrichment schemes, at shareholder expense;
- Accountants so tightly entangled in fee-based relationships that they lose sight of their public responsibilities;
- Outside directors who get too close to managers, neglect their fiduciary duties to shareholders, and fail to hold managers accountable;
- Investment bankers who wear too many hats with inherent conflicts of interest – advisor, underwriter, creditor, and investor;
- Stock analysts who purport to conduct objective research on stocks underwritten and traded by their employers;
- Lawyers who advocate for the legitimacy of questionable financial transactions and then subsequently investigate and report on the propriety of those same transactions;
- Politicians who draft regulations favouring companies who are contributors to their election campaigns.

These same conditions persist today - unchecked.

This unethical conduct is not confined solely to large corporations. The Price Waterhouse Coopers (“PWC”) annual studies of over 37,000 companies in 50 countries around the world, reports that the percentage of companies that had suffered from fraudulent acts increased from 37% in 2003, to 44% in 2004 to 45% in 2005. The average company loss exceeded $2 million. However, PWC cautions that both the actual frequency and severity are likely much higher because the companies fail to detect or report fraud and tend to write them off as commercial losses. One quarter of these frauds were perpetrated by senior managers and executives (Babiak & Hare, 2006, p.135). Also, a recent study by the US Congress’ General Accounting Office (2002) (“GAO”), reported that there had been a 145% increase in accounting irregularities between 1997 and 2002. Nearly 10% of all firms listed on the three major American stock exchanges were forced to “restate” their financial statements and 45% of these firms were accused of securities fraud (Tillman & Indergaard, 2007a). The GAO estimated that shareholders in those firms lost between $100 billion and $200 billion when the companies' stock price plunged following the restatements. The human consequences were also severe. For those firms that announced restatements, between 250,000 and 600,000 jobs were lost between 2000 and 2002 (Kedia & Philippon, 2006). The GAO study’s other observations are equally important (Leeds, 2003, p.78):
• Fraud and abuse is estimated to cost US organizations more than $400 billion annually.
• Fraud and abuse fall into three main categories: asset misappropriation, fraudulent statements, and bribery and corruption.
• The average organization loses about 6% of its total annual revenue to fraud and abuse committed by its own employees.
• The most costly abuses occur in organizations with fewer than 100 employees.
• Losses caused by managers are 4 times those caused by non-management employees.
• Median losses caused by executives are 16 times those caused by non-management employees.
• The typical perpetrator is a college-educated white male.

Tillman argues that instances of unethical business conduct “to some extent are routine features of modern life that most of us accept as part of living in complex market societies. In recent years, however, we have witnessed several periods in which fraud and corruption have swept through a number of industries, leaving thousands of victims with massive financial losses … These events suggest … that large-scale institutional failures lie behind these epidemics” (2009, pp. 73-74). Similarly, Cullen et al (2009, p.42) argue:

The savings and loan scandal, Enron, and the recent spate of exploitative sub-prime loans… are all examples of costly swindles that could not have occurred under more scrupulous regulation and monitoring. Perhaps the next stage…[is] being alerted to the reality that most “bad guys” in white-collars cannot victimize on a grand scale unless powerful actors in society allow them to do so.

From Tillman’s perspective (2009) corporate corruption is a chronic, endemic, systemic problem - the outgrowth of the structure and organization of industries in addition to the individual characteristics of those involved. He advises that these executives are not simply good capitalists taking advantage of imperfections in markets. They are also proactive agents in the political processes that create those market imperfections. Simon (2008) describes this as a form of “elite deviance” by business executives in concert with politicians “who have not only the opportunities to carry out these acts but also the power to shape the rules that created those opportunities” (Tillman, 2009, p. 84). Accordingly, Wozniak (2009) urges that it is important to understand everything that happens before the malfeasance occurs, because executive corruption is the reflection of something larger and deeper (Quinney, 2000, p. 21).
Unfortunately, Price observes that business leaders “are particularly susceptible to ethical failure” (Price, 2000 p.177). The ethical failure is basically of two kinds; “volitional” and “cognitive”. Volitional ethical failure occurs when an executive leader behaves immorally because he or she is motivated to do something other that what is morally required. For a variety of reasons the executive’s self-interest trumps ethics. Factors contributing to moral complacency and loss of moral focus include: the relatively greater means and temptations available to people in positions of power; the tendency for success and privilege, executive prerogative, unrestricted control of resources, and ego inflation, to strain a leader’s moral motivations; and, the tendency for power to “insulate leaders from the contingencies that force self-interest and morality together”, such as the ability to afford high-price defense attorneys (Price, 2000, pp. 178-180). Cognitive ethical failure is of two types: where the leader is mistaken about the content of what is morally obligatory or prohibited, right or wrong – the moral content; and where the leader is mistaken about who counts for the purposes of applying moral prescriptions or prohibitions – the moral scope. Mistakes about moral scope are errors about who is bound by moral obligations, such as leaders excusing themselves from moral responsibility, and errors as to whom moral obligations are owed, such as leaders failing to act ethically with respect to bona fide stakeholders. In practice, elements of both volitional and cognitive ethical failure are present and mutually reinforcing in ethical failures of executive business leaders (Weiss, 2003, p. 23).

Goodpaster (2004, p. 5) has also identified a syndrome underlying executive cognitive-moral failure:

“Teleopathy”, n., the unbalanced pursuit of purpose in either individuals or organizations. This mindset or condition is a key stimulus to which ethics is a practical response. The principal symptoms of teleopathy are fixation, rationalization and detachment.”

Teleopathy, he explains, is a character disorder relating to the unbalanced or sick pursuit of goals, targets and purposes. In extreme forms, teleopathy amounts to the suspension of ethical awareness as a practical force in the decision-making process - “it’s just business”. Teleopathy affects perception, reasoning and action – the way an agent sees, or does not see the world, and the way an agent responds to what he or she sees, in deciding what to do (2004, p. 5).
Teleopathic executives exhibit three converging and mutually reinforcing symptoms: “fixation”, “rationalization” and “detachment”. Fixation involves the unbalanced pursuit of certain limited objectives, like profit, as supreme, to the exclusion of all else, including moral obligations and higher purposes. Rationalization involves a variety of subtle distortions of perception and judgment, including: over-simplifying situations; reducing the number of possible consequences to make decision-making more manageable; privileging certain features of the situation and marginalizing others; and, fostering selective attention, tunnel vision and narrowed judgment, etc. Detachment involves objectifying the world and oneself through evaluating all actions and one’s self-worth in terms of whether one succeeds in achieving these limited, super-ordinate goals. He advises that personal identity, self-determination, and integrity are all eroded by the process of detachment because it does not allow for a natural and proper balance of the “head” and the “heart”. He describes “integrity…[as] a kind of wholeness or balance that prevents individuals from bypassing the qualities of the heart with qualities of the head or anesthetizing their humanity in the face of strong temptations” and that demands “balance and participation by the whole person in decisions and actions” (2004, p. 3). Unfortunately, the imperatives of running businesses often are hostile to this kind of wholeness. Consequently, teleopathy afflicts a large proportion of individuals in executive leadership positions. In fact, teleopathy is often celebrated, as reflected in the mantras: “winning isn’t everything, it’s the only thing” and “nice guys finish last”.

Contributing to these cognitive-moral deficits, Bakan (2004) observes, are sinister socialization processes at work within corporations. He describes how the corporation, as it is legally constituted in North America, deliberately and unapologetically perpetrates collective harms, and exercises systematic efforts to mislead the public, co-opt governments and attenuate public oversight and regulation in the pursuit of its exclusive financial self-interest. This is especially troubling since, through growth, concentration of wealth and power, and globalization of business, “corporations now govern society, perhaps more than governments themselves” (Bakan, 2004, p. 25). He explains that corporations frequently behave in antisocial ways in the exclusive pursuit of shareholder financial interests because the corporation has no intrinsic sense of duty to the collective well-being, because society, by explicit legal mandate, obligates corporations to pursue one and only one goal – to make profit for their respective owners.
Because nothing but profit has any intrinsic value to the corporation that adheres to “shareholder agency theory”, as advocated by Milton Friedman and his followers, it reduces everything to monetary considerations, including human and environmental well-being (Bakan, 2004, pp. 33-35). He points out that even corporate philanthropy stops at the point that it ceases to benefit the shareholders of the company, and that beyond that point it is actually illegal. Bakan argues that this kind of behaviour fits the diagnosis of psychopathic personality disorder (2004, pp. 56-57).

The consequences for societal well-being are serious. Babiak and Hare (2006) observe that although many executives “are honest, law-abiding citizens, concerned with making a living, contributing to society, and raising a family in a fair and just world” (2006, p. ix), many corporations induce forms of executive sociopathy, and comfortably harbour narcissists and manipulative psychopaths. They observe that a great many business executives: are selfish and concerned only about themselves; have little regard for fairness and equity; allow the responsibilities of leadership and the perks of power to override their moral sense; and falter in the face of excessive temptation and easy access to power. Board and Fritzon (2005), like Babiak and Hare (2006), have also found that a substantial percentage of successful executives exhibit narcissism and traits associated with psychopathy. In addition to causing financial harm within organizations, these types of executives present personal dangers to coworkers through psychological, emotional, political and even physical abuse, subverting authority, undermining peers, compromising security, precipitating large declines in morale and wasting valuable time and energy repairing their damage (Babiak & Hare, 2006, pp. xi-xiii). Unfortunately, the vast majority thrive within corporations that give license to, and even reward their behaviours. In fact “many organizations are prime feeding grounds for psychopaths with an entrepreneurial bent and the requisite personal attributes and social skills to fool many people” (Babiak and Hare, 2006, p. 97). This can be encouraged by the changing nature of business itself, from the traditional, hierarchical bureaucracy which favoured stable, loyal and more compliant executives, to the current New Economy model which is flatter, less structured, with fewer controls and more freedom to make decisions, and which favours executives who can shake trees, rattle cages and get things done quickly. Within these organizations, egocentricity, callousness and insensitivity may seem to be acceptable trade-offs for results and profits in an

Ultimately, perhaps the root cause is the prevailing moral consciousness in western culture. Taylor, in the *Sources of the Self* (1989), and *The Malaise of Modernity* (1991) argues that modern moral consciousness suffers from a “culture of narcissism…an outlook that makes self-fulfillment the major value in life and that seems to recognize few external moral demands or serious commitments to others” (Taylor, 1991, p.55). Taylor argues that this modern consciousness has not just simply materialized. This is the evolutionary outcome of a long journey of western history, from currents of early Christian thought, through the Reformation, the Enlightenment, the Romantic and the Victorian periods to the present day. The culmination, he argues, is a form of moral consciousness “atomistic individualism”, which is purely self-referential and experiences itself as free from any bonds to society (Taylor, 1991). This “culture of narcissism”, Taylor advises, is an unfortunate degenerate development of a worthwhile ideal – the principle of authenticity. He explains that western culture rightly values human diversity, individual freedom and personal responsibility. However, the ideal of authenticity does not require that the content of our individual values be exclusively self-referential and egocentric. Rather, he argues that a meaningful life requires self-transcendence, and that, in fact “I can find fulfillment in God, or a political cause, or tending the earth. Indeed…we will find genuine fulfillment only in something like this which has significance independent of us and our desires” (Taylor, 1991, p.82). The prescription Taylor advises, is for western culture to cultivate a deeper, dialectical appreciation of the principle of authenticity, specifically “that self-fulfillment, so far from excluding unconditional relationships and moral demands beyond the self, actually requires these in some form” (Taylor, 1991, pp. 72-73). Whether we can come to this dialectical realization is a story still in the making. Our collective fate appears to hinge on a race between learning and catastrophe.

In sum, it is problematic to live within societies where the positive efforts of many effective and ethical business executives are offset by corrupt executives who employ illegal and/or unethical practices to gain advantage. Finn argues that the principle of *mutuality* is an integral ethical dimension of business, and advises that, if free markets are to work effectively, it is essential for
corporate and individual self-interests to be circumscribed within moral boundaries that promote mutuality (Finn 1985, 1996). Krueger argues that these ethical principles are not artificial impositions on free-market processes, but rather “articulate essential commitments that both enable and enhance free-market exchanges and reduce their harmful effects” (Krueger et al., 1997). Rawls argues that these moral commitments are essential to enable diverse human beings to coordinate their activities fruitfully within the economic and political arenas of society, and enable them to pursue their own visions of truly good and fulfilling human lives (Rawls, 1971, p. 302; 1993, pp. 273-74). Ogletree (2002) observes that this is a very difficult challenge because the inability to achieve mutuality is directly linked to the egoistic motivations that contribute to the effectiveness of free-market economies in the first place. The dialectical challenge is to contain the destructive tendencies inherent in free market economies without at the same time undermining their strengths. Ultimately “integrity and a profound sense of public responsibility is the bedrock foundation of an effective market system” (Leeds, 2003, p. 82).

Although a variety of public policy and corporate governance initiatives are necessary to strengthen protective mechanisms and inhibit corruption, Leeds advises that the first line of defense is with the senior executives and the boards of directors who define and practice the corporate standards, where individual leaders set the standards for their employees and accept personal responsibility for how well their organizations adhere to the spirit and letter of these standards. Ultimately ethical corporate conduct does not reside in rules, but in the culture of a company as defined and exemplified by its leaders. In the final analysis, personal integrity and sound judgment cannot be legislated, but must be embedded within the individuals who go to work every day, for they are the ones who earn and continually maintain the public trust.

Management Education

These deficits in executive leadership effectiveness and ethics are among the main reasons for a current legitimacy crisis in the “profession” of business management, the “mounting discontent with managerial behavior among shareholders, employees, regulators, and citizens” as well as frustration with the institutions primarily responsible for business executives’ “professional” education (Khurana, 2007, p. 4). Business schools have become lightning rods for this discontent. Khurana advises that “business schools shape the identity, outlook, assumptions, and
aspirations of individuals who go on to become influential actors within powerful economic institutions…[M]anagement and business education…have reciprocally defined the ultimate ends of the corporation and shaped the means through which management seeks to achieve them” (2007, p. 5). However, he observes that “all is not well within the institution of the university-based business school” (2007, p. 4), and that business school education not only fails to cultivate, but actually interferes with effective and ethical business leadership.

Khurana’s views are shared by many authorities, including, but not limited to: Bennis & O'Toole, (2005); Gapper, (2005); Gentile, (2002a); Ghoshal, (2005); Gioia, (2002); Hambrick, (2005); Mintzberg, (2004); Pfeffer & Fong, (2002). Prominent among their many complaints are that business schools have “given rise to the contemporary understanding that the purpose of management is to maximize shareholder value” (Khurana, 2007, p. 5). Within business schools there is a constant fight and uphill battle to get leadership and ethics training into the business school curriculum, which are marginalized in favour of “scientific” courses like economics and finance, which advocate that maximizing shareholder value is the prime responsibility of business executives (Gapper, 2005; Gioia, 2002). In addition, within business schools, Khurana reports that it is generally perceived that “leadership as a body of knowledge…remains without either a widely accepted theoretical framework or a cumulative understanding leading to a usable body of knowledge” (2007, p. 357). Thus, leadership has relatively low status in business schools - “even established scholars…risk academic marginalization”, there are few leadership departments, and those studying leadership are dispersed across business specialty disciplines. Also, there is little prospect of new business professors coming on stream to conduct research and champion the integration of leadership into business education curricula because “doctoral students are discouraged from studying the subject and directed…toward…less elusive phenomena that lend themselves better to quantitative analysis” (2007, p. 357). Although business schools do provide valuable training in specialized business activities, such as; finance, accounting, and marketing, they do not teach the integrated practice of managerial-leadership (Harrigan, 1990; Leavitt, 1989). The majority of business schools place too much emphasis on analysis, quantification, and control, selecting students with limited practical experience, and assuming that analytical skills alone will prepare them to manage in the workplace (Cummings, 1990; Porter & McKibbin, 1988). These “students are taught concepts
and theories before they have ever encountered live managerial situations, and thereby are misled into believing that they ‘know’ about management” (Chia, 2005). Mintzberg also warns that a siloed, disciplinary mentality confuses neat business specialities with the messy, integrative practice that is management, such that “business schools claim to develop managers, yet turn out staff specialists who promote dysfunctional styles of managing” (Mintzberg, 2004, p. 377). Perhaps Mintzberg best sums it up: “as education for management, conventional MBA programs train the wrong people, in the wrong ways with the wrong consequences” (2004, p.6). As a result, “managerial practice…is going off the rails with dysfunctional consequences in society” (2004, p. x).

It is understandable that within business schools some perceive leadership as a body of knowledge without a widely accepted theoretical framework or a cumulative understanding - over the years many authorities within the field have made this observation. In 1974 Stogdill noted that “four decades of research have produced a bewildering mass of findings…but the] endless accumulation of empirical data has not produced an integrated understanding” (Stogdill, 1974, p. vii). In 1985 Bennis and Nanus observed that “thousands of empirical investigations of leaders have been conducted in the last seventy five years alone, but no clear and unequivocal understanding exists as to what distinguishes leaders from non-leaders, and perhaps more important, what distinguishes effective leaders from ineffective leaders” (Bennis & Nanus, 1985). In 1997, House and Aditya observed that there is some cumulative knowledge about certain leadership phenomena, but that this knowledge “is based upon a limiting set of assumptions…Almost all of the prevailing theories of leadership, and about 98% of empirical evidence at hand, are rather distinctly American in character: individualistic rather than collectivistic…assuming hedonism rather than commitment to duty or altruistic motivation…and emphasizing assumptions of rationality rather than asceticism…[or] religion. Further, a number of important topics are largely ignored or only very recently addressed in the leadership literature” (House & Aditya, 1997, pp. 409-410). In 2006, Yukl summed it up:

The field of leadership was in a state of ferment and confusion for decades. The field rushed from one fad to the next, but the actual pace of theory development was quite slow. Several thousand empirical studies were conducted on leadership effectiveness, but the results are often inconsistent and inconclusive. The confused state of the field
can be attributed in large part to the sheer volume of publications, the disparity of approaches, the proliferation of confusing terms, the narrow focus of most research, the preference for simplistic explanations, the high percentage of studies on trivial questions, and the scarcity of studies using strong research methods. As the old adage goes, it is difficult to see the forest for the trees. (2006, pp. 440-441).

However, Yukl also observes that “substantial progress has been made in learning about effective leadership” (2006, p. 441). For instance, greater cumulative understanding is emerging as to why certain individuals emerge as leaders, what factors are determinants of the way a leader acts, and which traits, abilities, behaviours, sources of power or aspects of the situational context determine how well a leader is able to influence others and accomplish objectives (2006, pp. 441-448). Also, most conceptualizations of leadership now view leadership as involving a process whereby intentional influence is exerted with people to guide, structure, and facilitate activities and relationships in a group or organization to accomplish specific outcomes. Although they still “differ in many respects, including who exerts influence, the intended purpose of the influence, the manner in which influence is exerted, and the outcome of the influence attempt…[and the] identification of leaders and leadership processes” (2006, p. 3), progress is being made towards a more integrated understanding. Also, “over the past 50 years, the number of studies that straddle more than one approach is increasing, and the different lines of research are gradually converging. Most of the findings from the different lines of research are consistent and mutually supportive….When the different approaches are viewed as part of a larger network of interacting variables, they appear to be interrelated in a meaningful way” (Yukl, 2006, p.445). Cooper, Scandura, and Shriesheim (2005) concur, and urge that leadership scholars must “adhere to the tenets of normal science that predicates that there is at least a minimal level of paradigm development within the field… There has to be some consensus by scholars regarding which theoretical frameworks they should use and the appropriate methods for investigating them” (Cooper et al., 2005, p. 476). Fortunately, as discussed in this thesis, there appear to be emerging bases upon which to build the consensus required to enhance the education, development, and practice of positive business leadership.
The *IEL* Argument

These deficits play an important role in positive scholarship – they provide substantial impetus for improvement. The Conclusion of this thesis identifies recent positive developments in management education and suggests how *IEL* might enhance managerial-leadership education and thereby executive leadership effectiveness, ethics, and excellence. The central argument of this thesis is that positive integrative executive business leadership is required, on an ongoing basis at all levels, for business organizations and society to continually innovate and adapt, survive and thrive. Accordingly, *IEL* executives must provide positive integrative agency through multi-stakeholder professional stewardship, integrated performance management, and living codes of ethics. This requires the integrated practice of positive leadership repertoires that address four inter-penetrating levels of business - individual, pair/group/team, organizational, and societal. *IEL* calls these mutually-reinforcing positive repertoires: contemplative self-leadership, functional-relational facilitative leadership, full range managerial-leadership, visionary strategic leadership, and transforming-developmental leadership. In turn, these repertoires must be reinforced by positive philosophies and styles of leadership including: authentic, moral, spiritual, servant, and wise leadership. Consequently, *IEL* is predicated upon essential positive attainments, dispositions and competencies. Especially, *IEL* requires the cultivation of: positive psychological states and traits; virtues, and eudaimonic character; postautonomous levels of ego development; integrative consciousness; and psychological complexity and flow. These farther reaches of human nature motivate intrinsically ethical leadership, spontaneous service of the common good, and contribute to effective and potentially extraordinary executive performance. *Integrative Executive Leaders do well by doing good.* The following chapters will describe these *IEL* qualities and their interrelationships in detail, along with their theoretical foundations.
CHAPTER 2

Research Methodology

This thesis addresses the need for a more integrated understanding of positive executive business leadership via a process of “metaparadigm theory-building” (Lewis & Grimes, 1999). This is accomplished through systematic literature reviews and content analyses via a process Gioia and Pitre (1990) called “metatriangulation”. This process involves “multiparadigm reviews”, “multiparadigm research”, and “metaparadigm theory-building”. Multiparadigm reviews involve the recognition of overlaps, divides, transition zones, and potential bridges among existing theories. Multiparadigm research involves using different paradigm lenses to collect and/or analyze salient data. Metaparadigm theory-building strives to link conflicting paradigm insights within a coherent novel understanding (Lewis & Grimes, 1999, pp. 673-676).

In metatriangulation, these processes are supplementary – first recognizing, then cultivating, and then accommodating diverse paradigm insights. This process requires purposefully seeking out conflicting interpretations, applying multiple paradigms to explore their disparity and interplay and, thereby, arriving at an enlarged and holistic understanding of the phenomena of interest, as well as the paradigms employed. The theoretical insights that arise come from three sources: existing literature, empirical data, and the theorists’ intuition, common sense, and experience (Weick, 1989). Critical self-reflection permeates the process, requiring the theorist to constantly question his or her own paradigmatic biases (Lewis & Grimes, 1999, p. 677).

This metatriangulation process is messy and far from linear – it is highly iterative - following Weick’s (1989) prescriptions for building theory using "disciplined imagination" to deliberately and dramatically increase the quantity and diversity of literature reviewed, of analytical methods used, and of metaconjectures examined. Weick (1989) and Cornelissen (2006) advise that a new theory, such as IEL, should favour methodologies such as new idea generation, speculative thinking, conceptual mapping, and comparative analyses. The rationale for this emphasis, Weick argues, is that often “theorists write trivial theories because their process of theory construction is hemmed in by methodological strictures that favour validation rather than usefulness…These strictures weaken theorizing because they de-emphasize the contribution that
imagination, representation, and selection make to the process, and they diminish the importance of alternative theorizing activities (1989, p.516). This thesis follows Weick’s prescriptions, via the metatriangulation theory-building process outlined in Table 2.1.

**Table 2.1: Metatriangulation Process**

(Source: Adapted from Gioia & Pitre, 1990; Lewis & Grimes, 1999)

<table>
<thead>
<tr>
<th>PHASE</th>
<th>INDUCTIVE ACTIVITY</th>
<th>PURPOSE</th>
<th>IMPLICATIONS</th>
</tr>
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<tr>
<td>1. Multiparadigm Review</td>
<td>1.1: Define phenomenon of interest</td>
<td>Focus and interpretive flexibility</td>
<td>Encompass diverse paradigms and theories</td>
</tr>
<tr>
<td></td>
<td>1.2: Focus paradigm lenses</td>
<td>Recognize paradigmatic influences and “home” paradigm(s)</td>
<td>Recognize overlaps, conflicts, transition zones, and potential bridges</td>
</tr>
<tr>
<td>2. Multiparadigm Research</td>
<td>2.1: Collect Data</td>
<td>Aim lenses at common referent(s)</td>
<td>Select case studies, and theoretical views</td>
</tr>
<tr>
<td></td>
<td>2.2: Conduct multiparadigm analyses</td>
<td>Cultivate diverse interpretations</td>
<td>Identify and detail contrasting views</td>
</tr>
<tr>
<td></td>
<td>2.3: Write paradigm accounts</td>
<td>Manage accumulating insights</td>
<td>Recognize overlaps, conflicts, transition zones, and potential bridges</td>
</tr>
<tr>
<td>3. Multiparadigm Theory-Building</td>
<td>3.1: Explore metaconjectures</td>
<td>Juxtapose paradigms insights and conduct mental experiments</td>
<td>Examine patterns, commonalities, and discrepancies</td>
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<td></td>
<td>3.2: Attain a metaparadigm perspective</td>
<td>Clarify interplay, disparity, and complementarity</td>
<td>Accommodate and balance differing explanations</td>
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<tr>
<td></td>
<td>3.3: Articulate critical self reflection</td>
<td>Assess process and theory quality</td>
<td>Identify gaps, paradoxes, and tensions</td>
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**PHASE 1: Multiparadigm Review**

1.1: Define phenomenon of interest

Lewis and Grimes advise that metatriangulation is “most appropriate for studying multifaceted phenomena characterized by expansive and contested research domains (i.e., with numerous, often conflicting theories)” (1999, p. 678). Specifying a research question can be problematic because the legitimacy of a question can vary across paradigms. However, exemplars of
metatriangulation advocate “broadly defining a common phenomenon of interest” (1999, p. 678). A broad definition of the phenomenon of interest frees the theorist to explore varied facets, as well as differing views, which enables interpretive flexibility during data analysis (Glaser, 1998, 2004; Charmaz, 2006/2009). The discussion in Chapter 1 broadly defines the phenomenon of interest, namely “positive executive business leadership” and underscores the importance of the positive potentials of business leadership - effectiveness, ethics, and excellence. Chapter 1 also emphasizes the importance of the applied nature of IEL theory, and hence praxis. This is not a trivial issue. Yukl urges: “it is important for academics to think more about how their theories and research can be used to improve the practice of management. Too much of our leadership research is designed only to examine…questions that are of interest only to a few other scholars who publish in the same journals” (Yukl, 2006, p. xv). The focus of this thesis is upon fundamental characteristics and processes of positive executive business leadership in order to provide practical guidance for the selection, education and development of business executives, and the practice of positive executive business leadership within the ambiguous, dynamic, complex adaptive systems contexts of business. The nature of the phenomenon of leadership, as embedded within its research context, is substantially clarified by a recent multidisciplinary effort to formulate a general theory of leadership (“GTOL”).

The GTOL Project

Early in 2001, James MacGregor Burns invited a number of thought-leaders in the study of leadership from a variety of disciplines to participate in a collaborative process to “provide people studying or practicing leadership with a general guide or orientation…a general theory of leadership” (Wren, 2006, p.2). The GTOL project, conducted between early 2001 and November 2004 was a sustained, multi-disciplinary effort, that Wren (2006, p.2) described as “a careful construction of what is known, an identification of what is not known and needs to be known, an accounting of ideas/variables that are in dispute or contradictory, and some hard thinking about how it all hangs together”. To convey a sense of the universe of leadership theories the GTOL group addressed, Wren produced a Periodic Table of Leadership (see Appendix B.1) - a broad and inclusive metaphor that includes approaches to leadership from the social sciences and the humanities. Each of the GTOL project’s four phases involved
investigative activities, sub-group discussions, drafting and reviewing of individual and group discussion papers, and other task-group meetings leading up to and including several full-group, multi-day, face-to-face plenary meetings. As might be expected with a group of experts from multiple disciplines attempting to structure an entire field of academic endeavour - ideas were widely disparate and sometimes contradictory (Wren, 2006, p.3). Despite their best efforts, the GTOL project did not succeed in developing a general theory of leadership. Nevertheless, the group identified and clarified important fundamental issues and polarities as well as important bases of agreement (Wren, 2006, pp.15-19) that inform the path forward for this thesis. The GTOL project is a case study in multidisciplinary leadership theory building that describes the academic context and the core challenges facing this thesis in its attempt to formulate a general theory of positive executive business leadership. In many respects, this thesis is a continuation of the GTOL project, albeit with a sharper focus.

(a) The idea, value and feasibility of a unified theory

The GTOL group was divided on the issue as to the possibility, value and feasibility of integration itself. Some participants sought a unified, definitive, general model of leadership to bring order to the field. Others favored a diverse, “multiple narratives” approach. Still others argued that “an integrated theory of leadership was an interesting but ultimately doomed project…[since] particular disciplines are not themselves integrated” (Wren, 2006, p.5). As a working assumption, the group agreed that “a field of knowledge does not need everyone working under one paradigm to advance…there is nothing wrong with a field that has a number of research projects going on that work from different paradigms” (Wren, 2006, p.4). For instance, in the field of religious studies the “phenomena of religion are studied via anthropological, historical, sociological, philosophical, theological, and even literary-critical methodologies…While there are points of tension and possible contradiction among such views, they illuminate different dimensions” (Wren, 2006, p.11). Accordingly, the GTOL group resolved not to design a definitive general theory that would determine who is out and who is within the discipline (Wren, 2006, p.5). Instead it decided to integrate the insights of multiple disciplines and remain open to potentially more than one consistent theory. This dialectical approach, which aspired to embrace multiple perspectives by mapping parallel approaches, did
not require denying that common elements of leadership exist across contexts, did not settle the question from the outset, and took an inclusive view of who could fit into the tent of leadership studies (Wren, 2006, pp.4-5). For the same reasons, this thesis formulates IEL in a similar manner and open, inclusive spirit.

(b) The nature of a “general theory” and how it is to be used

The GTOL group also identified differences with the concept of a “general theory” and how it is to be used, respecting that “the importance of theory varies among the disciplines that contribute to the study of leadership, and the nature of theory varies among the disciplines that hold it to be important” (Wren, 2006, p.6). Whereas scholars from the social sciences tend to “hold steadfastly to hopes of theories that, like those of the natural sciences, will explain phenomena and enable social sciences to predict them as well”, scholars in the humanities tend to view both the nature and uses of theory quite differently, favouring richly descriptive accounts (Wren, 2006, p.6). Also, the GTOL group identified tensions between descriptive and prescriptive approaches to theory, noting that “the nature of the interplay between the prescriptive and descriptive components of leadership is significantly more complex than much of the literature lets on…[such that] to do justice to important intellectual values…[a] general theory will have to make room for the full range of pre-theoretical positions with respect to the interface between the descriptive…and prescriptive sides of the subject of inquiry” (Wren, 2006, p.9). Since leadership inevitably raises questions of ethics, the GTOL group resolved that a general theory of leadership necessarily involves a prescriptive component that tells “something about not only what ends ought to be pursued but also what constitutes their ethical pursuit” (Wren, 2006, p.10). For this reason this thesis integrates descriptive and prescriptive features in its general theory of positive executive business leadership.

(c) Differing disciplinary perspectives, assumptions, values and methodologies

The attempt to integrate multi-disciplinary perspectives, descriptive and prescriptive roles for a general theory, harbours difficult metatheoretical tensions. The “conflicting nature of disciplines in interdisciplinary study and…clashing paradigms within disciplines” posed the greatest obstacles to the GTOL group in formulating an integrated theory (Wren, 2006, p. 11).
The reconciliation of positivist and constructivist perspectives proved to be the most difficult. Positivist social scientific efforts to parsimoniously reduce human phenomena into deterministic leadership models were rejected by constructivists as “quixotic…promoted by a Newtonian scientific view of a mechanical universe”. They argued that “leadership, unlike physics, is about human behavior, which does not lend itself to deductions from a theoretical system” (Wren, 2006, p.7). Constructivists also questioned the ability of positivist, functionalist, social scientific models to adequately capture the dynamics of complex contexts, the processes of identity formation, and the limitations and positionality of sense-making inherent in leadership. They argued that leadership as “a process is wholly dependent on human action, local problems, social structures, history, and systems of beliefs, values, and symbols”, which requires interpretive approaches “linking leadership to broader questions of how people negotiate structure and agency or to the relationship between the individual and society” (Wren, 2006, p.15). Constructivists advocated that leadership should be conceptualized as “a dynamic system of interrelated parts and subsystems of constant change without clear boundaries – a fractal, not a chart…[in which] all the elements of leadership and their components swirl in interrelated activity and in ever-changing patterns of all the factors of the framework, analogous to the activity at the subatomic level of matter” (Wren, 2006, p.8). Consequently, the GTOL group adopted a “multiple narratives” approach to provide the space that enabled these scholars to look to their own disciplines for insights into leadership, and the means to enter into dialogue to synthesize a general theory. This dialectical approach, formally called the “as if condition” by the GTOL group, was the path to getting beyond these academic impasses. Through this dialectical “modus operandi…one of acting ‘as if’…it were possible to integrate what the various disciplines have to say about leadership”, the GTOL group members began to put aside their differences and move forward (Wren, 2006, p.15). Walker observed that this “effort taking place in leadership studies…is nothing new…Scholars have been attempting to understand the intellectual nature of what they do, how they do it, and how to do it better for centuries if not millennia; a…type of interdisciplinary struggle – often described as ‘war’ between scholars” (Walker, 2006, p.47). Accordingly, this thesis adopts a similar dialectical stance and attempts to avoid these academic disciplinary impasses by employing a meta-paradigmatic, transdisciplinary approach in formulating and theoretically grounding IEL theory.
(d) Central elements of leadership

Operating under the *as if* condition, the GTOL group agreed that key elements of leadership, included: power, motivation, leader-follower relations, values, culture and context. Some observed that these categories of leadership alone might not encapsulate its essence because “leadership itself is a process…something greater than the aggregate of its parts”. Others noted that “these areas all tended to spill over into each other” such that discussing the parts in isolation from each other is misleading, and the value comes “not from the elements of leadership itself, but how people put these elements together” (Wren, 2006, p.21). Therefore, the GTOL group abstained from over-defining components into “a theory that combines highly bounded pieces”, but rather worked with the elements of leadership as “basic pieces of the leadership puzzle” (Wren, 2006, p.21). Three GTOL sub-groups with balanced disciplinary backgrounds and group demographics constructed separate narratives of how leadership works “to look for any commonalities or ‘family resemblances’” (Wren, 2006, p.21). Each sub group considered three questions: (1) What is it about the human condition that makes leadership necessary? (2) What makes it possible? and (3) What processes or conditions characterize the emergence, maintenance, or transformation of leadership? A summary of their key themes is provided in Appendix B.2. The GTOL group also identified the central assumptions underpinning the most polarized of these narratives, as summarized in Appendix B.3. Their critical differences relate to: epistemologies, conceptions of the nature of humanity, depictions of the leadership challenge, purposes and responses, and implicit hierarchies of values. Epistemological differences as to how one comes to know and relate to perceived reality produced dramatically contrasting views of the leadership relation. The differing assumptions regarding the role of the individual within society proved especially difficult to bridge, as did differences in the implicit hierarchies of values embedded in the differing accounts – some members tended to focus the leadership challenge upon lower-order security needs, whereas others focused upon higher-order satisfaction and self-transcendence needs of Maslow’s hierarchy. Differences in conceptions of the leadership challenge naturally flowed from these pre-theoretical assumptions. Thus, “if the leadership challenge is different, so too is the response…what the leadership relation is trying to accomplish” (Wren, 2006, pp. 25-27). Similarly, this thesis integrates these central elements - power, motivation, leader-follower relations, values, culture and context, among other important elements - not within reductive,
highly-bounded, deterministic relationships, but as interrelated and movable parts of complex, multi-dimensional, dynamic leadership processes.

**(e) Major theoretical perspectives on leadership**

Walker (2006, 54-57) described the key relationships among the six most influential theoretical perspectives in leadership studies that must be integrated into a general theory. *Trait theories* contribute the insight that leaders possess combinations of characteristics that contribute to their emergence and effectiveness as leaders. However, “Great Man” and simple trait theories have been widely discredited empirically and theoretically. *Behavioural theories* contribute the idea that a leader’s behavioural style is very important and that behavioural skills can be learned, such that one does not need to be “born great” to demonstrate effective leadership. These theories show that a balance of task-oriented skills along with people-oriented skills contributes to effective leadership. *Contingency theories* extend behavioural theories by suggesting that leaders’ balanced behavioural styles must be adapted to particular situational contexts. Both *cognitive and moral theories* share the insight that leadership behaviour is related to internal factors within the individual, such as; belief and value systems, learning, culture, past history, psychology and emotions, as well as anything that alters their states of consciousness, and that personal states and stages of development are important to effective leadership. Additionally, moral theories address the relationships between leaders and followers as they strive to achieve mutual goals and moral ends via ethical means. The various *transactional, transformational,* and *strategic leadership theories* focus upon what is generally effective in the application of leadership theory to practice, and integrate elements of trait, behavioural, contingency, cognitive and moral theories. Building upon this foundation, this thesis integrates all of these perspectives, among other important theoretical perspectives on leadership.

**(f) Central issues of leadership**

Hickman developed a matrix (see Appendix B.4) that “succeeded in including in one all-encompassing representation most of the matters of contention that had occupied the GTOL group”. This matrix helped reduce the tendency of the GTOL scholars to talk past one another,
provided a basis for constructive debate, and clarified the group’s accumulated knowledge (Wren, 2006, pp. 30-33). The principal areas of agreement included:

1. **Purpose of Leadership:** all of the perspectives reflect important kinds of agency, albeit expressed differently: “create, change, sustain, solve, influence, balance, expand”, etc.

2. **Context:** all of the perspectives identify context as being important, even though they differ in how they define context and describe its influence, processes, etc.

3. **Multiple Levels of Action and Analysis:** all of the perspectives include groups / collectives in the level of analysis. Only constructivism and pluralism tend to exclude the individual as a focus of analysis.

4. **Participants:** all of the perspectives acknowledge that participants can take multiple roles as initiators, co-leaders, partners, challengers, followers, and passives, etc.

5. **Ethics:** four out of the six perspectives view leadership ethics as being essential.

All of these areas of agreement are important to a general theory of positive executive business leadership since “for an integrated or ‘unified’ theory to have validity, scholars must agree upon the essential or basic elements that are being integrated” (Walker, 2006, pp. 59-62). This thesis integrates these principal areas of agreement, among others. However, it rejects as untenable, that the individual is not among the appropriate foci of analysis, and that ethics is inessential to positive executive business leadership.

**(g) Significant epistemological polarities**

Walker observed that the scholars brought to the table, four fundamental epistemological positions that polarized the *GTOL* group. He characterized these stances as follows:

1. **Positivist:** There is one and only one correct answer to a question, and it can be learned or discovered;

2. **Realist:** There are many answers to a question, but there is one best answer;

3. **Pragmatist:** There are many different answers to a question, and the best answer depends upon the situation and what is needed; and

4. **Relativist:** There is no such thing as the truth, there is no best answer to a question, and all answers are equally valid.
He advised that within the GTOL group there were postmodernists and constructivists, who are relativists; some social scientists who are positivists; as well as some humanists and social scientists who range between being realist, pragmatist or moderately relativist. Walker observed that these “significant metatheoretical differences” deeply challenged the GTOL scholars who ran “a significant risk of talking past one another – listening without hearing and speaking without understanding – unless they recognize[d] the metatheoretical perspective not only of those they are in dialogue with but also themselves” (Walker, 2006, pp. 68-69). Wren concluded that these “differences among the disciplines have remained among the most intractable of the challenges facing those seeking a general theory of leadership” (Wren, 2006, p.12). Similarly, these epistemological-paradigm polarities present significant challenges to the metaparadigmatic, transdisciplinary approach employed within this thesis. This thesis embraces the inherent polarities through dialectical syntheses of: individual and collective levels; outer “objective” and inner “subjective” dimensions; social and technical features of organizational contexts; security, satisfaction and self-transcendence motivations; egoistic and altruistic ethical principles; and, positivist-functional and constructivist-interpretive theoretical paradigms.

1.2: Focus Paradigm Lenses

Metatriangulation requires focusing and then employing different paradigm lenses on the phenomenon of interest. Bracketing paradigms and then locating areas of agreement, disagreement, transition zones, and potential bridges across paradigms helps theorists cultivate a multiparadigmatic understanding of the phenomenon of interest. Reviewing relevant literature enables induction by helping theorists identify emergent theory within extant work, recognize the influence of their own theoretical inclinations, and stimulate insightfulness by "sensitizing" them to certain features and subtleties in the literature (Lewis & Grimes, 1999, p. 678; Weick, 1989). Bracketing makes the selective foci and assumptions of each perspective explicit to accentuate theoretical agreement and discrepancies (Gioia & Pitre, 1990). Exemplars generally either analyze literature within an extant paradigm typology, or create a custom framework. Discovering transition zones between paradigms helps theorists critique the boundaries and recognize the potential complementarity of paradigm lenses (Gioia & Pitre, 1990). Exemplars
most often explore links between “objective – oriented” and “subjective – oriented” paradigms. Paradigms that appear incommensurable at the extremes are often interwoven in transition zones at their borders, which facilitate bridging across paradigms and thereby facilitate metatheorizing (Lewis & Grimes, 1999, p. 678). This thesis employs Burrell’s and Morgan’s paradigm typology as its fundamental lens (Burrell & Morgan, 1979; Morgan, 1984).

**Four Fundamental Paradigm Lenses**

Burrell and Morgan (1979), Morgan and Smircich (1980), and Morgan (1984) described the nature and significance of paradigms in organization theory, defined as tightly coupled ideologies, ontologies, epistemologies, and methodologies that guide modes of organizational analysis. They identified four fundamental paradigms in terms of their polarizing assumptions regarding the nature of social science (objective versus subjective) and the nature of social relations (regulation versus radical change).

- **Objectivity** presumes a deterministic external reality of predictable relationships.
- **Subjectivity** presumes contextually bound and fluid social constructions.
- **Regulation** assumes harmonious and orderly social relations.
- **Radical change** assumes power asymmetries and conflict.

They also categorized existing organization theories into a typology that elucidates these opposing presuppositions. The *functionalist* paradigm (including positivist social-science, social systems theory, and interactionism) approaches human/social phenomena from an objective point of view, rooted in the sociology of regulation, characterized by an orientation toward stability or maintenance of the status quo (Morgan, 1984, pp. 307-313). The *interpretive* paradigm (including phenomenology and hermeneutics), approaches human/social phenomena from a subjective point of view, also rooted in the sociology of regulation, but with an apparent lack of concern for changing the status quo (1984, pp. 313-316). The *radical humanist* paradigm (which includes existentialism, critical theory, and anarchistic individualism), like the interpretive paradigm, approaches human/social phenomena from a subjective point of view, but it is rooted in the sociology of radical change, with an ideological orientation toward changing socially-constructed realities (1984, pp. 317-320). The *radical structuralist* paradigm (which includes critical theory, conflict theory, and contemporary Marxism), approaches human/social phenomena from an objective point of view, also rooted in the sociology of radical change, with an ideological concern for the radical
change of structural realities (1984, pp. 320-323). These four paradigms offer fundamentally differing views of human/social reality that profoundly impact the study and conceptualization of organizational phenomena, such as positive executive business leadership. These four paradigms are presented in Figure 2.1.

**Figure 2.1: Burrell’s and Morgan’s Four Paradigms**
(Source: Gioia & Pitre, 1990, p. 585)

Gioia and Pitre note that the study of human/social/organizational phenomena has been driven mainly by social science variations of natural science models within the bounds of the functionalist paradigm. “Hence, we have tended to operate by using a deductive approach to theory building, specifying hypotheses deemed appropriate for the organizational world and testing them against hypothesis-driven data via statistical analyses” (1990, p. 586). However, the assumptions of the functionalist paradigm are problematic when subjective views of social and organizational phenomena are adopted or when there is a concern with transformational change…The study of phenomena such as sense making, meaning construction, power, and conflict becomes very awkward to handle using any immutable objectivist framework. What is "out there" becomes very much related to interpretations made "in here". Likewise, when a person adopts a value for challenging the status quo, the implicit assumption of stability also becomes inappropriate (Gioia & Pitre, 1990, pp. 586-587).
Consequently, organizational scholars question the general appropriateness of the dominant functionalist paradigm and no longer assume that positivist-functionalist theory building applies exclusively and everywhere. With the ascendance of the interpretive paradigm, most of the debate has been between the functionalist and the interpretive approaches, with the interpretive paradigm struggling to assert itself against the functionalist orthodoxy (Gioia & Pitre, 1990, pp. 585-587). Because this thesis aims to both understand and enhance (not radically change) the existing institutions of executive business leadership and management education, it *foregrounds* the “regulation” perspectives, and *backgrounds* the “radical change” perspectives. It stresses the integration of functionalist and interpretive paradigms. These are also the main paradigms that challenged the *GTOL* project. Their perspectives and areas of agreement and disagreement with respect to leadership in general, are summarized in Appendices B.2, B.3, and B.4.

Gioia and Pitre (1990, p. 590) describe theory-building with these two paradigms. *Functionalist theory building* typically takes place in a *deductive* manner. It starts with reviews of the existing literature and operates out of prior theories. Hypotheses are derived by selecting specific independent variables as likely causes of a dependent variable or designated effect. These hypotheses are tentative statements of relationships that may extend prior theory in a new direction, or propose an explanation for a perceived gap in existing knowledge, or set up a test of competing possible explanations for causal relationships, etc. Data are collected with interview and survey procedures designed according to the hypotheses formulated; analyses are mainly quantitative, multi-variate statistical analyses. Variables, categories, and hypotheses all tend to remain constant over the course of the theory-elaboration processes. The result of these processes is either the verification or falsification of the hypotheses, with theory building occurring through the incremental revision, or extension, or rejection of the original theory.

*Interpretive theory building*, by contrast, generates descriptions, insights, and explanations of events so that a system of interpretations and meaning are revealed. Interpretive theory building tends to be more *inductive* in nature. Researchers attempt to account for phenomena with as few a priori ideas as possible. The basic stance toward theory building is one of seeing from the perspective of the organization members. The interpretive researcher attempts to preserve his or her representations. Analysis begins during data collection and typically discerns patterns in the (usually) qualitative data so that interpretive schemes can be established. Thereafter, analysis,
theory generation, and further data collection go hand in hand. Thus, the theory generation process is typically iterative, cyclical, and nonlinear. Subsequently, revisions and modifications are likely to occur before a well-grounded theory is proposed (Gioia & Pitre 1990, p. 588).

This explicit functionalist - interpretivist emphasis has a managerial orientation that may result in potential blind spots and optimistic biases from the perspectives of radical humanism and radical structuralism. However, this thesis is sensitive to, and reflects the perspectives of the radical change paradigms. Gioia and Pitre note that there are natural bridges across these paradigms. Because of the shared subjectivist assumptions between the interpretive and radical humanist paradigms “there is a straightforward connection between the interpretivist concept of structuring and the radical humanist concept of deep structure…However, radical humanists act on their knowledge of deep structure by building theory to expose the distortions caused by those reified structures and by attempting to raise the consciousness of the individuals concerned. Interpretivists, by contrast, fulfill their theoretical goals by providing detailed descriptions of the rule-based structuring processes” (1990, pp. 594-595). Functionalist and radical structuralist paradigms also have a natural bridge. They differ along the regulation-change dimension that can be characterized by the degree of change (stability to incremental change to radical change). They also differ in ideology. “The central issue has to do with functionalism's orientation toward regulation (an implicit managerial focus) as contrasted with radical structuralism's activism (advocacy for an underclass). The essential difference turns on the question of what one does with theory and findings about the role of organizational and societal structures. Conceptually, the application of activist values could transform macro functionalist approaches into a form of radical structuralism” (1990, pp. 592-594). Radical structuralism and radical humanism also share the values of activism and change. “Their proponents differ (usually) in their levels of analysis and in their assumptions about the nature of reality, with the former assuming underlying, objective class and economic structures and the latter assuming the subjective, social construction of deep structures at a somewhat more micro level…[R]elative independence and structurationism are related ways of bridging the objective-subjective transition zone between radical humanism and radical structuralism” (1990, p. 594). In fact, the concepts of “relative independence” and “structuration” are important in bridging radical humanism with radical structuralism, and functionalism with interpretivism. Relative
*independence* describes the relative subjectivity and objectivity of social phenomena. When people interact they ascribe “subjective” meaning and structuring occurs in the fluid, immediate experience. However, the context or environment within which these people are interacting, ascribing meaning, and structuring, are social systems such as, organizational structures or power hierarchies that can be treated as "objectively real". Although these social systems have been constructed by past human agency, over time they are treated as stable, objective realities, such that emergent meanings become institutionalized into rules, rites, and ceremonies, etc., and everyday structuring becomes an objective dimension of organizational processes, such as bureaucratic centralization. These “objective” social systems are “relatively independent” of the immediate “subjective” social construction processes (Gioia & Pitre, 1990, p. 594).

*Structuration* focuses upon the interconnections between the human agency of subjective structuring and established objective organizational structures. Although organization members use generative rules to produce organizational structures, these structures influence and constrain the structuring activities. “Structuring and structures are thus placed on equal footing by showing how social structures emerge from structuring activities and become external and influential on subsequent structuring processes…Hence, structure is both the medium and the outcome of interactions”. The net effect is that relative independence and structuration resolve an apparent paradox between agency and structure. “Thus, a link is provided for bridging the two paradigms” (Gioia & Pitre, 1990, p. 592).

**Images of Organization**

In addition to these four fundamental paradigms, this thesis addresses the polarity between the two dominant “images of organization” that characterize the context within which positive executive business leadership is embedded. Morgan and Smircich argue that “science of all kinds…is primarily metaphorical…through the use of metaphor scientists seek to create knowledge about the world…about ontology and human nature”. In so doing, “they implicitly commit themselves to an epistemological position emphasizing particular kinds and forms of knowledge” (1980, pp. 491-500). Epistemological debates hinge on the advocacy of different kinds of metaphorical insight because “metaphor frames our understanding…in a distinctive yet partial way…in highlighting certain interpretations it tends to force others into a background
role...[and] always creates distortions” (Morgan, 1997, p.4). He advises: “We have to accept that any theory or perspective that we bring to the study...while capable of creating valuable insights, is also incomplete, and potentially misleading...is inherently paradoxical...as the way of seeing created through a metaphor becomes a way of not seeing” (1997, p.5). Morgan (1986/1997/2006) describes a number of alternative metaphors for organizations, including: “machines”, “organisms”, “brains”, “cultures”, “political systems”, “psychic prisons”, “instruments of domination”, and “flux & transformation”. The images of organizations as “machines” and as “organisms” are the dominant paradigms in Western industrial societies.

Morgan specifically cautions against the unthinking and exclusive adoption of the “organization as machine” metaphor that prevails in manufacturing and bureaucratic contexts. He notes that "one of the most basic problems of modern management is that the mechanical way of thinking is so ingrained in our everyday conceptions of organization that it is often difficult to organize in any other way" (Morgan, 1997, p.6). This image of organization dictates:

Set goals and objectives and go for them. Organize rationally, efficiently, and clearly. Specify every detail so that everyone will be sure of the jobs that they have to perform. Plan, organize, and control, control, control. These and other similar ideas are often ingrained in our way of thinking about organization and in the way we evaluate organizational practice. For many people, it is almost second nature to organize by setting up a structure of clearly defined activities linked by clear lines of communication, coordination, and control. (Morgan, 1997, p.26)

The strengths of this machine metaphor, is that it works well only under the same conditions where machines work well, including: there is a straightforward task; the environment is stable; the organization produces exactly the same product over and over; precision is paramount; and the human "machine parts" are compliant. Morgan identifies many limitations of this metaphor, which include: organizational forms that have great difficulty in adapting to changing circumstances; mindless and unquestioning bureaucracy; passivity and dependency; apathy and carelessness; and the development of counter-productive sub-group interests and agendas. Also, this metaphor dehumanizes employees through various means, including “molding human beings to fit the requirements of mechanical organizations rather than building the organization around their strengths and potentials” (Morgan, 1997, pp.28-30). In stable contexts, this model improves efficiency and offers managers the promise of tight control. However, “with the
increasing pace of social and economic change, the limitations have become more and more obvious” (Morgan, 1997, p.31).

The “complex adaptive systems” perspective (Marion & Uhl-Bien, 2001; Schneider & Somers, 2006; Boal & Schultz, 2007; Uhl-Bien, Marion & McKevey, 2007; Lichtenstein & Plowman, 2009; Uhl-Bien & Marion, 2009), is a variant of the “organization as organism” metaphor described by Morgan (1997, pp. 33-71), which has become well-established in current organizational analysis (Morgan, 1997, p.44). This image:

- emphasizes the complex, dynamic and reciprocal exchange relationships between organizations and their macro-environments;
- nurtures inter-organizational, ecological and multi-stakeholder perspectives and relationships;
- focuses systematic attention on the needs that must be satisfied for the organization to survive and thrive;
- develops, balances and maintains, effective, efficient, and smoothly functioning interaction processes in both the social and the technical aspects of the organization;
- provides many, flexible options for organizing that are contingent upon the environment;
- stresses the importance of organic forms of organization to support innovation and adaptation for organizational well-being and success;
- recognizes the socially constructed phenomena within organizations, such as, how people are active agents in conceiving, choosing and creating their own futures. (Morgan, 1997, pp. 66-69)

This image of organization has had major beneficial impacts on the fields of strategic management and organization development, but the disadvantages of this way of not seeing, include presuming a “functional unity” of organizations, such as that of the human organism, when in reality, people acting in unified, harmonious and selfless ways for the good of the whole is the exception (Morgan, 1997, pp. 69-71). In addition, for some, this metaphor has become an ideology that tends to emphasize that “we can live full and satisfying lives if we fulfill our personal needs through the organizations that dominate the contemporary scene” and thereby risks “producing an organizational society populated by the ‘organization man’ and the ‘organization woman’. People become resources to be developed rather than human beings who are valued in themselves” (Morgan, 1997, p.71).
Morgan and Smircich describe these contrasting images as a fundamental polarity—a conception of the organization as a mechanistic closed structure, versus the conception of the organization as an organic open system. “The metaphors of machine and organism call for different modes of research as a means of generating knowledge; they define different epistemologies, since the knowledge required to examine a view of the world as a closed mechanical structure is inadequate for examining the world as an organismic system” (1980, p. 496). Somewhere between these poles, Gronn (2002) advises, the social order of leadership is fashioned along a continuum from “focused leadership” to “distributed leadership”. Focused leadership exhibits forms based upon formal authority, a leader-follower ontology, and primarily directive action, thereby lending itself to structural, functionalist analyses. Distributed leadership exhibits forms based primarily upon informal, relational influence, a holistic team ontology, and primarily concertive action predicated upon shared intuitive understandings among colleagues and spontaneous collaboration, and therefore requires constructivist, interpretive accounts. Accordingly, Ciulla argues that leadership research requires a “fusion of horizons”, in which the “objective” functionalist methods of the social sciences, are integrated with the “subjective” interpretive methods of the humanities. Since “leadership is a human phenomenon…leadership studies should be grounded in the human sciences…the humanities and the social sciences…the two are necessary to develop our understanding of leadership” (2008, p.393).

The “Home” Epistemology Paradigm

In order to effect this fusion of horizons, this thesis adopts forms of pragmatism articulated by the classical pragmatists Peirce (1878), James (1907), and Dewey (1929), and neo-classical pragmatists including Rescher (1977, 1995), and Haack (2006). A brief outline will clarify this pragmatic stance. Classical pragmatism traces its roots back to ancient Greek skepticism, which denied the possibility of achieving authentic knowledge of the “truth”, and taught that, at best, we must make do with plausible information adequate to the needs of practice (Rescher, 1995, p. 710). Following Pierce, pragmatism advocated that the human ability to theorize is integral to intelligent practice, and to state that a theory is “true” means that it is trustworthy and reliable. For Pierce, the relevant practical consequences are those of positivist, observational,
experimental practice, and his standard of efficacy pivots around predictive success. Whereas Pierce saw pragmatism as a means to objective, impersonal standards of veracity, James gave pragmatism a personal, subjective emphasis. For James, the tenability of a theory is determined by its lived consequences for a diverse plurality of people, not just an idealized community of “rational” scientists. Thus, James defined experiential consequences in terms far wider than experimental observation, to also include such consequences as, individual and collective, affective, and spiritual outcomes. Dewey’s populist, democratic pragmatism advocated that intelligent inquiry is a self-corrective process whose norms and procedures must be continually evaluated and revised in the light of subsequent experience. This reworking is a social, communal process that includes the values of science, as well as the moral and aesthetic values of people at large. Rescher gives pragmatism a further methodological turn, arguing that: “anything methodological – a tool, procedure, instrumentality, programme, or policy of action, etc. – is best validated in terms of its ability to achieve the purposes at issue, its success in achieving the appropriate task” (Rescher, 1995, p. 712). Haack argues that pragmatic means of validation require sensory evidence from “objective” empirical observation, as well as “subjective” introspective awareness, and logical soundness. Her “foundherentism” attempts to combine the strengths, and avoid the problems of positivist, foundationalist theories of justification as well as those of constructivist, coherentist theories of justification (Haack, 2006). The pragmatic stance adopted by this thesis inclusively embraces all of these elements of pragmatism. Accordingly IEL’s concepts, sub-theories, and overall synthesis are advanced as merely “mental maps” of positive executive business leadership, among many potentially suitable maps for the same purpose. This pragmatic stance also suggests that there can be no “one true and final map”, and what best distinguishes different leadership theories, is their utility, trustworthiness, and reliability relative to their intended purposes and circumstances.

The “Home” Ethics Paradigm

An important implication of this pragmatism is the integration of the descriptive and prescriptive functions of IEL theory. In the GTOL project, Price identified tensions between descriptive and prescriptive approaches to theory, primarily related to the “fact/value” antimony (Wren, 2006, p. 9). This is a significant philosophical challenge that extends well beyond the
GTOL project. Traditionally the fields of ethics and social sciences have presumed and advocated the separation of empirical and normative inquiry, denying their integration on both conceptual and practical grounds. However, forms of integrated empirical ethics are emerging that challenge these parallelist presumptions, and advocate integrative relationships between normative ethics and empirical inquiry, especially in such areas as business ethics, medical ethics, and bioethics (Weaver & Trevino, 1994; Birnbacher, 1999; Haines, 2002; Molewijk et al., 2004; Musschenga, 2005; De Vries and Gordijn, 2009; Hoffmaster & Hooker, 2009; Parker, 2009; Widdershoven et al. 2009). In fact, Hoffmaster and Hooker (2009) argue that the recent histories of science and ethics share a common experience. Both traditionally employed limited “models of reason and knowledge, e.g. empiricism in science and rationalist foundationalism in ethics, only to have them fail, and for the field then to witness a proliferation of alternatives that in various ways reject confinement to narrow conceptions of reason and normative knowledge” (Hoffmaster & Hooker, 2009. pp.220-221). They argue that these are methodological improvements that fall within the domain of intelligent processes and that need to be acknowledged under any adequate account of reason and normative knowledge.

This thesis adopts this integrated empirical ethics approach. In investigating executive business leadership, one “cannot just examine evaluatively neutral pieces of behavior, but must conceptualize the subject as an agent who acts intentionally in a framework of moral understanding...[and thereby must] invoke an evaluative moral framework” (Weaver & Trevino, 1994, p. 137). Although this pragmatic “entanglement of facts and values” (Parker, 2009. p. 204) recognizes differences between factual and evaluative discourse, they are unavoidably and inseparably inter-connected (Putnam, 2002, pp. 7-27). Consequently, IEL rejects the strict division of the normative and empirical “as methodologically and metatheoretically untenable” (Burrell & Morgan, 1979). Articulating the nature of these relationships between the normative and the empirical within integrated empirical ethics is a topic worthy of another thesis. For the present purposes, this thesis accepts Hoffmaster’s and Hooker’s argument that integration is “achieved by reconceiving the natures of reason and of normative knowledge in naturalist, constructivist terms...because the new account is richer, better empirically supported, and more productive of good decisions than the analytic one” (2009, pp. 214-215).
This thesis views business ethics as primarily presenting “a fundamental class of ‘open
problems’ in which not only is the solution unknown, but the problem itself is initially not well
defined, and the values that ought to drive its investigation and the valid methods to do so are
unknown, unclear, or in dispute, as are the set of applicable theoretical models, the solution set,
and the criteria for successful resolution” (Hoffmaster & Hooker, 2009, p. 220). No simple
formal ethical procedure can deal adequately with the rich complexity of flourishing in a sea of
open problems. In effect, open ethical problems pervade business life, and violate the
presuppositions of traditional analytic, parallel list models. Therefore they cannot help us
understand how business executives should go about solving ethical problems intelligently.
Intelligent ethical reasoning takes place within rich contexts – reasoning that is characterised by
many rational processes that are not algorithmic, mechanistic, and deductively or inductively
logical. Within rational ethical problem solving, to arrive at sound moral assessments, effective
ethical agents undertake self-directed anticipative learning, use non-standard reasoning methods
like analogy and metaphor, participate in hermeneutic dialogue (Widdershoven et al, 2009) and
employ heuristic strategies leading to wide reflective equilibrium (Rawls, 1974; Daniels 1979;
Scanlon, 2002). Wide reflective equilibrium, a form of “coherence justification”, involves
determining the degree of alignment of moral principles and judgments with the well-considered
moral and descriptive beliefs, principles and judgments of relevant communities (Musschenga,
2005, pp.479-482). **IEL** theory adopts an integrated empirical ethics approach, as
recommended by Molewijk et al (2004) to: (1) describe executive leadership practices; (2)
interpret the normative aspects of these practices; (3) ethically evaluate executive leaders and
their practices; and (4) advocate greater moral development of executive leaders and
improvements in their ethical conduct. Specifically, **IEL** theory presents forms of descriptive
and prescriptive integration that proactively commingle the cores of normative theories and
different social sciences and humanities disciplines. **IEL** theory is not simply motivated by
moral commitments. Its descriptions of positive executive business leadership themselves are
necessarily framed in essential moral categories (Weaver & Trevino, 1994, pp. 135-136).
The “Home” Integrative Paradigm

Positive states and traits, moral virtues, integrative consciousness, flow, and spirituality, etc., can be powerful elevating and integrating leadership influences. This thesis respects William James’ observation that “no account of the universe in its totality can be final which leaves these other forms of consciousness quite disregarded” (James, 1902/1961, p.305). For instance, Price and Hicks advise that spiritual leadership can “create equality among leaders and followers, allowing them each to bring their ‘whole person’ to the leadership process” (2006, p.146). Anderson and Braud (1998) describe the broader and deeper epistemic significance of the integrative paradigm. They argue that, by privileging only certain ways of knowing, many of humanity’s most significant life events and extraordinary experiences have been systematically excluded from conventional knowledge by positivist social sciences, along with ways of recognizing and nurturing these experiences. For instance, generally institutions of higher learning, research programs, funding organizations and editorial boards of refereed journals, explicitly or tacitly, have subscribed to assumptions and research practices that ignore or devalue these important ways of knowing. The core presuppositions of positivist social scientific paradigms are summarized in the left column of Appendix B.5. As a consequence of these assumptions, vast realms of human experience have been marginalized and trivialized. However, over the past few decades scholars have become increasingly aware that, although these assumptions and practices have been useful for certain purposes, they are incomplete, unnecessarily biased, and inadequate for addressing complex and subtle human actions and experiences. More seriously, these assumptions yield a picture of human nature that is narrow, constrained, fragmented, and inaccurate. When applied to the phenomenon of positive leadership as “grounded in the human condition” (Wren, 2006, pp. 21-22), this perspective is more consistent with emptiness, isolation and alienation than with richness, interconnection and enchantment that are characteristic of positivity.

Exploring these “farther reaches of human nature” (Maslow, 1971), requires a more expansive paradigm (Anderson & Braud et al, 1998, pp. 1-26). Many contemporary thinkers advocate supplementary research approaches to provide a more balanced and complete view that can adequately comprehend the breadth, depth and complexity of positive human experience. The
assumptions and practices of this expanded view of disciplined inquiry are outlined in the right column of Appendix B.5. This integrative paradigm supports an expanded approach to knowledge that is well suited to investigating positive states and traits, moral virtues, self-transcendent stages of human development, integrative consciousness, flow, and spiritual experiences, since it respects these positive human experiences in their fullest expressions. They are inclusive and transdisciplinary, incorporating the contributions and drawing upon the strengths of many perspectives and disciplines in order to understand this expansive potential of human nature (Anderson & Braud et al, 1998, pp. 1-26). This integrative paradigm is intended to open, awaken, enlighten, enrich, transform, transcend and integrate (Anderson & Braud et al, 1998, pp.1-26). Consequently, this thesis addresses cognitive, affective, social, moral, spiritual, and wisdom development - from within the integrative paradigm.

### PHASE 2: Metaparadigm Research

The three sub-phases of multi-paradigm research are closely interrelated and interactive, and therefore tended to blend into one other. Specific examples of the different paradigms examined in this thesis are found in the following appendices and their respective discussions:

- B.1: the universe of leadership theories
- B.2: conflicting narratives of the necessity, enabling features, and fundamental characteristics of leadership
- B.3: fundamental polarities in conceptualizing leadership
- B.4: conflicting theoretical perspectives regarding leadership

Examples of the different theoretical perspectives examined through this multiparadigm research are found in the following appendices and their respective discussions:

- D.1: side by side comparison of the IEL behaviours and practices repertoires
- D.10: detailed cross-referencing of the IEL behaviours and practices repertoires
- E.1: side by side comparison of the IEL philosophies and styles
- E.4: detailed cross-referencing of the IEL behaviours and practices repertoires and the IEL philosophies and styles
2.1: Collect Data

Lewis and Grimes advise that “choosing a source of data for multiparadigm inquiry is controversial, since the question of what constitutes data is paradigm laden”. Some exemplars collect different data for use with each lens, others use a common data source for all lenses to facilitate comparisons and theory building. Ultimately, they advise a flexible, open approach: “From a metalevel, theorists may view data as representations of an empirical reality… amenable to interpretation/analysis” (1999, p. 679). Of particular interest to multiparadigm theory building are case studies, since they “offer a potentially abundant, insightful, and rarely tapped source of metadata”, and in management and organizational scholarship they are a "predominant mode of inquiry" (1999, p. 679). In addition, extant research literature is also considered a source of data for grounding theory. Glaser (1998, 2004) and Charmaz (2009) advise that within grounded theory “all is data”. The manner in which this data was collected, and its contributions to IEL theory are summarized in section “2.3: Write Paradigm Accounts”.

2.2: Conduct Multiparadigm analyses

Multiparadigm analyses require interpreting and conceptualizing with theoretical sensitivity in order to "see" with greater depth. Multiple paradigm lenses intensify theoretical sensitivity and reveal varied interpretations of the phenomenon of positive executive business leadership. Applying these respective paradigm methods is typically a two-part process of first becoming intimate with, and then imposing alternative paradigm interpretations. Exemplars exhibit widely varying activities (Lewis & Grimes, 1999, pp. 681-682). In this thesis, the different lenses were used to sensitize the author to multiple meanings and various facets of positive executive business leadership. Taking detailed notes throughout, and identifying and coding core themes, helped the author to develop first impressions, identify nuances and patterns, and concentrate efforts in detailing, comparing, contrasting, and synthesizing emerging themes during subsequent analyses. The author’s “paradigm itinerary”, proceeded from functionalist to interpretivist to radical change paradigms, through many iterative cycles, to interpret the data through each lens. The resulting interpretations are a combination of what the author already knew, what he had read, which lenses were brought to the analyses, and the author’s creative problem-solving. This enabled the integration of differing insights from each paradigm. The
manner in which these multiparadigm analyses were conducted, and their contributions to IEL theory are summarized in section “2.3: Write Paradigm Accounts”

2.3: Write Paradigm Accounts

Although detailed notes, coding schemes, and accounts were drafted for each paradigm lens, since these four paradigms are logically interconnected, their presentations are interwoven in this thesis. However, the chapters vary in their relative emphases. The functionalist lens, employed primarily in Chapters 5, 6, and 8, involves comparative analyses of various forms of leadership agency and their attendant outcomes, leadership theories and sub-theories, and involves interpreting relevant correlation studies to identify generalizable functional relationships. Chapter 7’s discussion of positive philosophies and styles of executive leadership balances functionalist and interpretivist orientations in identifying the salient contributions of theories of authentic, ethical, spiritual, servant and wise leadership. Chapter 9 distils salient features of extraordinary leadership from the interpretive biographies of ten great world leaders, and illustrates them with examples drawn from a subset of five of them. As well, the interpretivist lens is used in the rich case study in Chapter 10, which distils extensive source materials into a brief encapsulation of the actor’s self-narrated life history, relevant executive leadership experiences, and personal sense-making processes. Rather than presenting separate radical-change paradigm accounts, these perspectives are interwoven throughout the thesis. Strong currents of radical humanism and radical structuralism are expressed within: the critiques of unethical business conduct and its supporting Matrix of political, legal, economic, socio-cultural, organizational, educational, and psychological influences in Chapter 1; the critiques of shareholder agency theory in Chapter 5; the discussions of visionary-strategic and transforming-developmental leadership in Chapter 6; the discussion of extraordinary world leaders in Chapter 9; and Dr. Vagelos’ case study in Chapter 10. This backgrounding of the radical change paradigms fits with positive scholarship’s orientation which foregrounds the positive.

(a) Case Study

Between January 2004 and April 2008, in order to find potential case study exemplars of positive executive business leadership, the author scanned various business journals for suitable
potential exemplars of **IEL**, and reviewed the *Great American Business Leaders of the Twentieth Century*, which was provided to the author in digital database form by the Harvard Business School (http://www.hbs.edu/leadership/database/leaders). Most narrative accounts of business leaders are found in the popular business press. They tend to focus only upon selective incidents, and do not provide an informative, holistic, balanced, longitudinal perspective. Even where philanthropic efforts of business executives are discussed, these efforts are described separately from, and may not be descriptive of these executives’ general business leadership practices and philosophies. Finally, many of these narratives are the contrived, self-serving nonsense of celebrity CEO’s and their publicists. Consequently, the author also researched the emerging field of “social entrepreneurship”. Although they overlap in many important respects, social entrepreneurship differs from executive business leadership (Alvord, Brown & Letts, 2004; Austin, Stevenson, & Wei-Skillern, 2006; Gentile, 2000a, 2000b, 2000c; Sharir & Lerner, 2006; Thompson & Doherty, 2006). Therefore, although there are many inspiring case studies of social entrepreneurs (Bornstein, 2007), including Muhammad Yunus (Bornstein, 1996/2005; Counts 2008; Yunus, 1999/2007, 2007), they were not selected as exemplars for the purposes of this thesis. Rather, a single rich case study was drafted (see Chapter 10). This does not imply that Dr. P. Roy Vagelos is the only potential exemplar of **IEL**, or even that he is rare. Unfortunately, there are no equally-well documented accounts of potential **IEL** executives.

Dr. Vagelos’s case study is unique and rich, having been distilled from: his autobiography, *The Moral Corporation: Merck Experiences* (2006); his book *Medicine, Science and Merck* (2004); Michael Useem’s case study in *The Leadership Moment* (1998); along with numerous research studies conducted by various authorities at the Harvard Business School. Also, Dr.Vagelos’ two books were written in collaboration with Louis Galambos, professor of economic history at The Johns Hopkins University. Economic historian T.A.B. Corley praises Galambos’ studies of *Merck* for harnessing “the analytical tools of the social sciences to the discipline of historiography” to reveal “a fascinating insight into what it was like at the dizzy heights of a world pharmaceutical leader” (Corley, 2005, pp. 307-308). These many authors provided a comprehensive, accurate, mutually corroborated, and nuanced longitudinal record of Dr. Vagelos’ life and extraordinary leadership – a rarity in this field – which supports Chapter 10’s argument that Dr. Vagelos is a real-world exemplar of **IEL**. Nevertheless, a single case study is
a limitation of this thesis. Accordingly, the recommended path forward for future research in the Conclusion calls for additional longitudinal case study research - informed by IEL theory.

(b) Leadership Texts

Initially the author reviewed a great number of leadership texts to become familiar with the various dimensions of business leadership, and the major theoretical perspectives, frameworks, and streams of research in the extant literature. The primary leadership texts eventually employed in this thesis included those by recognized authorities: Bass and Bass (2008); Bass and Stogdill (1990); Chemers (1997); Yukl (2002, 2006); Zaccaro and Klimoski (2001); and Zaccaro, (2001). The theoretical perspectives, frameworks, and the streams of research that emerged from the content analyses of these sources, confirm and extend those identified by the GTOL group. The salient contributions drawn from these sources that factored into the multiparadigm theory-building process are summarized below. The specific insights from these sources are cited throughout the thesis.

Bass’s and Bass’s The Bass Handbook of Leadership: Theory, Research & Managerial Applications – Fourth Edition (2008), is an encyclopedic text of leadership theory and research, current up to and including 2006. This text updates Bass and Stogdill (1990). Intended to be a comprehensive reference, not an integrated theory of leadership, Bass and Bass (2008) provided leadership theory and research findings organized into thematic categories, specifically: personal attributes of consequence to leadership; externalities affecting personal performance of leadership; leadership styles and their effects on individual, team, organizational, and societal performance; “new” leadership theories including charismatic and transformational leadership; situational conditions that affect managers and leaders; diversity and cultural effects on leadership; and the means of identifying and developing leaders.

Yukl’s Leadership in Organizations, 5th Edition (2002) and 6th Edition (2006) are also comprehensive reference texts that cover the same ground as Bass and Bass (2008). However, Yukl goes further than Bass towards an integrated theory of leadership by presenting leadership theories and research findings organized via three integrating schemes. The first integrating
scheme addresses the variables that impact leadership effectiveness and their causal interrelationships: leaders’ traits and skills; leader behaviour; mutual influence processes; follower attitudes and behaviour; performance outcomes; and situational variables affecting the foregoing. The second integrating scheme addresses levels of conceptualization – individual, dyadic, group, and organizational. The third integrating scheme is his Integrating Conceptual Framework which is based upon his Multiple Linkages Model, and his “three dimensional managerial-leadership typology. Yukl’s Integrating Conceptual Framework also closely corresponds with the first scheme’s leadership effectiveness variables.

Chemers, in An Integrative Theory of Leadership (1997) goes even further towards an integrated theory. Building upon the same, albeit somewhat less current, historical theory and research bases as Bass and Yukl, Chemers provides both functional and processual integrating themes in leadership. Based upon his analysis of the core functions of effective organizational leadership, Chemers traces the development and clarifies the linkages among behavioural theories, contingency theories, exchange and transactional theories, transformational leadership, cognitive theories, cultural and gender influences on leadership. Central to Chemers functional integration is the coherent, dynamic and situationally appropriate balance of multifaceted leadership behaviours related to: task and relationship management; resource utilization; relationship development; and personal image management. Central to Chemers processual integration is the requisite, coherent, and dynamic “match” or “fit” of the requirements of the situation with what the leader provides, at the intrapersonal, interpersonal and organizational levels - as manifested in the leader’s self-deployment, relationships, and team deployment, respectively. Chemers advises that the consequences of effective functional and processual integration are “positive” states, dynamics, and outcomes – intrapersonally, interpersonally and organizationally. Chemers thereby clearly anticipates the subsequent perspectives of positive psychology, positive organizational behaviour and positive organizational scholarship.

The most thoroughly and rigorously developed executive leadership texts are Zaccaro’s and Klimoski’s The Nature of Organizational Leadership: Understanding the Performance Imperatives Confronting Today’s Leaders (2001), and Zaccaro’s The Nature of Executive
Leadership: A Conceptual and Empirical Analysis of Success (2001). Zaccaro and Klimoski observe that the leadership field “has little to say exclusively about executive leadership, ceding the topic to strategic management scholars” and that “typically theories and models of generic leadership are stretched to fit the unique features of organizational and executive leadership” (2001, p. xiii). Their anthology identifies central elements of executive organizational leadership, specifically: co-establishing and co-facilitating the achievement of organizational purpose; large scale and/or small scale social problem-solving and opportunity-realization; anticipating and/or responding to non-routine events; managing complex social and cognitive phenomena like collective meaning-making; and exercising leadership at the administrative (lower), operational (mid), and systems development (top) levels of the organization. In sum, Zaccaro and Klimoski provide “a more holistic perspective in modeling organizational leadership” (2001, p. 14) that addresses seven fundamental executive leadership performance imperatives: (1) cognitive, (2) social, (3) personal, (4) political, (5) technological, (6) financial, and (7) senior staffing (2001, pp. 26-30). They advise that “these imperatives define the context of executive leadership action and its impacts on organizational effectiveness” (2001, p.30).

Building upon this foundation, Zaccaro (2001) identifies four theoretical perspectives that are required to differentiate executive leadership. Conceptual complexity: organizations are hierarchically stratified with increasing complexity, novelty and ambiguity as one ascends to higher levels. Each higher level demands correspondingly greater conceptual capacities of executive leaders. Behavioural complexity: multiple stakeholder constituencies, multiple demands, competing values, and multiple roles, demand greater behavioural complexity from executives. Strategic decision-making: organizational effectiveness demands the requisite “fit” between the organization and its environments at each level – systems development (top), operational (mid), and administrative (lower). Effective executives, understand, create, and manage this “fit” through cascading strategic management and boundary-spanning processes. This requires high levels of cognitive abilities, business functional knowledge and expertise, motivation, self-efficacy, personality match, internal locus of control, and risk-taking propensity. Visionary & inspirational leadership: increasing demands for charismatic, transforming, and visionary leadership require from executives, high levels of: creativity, reasoning skills, intelligence, verbal ability, cognitive complexity, self-confidence, socialized
power motivations, social/nurturance skills, and risk taking skills. Overall, these four theoretical perspectives underscore the demand for “flexible integrative complexity” which “develops from an integrated constellation of cognitive, social and dispositional qualities” (2001, pp. 298-301).

(c) Professional Development

As an SHL Partner, in October 2004 the author was certified in administering the SHL Corporate Leadership model (Bartram, 2010). Bartram, who supervised its development, situates the SHL Corporate Leadership model within an integrated framework of interrelated factors: situational contexts, leadership potentials, competencies, behaviours, and outcomes (Bartram, 2010, pp. 6-12). An internationally recognized authority, Bartram advises that effective corporate leadership: (1) provides/facilitates the formulation of a vision and strategy; (2) shares that vision and strategy with others; (3) defines goals and gains buy-in and support; and (4) sets in place the mechanisms to ensure the vision and strategy are achieved (Bartram, 2010, pp.13-15). The competencies required for these core functions are situationally-specific and clarified by SHL’s Universal Competency Framework (“UCF”) (Bartram, 2004, 2010; Bartram, Kurz, & Baron, 2003). The UCF competencies are predicted by SHL’s OPQ32r occupational personality assessment (Bartram, 2010; Brown & Bartram, 2009). This thesis employs Bartram’s terminology, and the UCF to describe the range of IEL managerial-leadership competencies, at the group and organizational levels.

(d) Systematic Literature Searches

Between January 2004 and the present, the author conducted ongoing, systematic, literature searches and analyses of extant peer-reviewed research from a variety of disciplines and fields. These literature searches and analyses were conducted via an ongoing iterative process that pursued several streams and unfolded in several stages. Overall, the general approach taken was similar to “snowball” interviewing techniques - the searches within each subject area tapered off and ceased, as salient new findings diminished and were exhausted. The content areas that are most relevant to positive executive business leadership, included:
Stage 1

The initial searches, between January 2004 and April 2008, were in peer-reviewed journals, and focused upon finding potential “general theories of integrative executive leadership”, as well as consulting original research papers cited in the various leadership texts for richer insights. The primary focus of Stage 1 was on identifying and understanding the “effectiveness” dimensions of positive executive business leadership. The number of citations grew throughout this period with each iteration, but the citations as at April 30, 2008 are provided in Table 2.2. At this time, citations containing references to “Leadership” totaled: 396,819 theses and other publications; 143,421 refereed journal articles; and 17,324 books. Abstracts for the citations that satisfied search criteria # 2 and 3 were reviewed closely. Relevant citations, especially those that satisfied # 3 were carefully content-analyzed. Relative to the huge universe of leadership research, those citations satisfying criteria # 3 are especially rare. The most significant peer-reviewed works that deal with the notion of a “general theory of integrative executive leadership” involve attempts to apply Wilber’s Integral Theory and/or applications of transpersonal psychology to conceptualizations of leadership. The most significant recent peer-reviewed sources involving primarily Integral Theory include: Cacioppe and Edwards (2005); Carlopio (1994); Haladay (2006); Prewitt (2004); Volckmann (2005); and Young (2002). Those involving primarily the transpersonal psychology approach include: Cardona (2000); Chakraborty and Chakraborty (2004); Harung et al. (1995); Reams (2002); and Sanders et al. (2003). Torbert’s Action Inquiry: The Secret of Timely and Transforming Leadership (2004, pp.
177-193) describes an interesting “Alchemist” archetype of executive leadership, and presents former Czech President Vaclav Havel as an exemplar. Beck and Cowan also describe the “Integrative Partner” and “Holistic Leader” archetypes of leadership, in *Spiral Dynamics: Mastering Values, Leadership, and Change* (1996/2006). The dimensions of “integrative leadership” that emerged from these sources suggest the importance of “higher” stages of adult development, including; “integrative consciousness”, “complexity”, “flow”, “wisdom”, and “spirituality” (e.g. Csikszentmihalyi, 1990, 1993, 1997, 2003; Goleman, 1988; Maslow, 1970, 1971, 1998). The various Stage 1 sources employed are cited throughout the thesis.

**Table 2.2: Stage 1 Literature Search Statistics – Unique Citations**

*(Scholar’s Portal search results as at April 30, 2008)*

<table>
<thead>
<tr>
<th>Stage 1 Search Criteria</th>
<th>Theses &amp; Total Other</th>
<th>Peer-Reviewed Journals</th>
<th>Books</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) “Executive Leadership”</td>
<td>1,768</td>
<td>613</td>
<td>113</td>
</tr>
<tr>
<td>(2) “Executive Leadership” +</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>“Theory” or “Model” or “Framework”</td>
<td>166</td>
<td>94</td>
<td>14</td>
</tr>
<tr>
<td>(3) “Executive Leadership” +</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>“General” or “Unified” or “Integrated” +</td>
<td>21</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>“Holistic” or “Integral” or “Integrative”</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Stage 2**

The successive iterations of literature searches in Stage 2 between April 2008 and late fall 2009 focused upon both the “light side” and the “dark side” of business leadership. The Stage 1 investigations suggested conceptual connections between positive executive business leadership, and the fields of: positive psychology; business ethics; constructive developmental psychology; cognitive-moral psychology; the psychology of religion; and transpersonal psychology. These sources significantly informed: *IEL* positive and integrative agency; *IEL* moral scope, moral conduct, and moral character; *IEL* contemplative self-leadership and transforming-developmental leadership; *IEL* positive philosophies and styles; and, *IEL* attainments and
dispositions, especially postautonomous ego development. These explorations, in turn, suggested the necessity of exploring the “dark side” of executive business leadership. This led to literature searches in the fields of white-collar corruption and criminal psychology. As well, the author reviewed relevant critical organizational theory and drafted a critical theory account of strategic management, along with an illustrative case study of Hollinger Inc. Space limitations precluded their inclusion in this thesis. These investigations, in turn, led to an exploration of the roles of “professional” management education in this state of affairs (e.g. AACSB 2002, 2005, 2006, 2008, 2009; Khurana, 2007; Mintzberg, 2004; Porter & McKibbin, 1988). Chapter 1 distills insights from many authorities on the “dark side” of business leadership, and hopefully expresses their currents of radical humanism and/or radical structuralism. The various Stage 2 sources employed are cited throughout the thesis.

**Stage 3**

During Stage 2, two new fields of study gradually came to the author’s attention - positive organization behaviour (“POB”) and positive organizational scholarship (“POS”), as discussed in Chapter 1. Luthans et al. (2001) appear to have initiated the first serious academic discussions about “positive leadership”, and Luthans (2002) appeared to be the first to call for the development of a new field of study, POB. Shortly thereafter, Cameron, Dutton and Quinn (2003) launched the field of POS. These two fields developed gradually in parallel along with the author’s Stage 1 and 2 thesis research. Commencing in December 2009, with the reading of Cameron’s *Positive Leadership: Strategies for Extraordinary Performance* (2008), the author learned of the emergence and increasing convergence of POB and POS. Although Cameron (2008) only discusses four positive leadership strategies (cultivating a positive climate, positive relationships, positive communication, and positive meaning), this was an unexpected and exciting discovery that provided the integrating positive lens for this thesis. Consequently, from the late fall of 2009 until the present, systematic literature searches and content analyses have been conducted in the areas of POB and POS. The primary focus of Stage 3 is upon building, broadening, and clarifying the “excellence” dimensions of positive executive business leadership. The number of salient citations within the POB and POS research literature has
grown substantially since 2002. The statistics of the relevant literature reviewed as at June 7, 2010 are summarized in Table 2.3.

Table 2.3: Stage 3 Literature Search Statistics – Unique Citations
(Scholar’s Portal search results as at June 7, 2010)

<table>
<thead>
<tr>
<th>Stage 3 Search Criteria</th>
<th>Peer-Reviewed Journals</th>
<th>Books or Theses</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) “Organizational Leadership” or “Business Leadership” or “Executive Leadership”</td>
<td>2524</td>
<td>272</td>
</tr>
<tr>
<td>(2) Criterion (1) plus “Positive” or “Excellent” or “Extraordinary”</td>
<td>70</td>
<td>13</td>
</tr>
<tr>
<td>(3) “Positive Leadership”</td>
<td>58</td>
<td>13</td>
</tr>
<tr>
<td>(4) “Positive Organization Behavior”</td>
<td>53</td>
<td>2</td>
</tr>
<tr>
<td>(5) “Positive Organizational Scholarship”</td>
<td>31</td>
<td>2</td>
</tr>
<tr>
<td>Relevant Citations</td>
<td>63</td>
<td>8</td>
</tr>
</tbody>
</table>

There is substantial overlap in the POB and POS research literatures, so the column entries cannot be summed in Table 2.3. Abstracts for the citations that satisfied search criteria # 2 through 5 were reviewed closely. The relevant citations were carefully coded and content-analyzed. The accumulating research in both fields strongly corroborates, clarifies, and elaborates upon the independent findings of the thesis research in Stages 1 and 2. In fact, IEL theory has emerged as a potential general theory of positive executive business leadership. The general contributions of positive scholarship research are discussed in Chapter 1. The important descriptive, prescriptive, and aspirational contributions to IEL theory are summarized below.

Description: Positive scholars agree that all is not well in organizations, but they call for an approach that places greater emphasis on positive rather than negative dynamics. This emphasis is methodologically important since positive states are not merely the opposite of negative
states, and positive dynamics will not emerge by simply reversing negative dynamics. Negative emotions catalyze freeze, flight or fight responses, whereas positive emotions “broaden and build” awareness and promote learning to create resourcefulness (intellectual, physical, psychological, and social) for individuals and communities (Fredrickson, 2002). Therefore, positive leadership addresses the physical, cognitive, emotional, and spiritual aspects of human nature, including: personal meaning, dignity, freedom and choice, commitment, will to action, courage, responsibility, healthy control, authentic community, communication, social support, and faith, etc. (Lloyd, & Atella, 2000). For instance, PsyCap and POB are positively associated with IEL leadership behaviours, philosophies and styles, including:

1. McGregor’s participative “Theory Y” leadership (Gardner & Schermerhorn, 2004);
2. anticipatory, visionary, strategic leadership (Savage & Sales, 2008);
3. transformational leadership (Avey, Hughes, Norman & Luthans, 2008; Gooty, Gavin, Johnson, Frazier & Snow, 2009);
4. the leader as a listener, communicator and educator (Allert & Chatterjee, 1997);
5. authentic leadership (Avolio, Gardner, Walumba, Luthans, & May, 2004; Jensen & Luthan, 2006; Quick & Quick, 2004); and
6. ethics (responsibility) and ethos (virtuousness) in organizations (Cameron, Bright, & Caza, 2004; Cameron, 2006).

PsyCap and POB are also positively associated with IEL outcomes, such as:

1. increased feelings of empowerment (Avey et al., 2008);
2. effective learning from experience through reflective practice and action learning (Trautmann, Maher, & Motley, 2007);
3. increased motivation, perseverance towards goals, and organizational citizenship behavior (Gooty et al., 2009);
4. enhanced employee job performance, job satisfaction, work happiness, and organizational commitment (Youssef, & Luthans, 2007);
5. more and better quality solutions to work-related problems by management executives (Peterson & Byron, 2009); and
6. positive contagious effects on the resiliency of employees and organizations undergoing traumatic change (Norman, Luthans, & Luthans, 2005).

Accordingly, in order to obtain a more complete understanding, positive scholarship pursues a multi-level / multiple methods / multidisciplinary research agenda that systemically explores positive dynamics, deficits or negative states, and their interconnections. POS in particular incorporates a broad array of epistemologies and methods to better understand these kinds of
life-giving dynamics in organizations (Roberts, 2006). IEL’s transdisciplinary, multiparadigm theory-building approach is well suited to this purpose.

**Prescription:** Positive scholars take a normative stance about what is good and desirable in organizations. This is challenging given that the nature of “positive” is contextually influenced (Fineman, 2006). However, positive research supports in-depth exploration of positivity across cultures. Recent findings suggest that there may be six overarching virtues that almost every culture across the world endorses, namely: wisdom, courage, humanity, justice, temperance, and transcendence (Dahlsgaard, Peterson, & Seligman, 2005). Also, the most commonly endorsed strengths, in forty different countries, are closely related to these virtues, namely; kindness, fairness, authenticity, gratitude, and open-mindedness (Roberts, 2006). A challenge for positive scholarship is how to realize its ideal within workplaces that are exclusively economically-driven, structurally preconfigured to minimize opportunities for autonomy, meaningfulness, engagement, and flow, and/or are fundamentally toxic (Fineman, 2006). Positive scholarship provides no easy answers. However, positivity is not a form of “acceptance therapy” that simply supplies coping tools for unalterably bad situations. Nor does it encourage executives to use the rhetoric of positive scholarship as a tool to exploit the powerless and to drive people to work harder. Even though POB emphasizes quantifying the financial and performance-relevant outcomes of organizational systems that build PsyCap (Luthans & Youssef, 2004), this does not imply that executives should seek optimal financial or performance gains at all costs. If the means include exploitation, the end is no longer “positive” and is contrary to the goals of positivity. Seligman and Csikszentmihalyi (2000) argue that collective well-being is enhanced only when the happiness of one individual is not gained at the cost of another. Positive scholars also highlight outcomes other than just performance, to counter the prevailing interest in maximizing shareholder value, which overemphasizes financial outcomes to the detriment of human welfare and societal responsibility (Walsh, Weber, & Margolis, 2003). Although to a degree positive scholarship has ignored the dark side of capitalism (Zald, 2002, p. 383–384), POS embraces critical theory, urging that valuable contributions lie in challenging the assumptions of industrial culture and organizations (Caza & Caza, 2005). This prescriptive orientation is reflected in the discussions of the dark side of business leadership in Chapter 1, as well as in the spirit of IEL’s “positive integrative agency” in Chapter 5.
Aspiration: By prescribing actions, behaviors, and attitudes, positive scholars set higher standards for individual and organizational functioning. However, much of the research on optimal functioning highlights rare moments and circumstances in which individuals and groups are exceptional. To expect that everyone will be at their best all the time is unrealistic and potentially harmful (Roberts, 2006, p. 300). Thus, positive scholarship incorporates a rich understanding of failure and imperfection as mechanisms that can ultimately enhance well-being and performance (Lee, Caza, Edmondson, & Thomke, 2003). Nevertheless, positive scholarship calls for people to move out of their comfort zones. Embracing a positive perspective means accepting that even though people and organizations are imperfect, they still hold the capacity and responsibility for improving on weaknesses and operating from positions of strength. Wright and Quick (2009) advise that the timeless challenge existing in many work environments and organizations is how to help individuals, groups, and teams of people to “get it together”. The first challenge is a personal one for individuals to achieve a better dialogue between their heads and their hearts (Quick, Gavin, Cooper, & Quick, 2004), which requires the capacity to be aware of and understand their own emotions, thoughts and intentions, at the core of their conduct. The second challenge is a collective one for groups and teams of people to overcome “disintegrative” dynamics and achieve constructive collaboration at work (Quick et al., 2004). Chapter 10’s case study of Dr. P. Roy Vagelos illustrates these dynamics.

Positive scholarship currently represents a collective effort of scholars who are redefining old terms, clarifying new terms and parameters on how flourishing exists. Therefore it needs to be grounded in theory and tested by a variety of empirical approaches. A considerable amount of work is still required to offer more sophisticated descriptions of positive states, mechanisms, and outcomes. To create a holistic picture, positive scholarship supplies many tools to better capture a multifaceted, complete and balanced picture of organizational life - the peaks, the valleys, and everything in between. Therefore, positive scholarship is evolving to become more empirical, multidisciplinary, inclusive and widely diffused, and in the future, may present an integrated set of tools for understanding organizational life (Caza & Caza, 2005). Accordingly, subject to these qualifications, this thesis adopts the positive scholarship foci and an integrative,
“transdisciplinary” approach to enable the various dialectical syntheses required to progress towards a general theory of positive executive business leadership. The numerous Stage 3 sources employed are cited throughout the thesis.

**PHASE 3: Multiparadigm Theory Building**

Building multiparadigm theory requires theorists to make "creative leaps" to explain phenomena in a new light. In metatriangulation these leaps are to a *new gestalt* above the paradigms that transcends paradigm dualisms, thinks paradoxically, and considers conflicting views simultaneously. Metaparadigm techniques involve exploring metaconjectures, attaining a metaparadigm perspective, and articulating one’s self-reflection (Lewis & Grimes, 1999, p.683).

3.1: Explore Metaconjectures

Metaconjectures are propositions interpretable within multiple paradigms. Exploring metaconjectures heeds Weick's (1989) advice for theorists to conduct diverse mental experiments. “Theorists iterate between reviewed literature, their multiparadigm analyses, and their own intuition to explore divergent views of themes that span paradigm accounts” (Lewis & Grimes, 1999, p. 683). Like many exemplars, this thesis juxtaposes paradigmatic insights regarding various facets, positive and negative, of executive business leadership, examined different paradigmatic and theoretical perspectives, including spatial, temporal, or processual differences that might explain discrepant explanations, and also probes paradigm debates to discover creative ways to resolve apparent contradictions.

3.2: Attain a Metaparadigm Perspective

Lewis and Grimes state that 

[traditional inductive theory provides an ordered set of assertions regarding the phenomenon of interest, both grounded in specific data and sufficiently abstract to enable generalizability… Multiparadigm inquiry broadens conventional definitions of theory to denote a coherent understanding capable of accommodating diverse representations…Theorists seek a metaparadigm perspective from which they may]

This does not imply full unification or complete synthesis of all the paradigms and sub-theories, but rather the ability to "accommodate" paradigmatic differences, similarities, and interrelationships by: recognizing that all paradigms offer partial, contextualized or temporal truths; treating all paradigms as "debating voices" in search of common ground; revealing opposing views, contradictions and interdependence; invoking creative tensions that inspire empirical propositions that are meaningful across paradigms; and constructing a theoretical reference system that links contrasting representations. Figure 2.2 graphically represents the notion of metaparadigm bridging, and suggests that any metaparadigm perspective is nonetheless rooted in a specific paradigm, depending on the "home" disciplines and assumptions of the theorist. As well, it depicts the paradigm boundaries as blurred transition zones (Gioia & Pitre, 1990. pp. 595-598).

**Figure 2.2. Metaparadigm Perspective**

![Figure 2.2. Metaparadigm Perspective](image)

IEL theory is a different gestalt rooted within the functionalist and interpretivist paradigms, but that accommodates radical humanist and radical structuralist perspectives. IEL theory adopts a pluralist, pragmatic epistemology to reveal how varied forms of knowledge complement and mediate each other. IEL theory also views the paradigmatic conflicts as dialectical tensions that expose fundamental paradoxes in cognition. This metaparadigm perspective is reflected within
the *IEL Descriptive Framework*, and the *IEL Tent* metaphor discussed in Chapter 3. In effect, these metaparadigmatic devices weave together functionalist and interpretivist perspectives of the various dimensions of effective, ethical, and excellent executive business leadership, in a pragmatic fashion that is useful and reliable for guiding the selection, education and development, and practice of business executives. Traditional criteria of validity and internal consistency are inappropriate for metaparadigms, since there is an irreducible level of ambiguity and diversity involved in respecting and accommodating the different component paradigms. Lewis and Grimes explain:

> metatriangulation involves expanded criteria: creativity, relevance, and comprehensiveness. A creative theory contributes thought-provoking means of considering divergent perspectives, while relevance depends upon its potential to encourage interparadigm discourse and to enhance correspondence between theory and multifaceted organizational reality… With metatriangulation scholars strive not to find the truth but to discover comprehensiveness stemming from diverse and partial worldviews… Ideally, metaparadigm theory both accommodates and challenges opposing paradigm insights, and it reflects the ambiguity, complexity, and conflicts experienced by…[different theorists] (1999, p. 685).

The formulation of the *IEL Descriptive Framework*, and the *IEL Tent* metaphor closely resemble what Basadur (2004) describes as a *Creative Problem Solving Process*, as outlined in Appendix B.6. Essential to this kind of process, is the balancing of “divergent and convergent thinking, separated by the ability to defer judgment” (Basadur, 2004, p. 105). The most significant obstacle to this process is the inability to create balance. Typically excessive convergent thinking and/or critical judgment shuts down divergent thinking and its fluid idea generation and connection-making, which are vital to creativity at each stage of the process. The creativity required for “attaining a metaparadigm perspective” and the formulation of *IEL*, necessitated experimenting iteratively with many different descriptive frameworks and metaphors, and presenting them for critical review to a multidisciplinary thesis committee, comprised of experts in: management and organization theory, adult education and organization development, leadership, and holistic education. Many potential integrating schemes were discarded through this iterative process, including: variations of Yukl’s *Multiple Linkages Model* (2006, pp. 228-235) and his *Integrating Conceptual Framework* (2006, pp. 445-448); forms of Wilber’s *AQAL Map* (Wilber, 2006b); Bartram’s *SHL Corporate Leadership* model
(Bartram, 2010); and, different adaptations of Beck’s and Cowan’s *Spiral Dynamics Integral* (Beck & Cowan, 1996/2006). The current *IEL Descriptive Framework* and the *IEL Tent* integrate aspects of all of these, and ideally strike Basadur’s recommended balance between divergent and convergent thinking, creativity and critical judgment (Basadur, 2004, p. 105).

### 3.3: Articulate Critical Self Reflection

Since theory building is always a process of sense-making, influenced by theorists' underlying assumptions (Weick, 1989), a key question is: "Can one ever escape one’s current or home paradigm(s)?" (Lewis & Grimes, 1999, p. 686). The transdisciplinary research process employed in this thesis recognizes and addresses this challenge at each phase of the theory-building process. (1) In the *multiparadigm review phase*, this thesis makes the theorist’s assumptions explicit, critiques the biases of various lenses, and locates areas of agreement and disagreement, to distinguish disparate views and permit a greater synthetic understanding. The goal is to “move beyond reproduction of the differences that divide us to an appreciation of why we are divided, and arrive at the only powerful means of assessing the nature and limitations of research practice - by acquiring a capacity for knowing what we are doing, why we are doing it, and how we might do it differently if we so choose” (Morgan, 1983, p. 382). (2) The *multiparadigm research phase* required the theorist to immerse himself within each paradigm. Parker and McHugh (1991) advise that this requires behaving "as if" one is a member of that paradigm community. The separate analyses of the various dimensions and sub-theories of *IEL* respect the interests and assumptions of alternative research communities, sharpen *IEL*’s representations via using different paradigm lenses, help generate varied insights and interpretations across paradigms, and thereby help avoid tunnel vision. (3) The *multiparadigm theory-building phase* required attaining a “metaparadigm” perspective. As with anthropological methods, the theorist becomes steeped in different paradigms, but does not identify with any one of them. Rather, he or she recognizes the complementarity and disparity of the different paradigm lenses (Gioia & Pitre, 1990), that provide the varied “puzzle-solving devices that bridge the gap between the image…and the phenomena” (Morgan, 1983, p. 21). As well, critical self-reflection aids recognition that the theorist and the theorized are interconnected (Lewis & Grimes, 1999, p. 686).
The author’s brief biographical sketch is contained in Appendix B.7. His 20+ years of executive business management experience, 8 of which were as a company CEO, provide an essential and valuable phenomenological perspective. The IEL theory-building process constantly draws upon whether the various conceptualizations of IEL “ring true” in the author’s actual experience. There is no academic substitute for this engaged, immersive experience. However, this also creates challenges of its own – in this case, an undeniable “managerialist” orientation.

The author also brings to this study, several “home” disciplines: philosophy, business management, adult workplace learning, organization development, and holistic education. The orientations and insights from these fields all impacted the IEL theory-building process. His fundamental epistemological orientation is pragmatic and integrative. With respect to the latter orientation, the author has been trained in, and has practiced for many years, forms of concentrative and mindfulness meditation (Cahn & Polich, 2006) which enables him to assess whether the contemplative aspects of IEL “ring true”. Also, his personal ethical stance is Rawlsian and is best articulated by integrated empirical ethics. Although he has endeavoured to learn the languages and concepts of the disciplines required to formulate IEL theory - through his three graduate degrees, ongoing professional development, doctoral studies and research - clearly, the author does not have the expertise in all of the many disciplines required to completely flesh out, empirically test, and refine IEL theory. Consequently, this thesis as it is currently formulated, inevitably reflects the author’s particular combination of strengths and limitations. For this reason, the recommended path forward for future research, as discussed in the Conclusion, requires additional transdisciplinary team-based research, employing multiple methods including: qualitative and quantitative studies, cross-sectional and longitudinal designs, critical and appreciative inquiry, and especially, action research.

**Proposed Evaluation Criteria**

Given its many variations, there is currently no general consensus as to how the quality of transdisciplinary research (“TDR”) should be evaluated. Accordingly, Wickson, Carew, and Russell (2006) surveyed the theoretical literature and identified the key characteristics and challenges that distinguish TDR from other research approaches. They described six key characteristics and challenges of TDR as follows:
1. **Problem focus:** *TDR* is performed with the explicit intent to solve real world problems that are complex and multidimensional, and not confined within the boundaries of a single disciplinary framework.

2. **Evolving methodology:** There is broad agreement in the literature that there can be no single prescribed methodology for *TDR*, which needs to adapt to, and reflect the problems and contexts under investigation. *TDR* continues to evolve in an iterative relationship with the research over the course of the project. *TDR* goes beyond linear applications of static methodologies, and applies an evolving, dynamic, responsive methodology.

3. **Collaboration:** *TDR* demands high levels of collaboration. For a lone researcher this requires the ability of the individual to fuse knowledge from a number of different disciplines and engage with multiple stakeholders in the process of generating knowledge.

4. **Integration:** *TDR* exhibits different dimensions of integration (epistemologies, theory and practice, and the embedded researcher), and scales of integration, each of which pose unique conceptual and practical challenges.

5. **Reflection:** An inherent challenge associated with integration through an embedded researcher is how to maintain critical distance through reflective research habits. Also, using different bodies of knowledge and their methodological approaches transforms, and reflexively reshapes these bodies of knowledge to some extent for the specific application at hand.

6. **Paradox:** In trying to integrate different knowledge, epistemologies, theory and practice, *TDR* inevitably faces problems of paradox. While some view unresolved paradoxes as evidence of poor quality research, *TDR* views paradox as necessary and unavoidable.

They then tailored the approach to assessment developed at the *Carnegie Foundation*, and field-tested it to ensure that it reflects the characteristics of, and challenges relevant to, *TDR*.

Wickson’s et al.’s (2006) proposed *TDR* evaluation framework is summarized below.

1. **Responsive goals** – Does the researcher define/redefine goals through ongoing consultation with the problem, context and stakeholders?

2. **Broad preparation** – Does the researcher access and integrate literature and theory across a broad range of disciplines, as well as engaging with the problem in its broader context?

3. **Evolving methodology** – Is there an appropriate method that is integrative and capable of evolving in response to a changing research context?

4. **Significant outcome** – Does the outcome of *TDR* contribute to the solution of a problem in a way that is capable of satisfying multiple agendas? For example, is the solution, economically viable, societally robust, and environmentally sustainable?

5. **Effective communication** – Does the *TDR* initiate and maintain two way collaborative communications with stakeholders over the life of the project?
6. **Communal reflection** - In addition to personal reflection, does the TDR include multiple disciplinary and stakeholder perspectives that inform and/or transform each other through the project?

Through satisfying the foregoing criteria, this thesis intends to achieve the benefits of *multiple methods research* identified by Bryman (2006), including:

1. **Completeness** – brings together a more comprehensive account of the area of inquiry;
2. **Credibility** – employs findings from multiple approaches to enhance overall integrity;
3. **Diversity of views** – uncovers relationships and combines various perspectives;
4. **Enhancement** – augments findings from one approach with those from an alternate approach;
5. **Explanation** – findings from one help to explain findings generated by another.
6. **Illustration** – qualitative data is used to illustrate quantitative findings, often referred to as putting “meat on the bones” of “dry” quantitative findings.
7. **Offset** – the various research methods have their own strengths and weaknesses so that combining them allows the researcher to offset their weaknesses and draw on their particular strengths;
8. **Process** – quantitative research findings provide a better account of structures, and quantifiable aspects of social life, while qualitative research findings provide a better sense of processes, and non-quantifiable aspects of social life;
9. **Triangulation** – findings from different research approaches are combined in order that they may be mutually corroborated; and
10. **Unexpected results** – combined research results generate surprising results.

By satisfying the foregoing criteria, *IEL* is advanced as having sufficient theoretical grounding and empirical reference to serve as a foundation for a grounded theory. Therefore it is proposed that *IEL* can serve as a reliable guide for business leadership education, and inform the selection, development, and positive practice of individual business executives and teams.
CHAPTER 3

A Descriptive Framework for Integrative Executive Leadership

The IEL Descriptive Framework, in general terms, conceptualizes IEL executives as top-management-team ("TMT") members, individually and collectively, whose:

1. **Situational Contexts** are complex, dynamic, adaptive systems stratified into increasingly complex, interpenetrating, mutually interacting levels – individual, pairs/groups/teams, organizational, societal, and environmental;

2. **Agency** is positive and integrative, operationalized through multi-stakeholder professional stewardship, integrated performance management, and living codes of ethics;

3. **Outcomes** include shared direction, alignment, and commitment to satisfying meaningful, positive, multi-stakeholder needs and balanced economic and ethical outcomes;

4. **Practices** constitute integrated repertoires of positive: contemplative self-leadership, functional-relational facilitative leadership, full range managerial-leadership, visionary-strategic leadership, and transforming-developmental leadership;

5. **Philosophies** are enacted through positive styles of leadership: authentic, moral, spiritual, servant, and wise leadership;

6. **Competencies** are those required to effectively perform a full range of managerial-leadership activities;

7. **Attainments** include the requisite mix of: knowledge and skills, aptitudes and abilities, experience and qualifications, interests, and personality traits, to effectively perform the full range of managerial-leadership activities that “fit” specific roles and situations; and

8. **Dispositions** reflect veritably high levels of positive psychology, virtuous eudaimonic character, post-autonomous ego-development, psychological complexity, integrative consciousness, and flow.

These features of IEL are not exclusive to business, executives, or individuals. Many IEL qualities are exhibited, in various ways, by individuals and teams, outside of business, as well as within business organizations - across all functions, and at all levels.
The *IEL Descriptive Framework* integrates these dimensions and elements of *IEL* within a heuristic map, Figure 3.1. This map conceptualizes *IEL* as being exhibited to varying degrees, by individual executives, and/or TMT’s, along with other organizational members, who exercise various forms of positive leadership, along a continuum from focused to distributed leadership. Collectively, these “leadership co-participants” are viewed as being embedded within open, multi-leveled contexts that exhibit reciprocal influences, and complex adaptive systems dynamics. Within these situational contexts, *IEL* is described in terms of generally recognized, salient dimensions of leadership: attainments, dispositions, competencies, behaviours and practices, philosophies and styles, agency, and attendant outcomes (Bartram, 2010; Yukl, 2006, pp. 12-15, 445-448). Successful and unsuccessful outcomes of leadership are conceived as reciprocally impacting these situational contexts through various feedback loop processes, and as reciprocally impacting the various dimensions of *IEL*, via various learning-loop processes. The entire foregoing are predicated upon a “directions, alignment and commitment, functionalist ontology” (“DAC”), as advocated by Drath, McCauley, Palus, Van Velsor, O’Connor and McGuire (2008, pp. 635-653). Finally, all of these structures and processes are situated within larger environmental contexts that are powerfully impacted by and in turn, powerfully impact, the exercise of positive executive business leadership.

The general features of the *IEL Descriptive Framework*, along with related sets of empirical propositions, are clarified in this chapter. In subsequent chapters, the specific dimensions and elements of the framework, along with their theoretical grounds, are discussed in detail, namely the: multi-leveled complex, adaptive situational contexts; positive integrative agency and outcomes; positive behaviours and practices; positive philosophies and styles; and the competencies, dispositions, and attainments of *IEL*. Chapter 10 will apply this framework, and these theoretical findings, to interpret Dr. P. Roy Vagelos’ executive leadership, argue that he is a bona fide exemplar of *IEL*, and thereby confirm that *IEL* has both “sense” and “reference”.


Yukl notes that in recent years integrative approaches have “become more common… [which] include two or more types of leadership variables in the same study, but it is still rare to find a theory that includes all of them (i.e., traits, behaviours, influence, processes, situational variables, and outcomes” (Yukl, 2006, p.15). Drath et al. argue this is because “leadership theory and practice calls for a new and more integrative ontology” (2008, p.635). They propose a “DAC functionalist ontology” to better enable a more comprehensive, integrated and flexible approach. Drath et al. argue that the ontology underlying traditional leadership theories and
research “In its simplest form is a tripod – a leader or leaders, followers, and a common goal they want to achieve”, (Bennis, 2007, p.3), and that therefore, leadership discourse and research generally revolve around “leaders and followers, their shared goals …[and] the practice of leaders and followers around their shared goals” (Drath et al., 2008, p.635). Although most leadership theories conceptualize leadership beyond this simplest form, and treat the elements of the tripod in nuanced ways, they are generally variations of the tripod framework in Figure 3.2.

**Figure 3.2: A Representative Framework Based Upon the Tripod Ontology**
Source: (Drath et al., 2006, p. 641; Yukl, 2006, p.13)

This framework employs a heavier arrow connecting the leader to followers to show the leader’s asymmetrical influence on his or her followers, which influences them to attain shared goals. The nature of both the leader and the followers are conceived in terms of relevant characteristics and behaviors, which interact to some degree outside of the asymmetrical influence relationship. Context is more or less an independent element, or medium, that affects leaders, followers, and their interactions. Although, more elaborate frameworks describe and arrange these elements, and characterize their inter-relationships differently, the basic tripod ontological elements of leaders, followers, and shared goals are all present (Drath et al., 2006, pp.641-642). However, as situational demands increasingly call for peer-like and collaborative leadership, (Crossan, Vera, & Nanjad, 2008; Dess, Lumpkin, & Peridis, 2006) this traditional ontology exhibits serious limitations. Specifically, shared/distributed leadership, complexity theory,
methodological holism, and relational leadership are emerging conceptualizations that expose the serious inadequacies of this tripod paradigm (Drath et al., 2008, pp.639-641).

Shared/Distributed Leadership

Shared/distributed leadership is an important emerging aspect of leadership theory. Pearce & Conger (2003, pp. 6–9), note that precursor concepts have been around for nearly a century, but that only recently the leadership field has begun to take the idea seriously. This is partly due to the fact that throughout the 20th century, organizations typically operated with a “managerial paradigm characterized by single leaders in formal positions wielding power and influence over multiple followers who had relatively little influence on upper managers' decision making” (Seers, Keller, & Wilkerson, 2003, p. 77). Within such contexts, shared/distributed leadership was unimaginable. Also, shared or distributed leadership does not fit easily within the ontology of the tripod and its central concerns. Cox, Pearce, & Perry (2003), describe shared leadership as an exchange of lateral influence among peers, involving at least two sources of leadership influence: the traditional vertical leader, whether appointed or emergent; and the power of the team itself. “Shared leadership” describes the condition in which teams collectively exert influence as a “collaborative, emergent process of group interaction” that often occur “through an unfolding series of fluid, situationally appropriate exchanges of lateral influence…as team members negotiate shared understandings about how to navigate decisions and exercise authority” (Cox, Pearce, & Perry, 2003, p. 53).

By identifying the team itself, the system of inter-relating individuals, and the group interactions and negotiations of shared understanding that create leadership influence, this shared leadership perspective pushes beyond the ontology of the tripod. Shared leadership is conceived as a qualitatively different social process of interactive, collective influence. This is “a social process that requires its own competencies, distinct from vertical leader competencies, including: engaging in lateral influence as an expectation of performance; accepting responsibility for providing and responding to leadership (influence) from peers; and therefore developing skills as both leader and follower” (Drath et al., 2008, p.639; Pearce & Sims, 2000). These competencies also blur and nearly eliminate the leader-follower distinction that lies at the heart
of the tripod. As this distinction becomes less useful in understanding and describing shared leadership, the ontology of the tripod becomes less useful as the foundation for understanding and describing leadership overall. A new ontology that includes both vertical leadership and shared leadership is now required.

Gronn (2002) identifies two fundamental dualisms in the leadership field, the leader-follower and the leadership-followership dualisms. The implicit division of labor within these dualisms discourages alternative task divisions, such as team-based leadership. Consistent with the ontological commitments of the tripod, these dualisms force descriptions and prescriptions into a leader-centric frame. Consequently, Gronn argues that the leader-follower dualism should be treated as at one end of a continuum, “focused leadership”, the other end of which, is “distributed leadership”. Gronn describes leadership as a “status ascribed to one individual, an aggregate of separate individuals, sets of small numbers of individuals acting in concert or larger plural-member organizational units. The basis of this ascription is the influence attributed voluntarily by organization members to one or the other of these focal units” (Gronn, 2002, p. 428). In distributed leadership, both numerically and holistically, “the conduct which comprises the unit of analysis is concertive action, rather than aggregated, individual acts” (Gronn, 2002, p. 429). Drath et al. point out that “Once leadership has been identified with a holistic concept such as concertive action the relative narrowness of the tripod ontology becomes more apparent” (Drath et al, 2008, p. 640). The IEL Descriptive Framework avoids these leader-follower and leadership-followership dualisms, and conceptualizes leadership along Gronn’s continuum, from focused leadership to shared/distributed leadership. For this reason, there is no reference to followers, or followership within the framework, and IEL is viewed as being exhibited to varying degrees, by individual executives, and/or TMT’s, along with other organizational members, individually and collectively, via forms exhibiting both focused and distributed leadership.

**Complexity Theory and Methodological Holism**

The application of complexity science to leadership theory also pushes the tripod ontology beyond its limits (Marion & Uhl-Bien, 2001; Uhl-Bien, Marion, & McKelvey, 2007; Uhl-Bien
Marion and Uhl-Bien argue that most existing approaches to leadership theory “remain grounded in the premise that leadership is interpersonal influence” and that this is a consequence of the widespread subscription to reductionism and determinism in the field (Marion & Uhl-Bien, 2001, p. 391). This reductionism attempts to understand the complex whole of “leadership as a social phenomenon”, based primarily upon an understanding of the parts, such as, “leader influence on follower behavior”. This determinism presumes that the knowledge of preceding events, like “leader influence behavior”, enables prediction of succeeding events, such as “motivation” or “goal achievement”. Complexity theory avoids both reductionism and determinism through methodological holism (Healey, 2008; Schombert, 2009): “the doctrine (1) that the whole of any phenomenon is greater than the sum of its parts: thus, one cannot understand the whole through an exclusive focus on the parts; and (2) that there is an irreducible level of uncertainty in any complex system: thus, one cannot predict the future of a complex system with certainty” (Drath et al., 2008, p. 640).

A complexity-based, holistic methodological framing of leadership recognizes that conceptualizations of the elements of the tripod and their interrelationships are at best, partial and non-determinative. “In other words, from a complexity perspective, leaders and followers and their shared goals do not add up to leadership: the behavior of leaders and the response of followers to that behavior does not predict with any certainty the outputs of a leadership system” (Drath et al., 2008, p. 640). Also, complexity theory and methodological holism see order in a leadership system, as emerging from the top down, laterally, and from the bottom up, as interacting agents act as catalysts within all functional areas and at all levels of the organization. Catalysts, whether they are ideas, people, or behaviors, necessarily produce adaptive tensions, and foster interdependencies and actions that accelerate complex dynamics, like “emergent leadership”, which interact with managerial-leadership in a process called “entanglement”. Emergent leadership can be powerfully transformative and unexpectedly triggered by something like “a small idea that emerged from interactions among its members and amplified into something radical…in directions not envisioned by their founders” (Lichtenstein & Plowman, 2009, p. 617). Lichtenstein & Plowman advise that Complex Adaptive Systems Theory (“CAST”), explains
...the emergence of system-level order that arises through the interactions of the system's interdependent components (agents). The CAST view suggests that rather than being ‘in’ someone, leadership...can be enacted within every interaction between members. In this sense, complexity's focus for leadership is literally the ‘space between’ individuals…the system as a whole that instantiates emergence. Emergence in this sense occurs through the interactions across a group of agents - individual members and managers, networks, and organizations - rather than only through the behaviors of a formal manager” (2009, p. 618).

In this respect, IEL focuses upon the positive and integrative interactions and influences among all organizational agents. Therefore, complexity theory and methodological holism pose new theoretical and empirical questions such as, “if we take leadership out of a formal managerial role, how do we identify what is leadership; how is entanglement best managed; how does top down leadership most effectively recognize and interact with bottom up leadership; and what are the contextual conditions that lead to emergent and productive collective action?” (Drath et al., 2008, p. 640). As applied to positive executive business leadership, these concepts are very promising, but just emerging (Marion & Uhl-Bien, 2001; Osborn, Hunt & Jauch, 2002; Schneider & Somers, 2006; Uhl-Bien, Marion, & McKelvey, 2007; Uhl-Bien, & Marion, 2009). However, the questions they pose cannot be resolved from within the tripod ontology. The IEL Descriptive Framework views positive executive business leadership through these lenses of complexity theory and methodological holism. Accordingly, IEL theory proposes that the whole of positive executive business leadership is greater than the sum of its parts, that this cannot be understood through an exclusive focus on the dimensions and elements in the IEL framework. Accordingly, there is an irreducible level of uncertainty in IEL, such that the predictive function of the theory is limited, and secondary to its descriptive and prescriptive functions.

Relational Leadership Theory

Relational leadership theory also pushes beyond the limits of the tripod ontology (Ospina & Sorenson, 2006; Uhl-Bien, 2006). Drath et al. advise that relational theory is grounded in a constructivist perspective, which holds that meaning is generated and sustained in the context of ongoing relationships and is negotiated across time (Drath et al, 2008, p. 640). This implies that the meanings of the terms “leader”, “follower”, and “shared goals” are not fixed, but are
continuously being reframed and redefined from context to context, and from time to time. This limits any ontology which attempts to make some constructs essential by fixing the meanings of their terms. Therefore, relational theory provides a perspective from which the tripod’s fixed ontology is fundamentally called into question: “the relational perspective throws into doubt the underlying assumption of the tripod that leaders and followers and their shared goals are naturally occurring...an underlying reality about leadership and are thus essential to leadership. From a relational perspective, any ontology is to be valued not because it reflects a fixed, underlying reality, but because it is useful with respect to some purpose” (Drath et al., 2008, pp.640-641). In addition, relational leadership theory complements distributed leadership, complex adaptive systems theory, and methodological holism because “Person and context are interrelated social constructions made in ongoing local-cultural-historical processes” (Uhl-Bien, 2006, p. 665). This perspective frames leadership in terms that go well beyond the leader-follower relationship, and raises questions of how leadership arises through interactions and negotiations among organizational members (Uhl-Bien, 2006). “Collectives are more than an aggregate of individuals; the individual-collective distinction is muted; collective knowledge and action does not reduce to the aggregate of individual knowledge and action; relationships and individuals are mutually constitutive” (Drath et al., 2008, p.641).

The IEL Descriptive Framework also views leadership as relational, in this constructivist sense, but that this interactive, negotiated social order evolves over time, along Gronn’s continuum, from focused to distributed leadership. Accordingly, IEL can develop from forms of personal dominance, a social order based on a dominant leader, to forms of interpersonal influence, a social order based in exchanges of mutual influence, to forms of relational dialogue, a social order based on mutual influence and transformation (Drath, 2001). From this perspective, individual focused IEL is socially constructed, which in positive environments provides a basis for constructive collaboration and relational distributed IEL to emerge.

**Direction, Alignment, and Commitment (”DAC”)**

Distributed leadership, complex adaptive systems theory, methodological holism, and relational leadership are perspectives that are well beyond the tripod ontology. Therefore, a broader, more
open and flexible ontology of leadership is required by positive executive business leadership. For this purpose, the IEL Descriptive Framework adopts Drath’s et al.’s proposed leadership ontology in which “the essential entities are three leadership outcomes: (1) direction: widespread agreement in a collective on overall goals, aims, and mission; (2) alignment: the organization and coordination of knowledge and work in a collective; and (3) commitment: the willingness of members of a collective to subsume their own interests and benefit within the collective interests and benefit” (Drath et al., 2008, p.636). This ontology shifts leadership discourse and research to “seek to explain how people who share work in collectives produce direction, alignment, and commitment” (Drath et al., 2008, p.636). This fundamentally pragmatic, functionalist, DAC ontology has a number of immediate implications for IEL theory.

This particular focus on outcomes facilitates integration across levels of analysis. “Whether DAC is produced by an individual, a dyad, a group, an organization, or an organization of organizations, and no matter how the structure and process varies across those levels, those structures and processes can be integrated by a theory focused on outcomes” (Drath et al., 2008, p.636). Because the functions of processes do not determine the structure of these processes, outcomes can be realized in many different ways. “This enables a functionalist ontology to bridge across…differences in structure and process that result in similar outcomes…they would be functionally equivalent insofar as they both result in DAC” (Drath et al., 2008, p.636). As a consequence, when “new forms of practice emerge, and new conceptual schemes come along to account for new practices, an ontology of outcomes remains flexible and revisable…free to develop whatever are the most appropriate ways of describing the structures and processes of shared leadership” (Drath et al., 2008, p.637). In this manner, the DAC ontology also facilitates greater integration of theory and practice. “Because the vocabulary of such an ontology does not anchor structures and processes…theories built around an outcome ontology are free to track changes and developments in practice…[and remain] in closer contact with any and all developments in practice” (Drath et al., 2008, p. 637). Although this DAC ontology deemphasizes precise differentiations among processes, and thereby raises problems of determining causality, Drath et al. argue that this “is compensated for by a gain in integration across levels, structures and processes” (Drath et al., 2008, p.636).
For these reasons, the DAC ontology underlies the various dimensions of the IEL Descriptive Framework: the situational context; positive integrative agency and outcomes; positive leadership behaviours and practices; positive leadership philosophies and styles; competencies, dispositions, and attainments; and the various feedback and learning loops. As a consequence of this pragmatic, functionalist, DAC orientation, the IEL Descriptive Framework readily accommodates the continuum from focused leadership to distributed leadership, functional and relational leadership, complex adaptive systems, and methodological holism (Drath et al., 2008, pp.639-641). As well, the DAC ontology permits a metaparadigmatic perspective that accommodates the functionalist paradigm and positivist social-scientific theories, along with the interpretivist paradigm and constructivist theoretical perspectives of the humanities.

The IEL Tent

At the heart of the IEL Descriptive Framework is the IEL Tent of positive executive business leadership behaviours and practices, philosophies and styles. Figure 3.3 portrays IEL’s component positive leadership behaviours & practices, in an open-nested arrangement, of increasingly wider and complex repertoires, geared to specific contextual levels - individual, pairs/groups/teams, organizational and societal. These positive repertoires and their interrelationships are discussed in detail in Chapter 6. Beginning with (1) Contemplative Self-Leadership, and moving upwards through (2) Functional-Relational Facilitative Leadership, (3) Full Range Managerial-Leadership, (4) Visionary-Strategic Leadership, and (5) Transforming-Developmental Leadership, each successive repertoire encompasses the previous repertoire(s) into a more complex and integrated, positive “repertoire of repertoires”. This implies that an IEL executive must develop successively higher orders of complexity and integration, in order to mature from supervisory to managerial to general-managerial into executive leadership roles to become an IEL. These repertoires must “fit” and address multi-leveled contextual demands, beginning with the broadest environmental and societal levels, and cascade inward to the individual level. As well, these repertoires must “fit” and be integrated at the individual level, and flow outwards to the broadest societal and environmental levels. These repertoires are intended to be sufficient for the general range of IEL business demands, yet be sufficiently specific to inform IEL behaviours and practices in various circumstances. They are
ideally represented within a three-dimensional *IEL Tent* to signify that their integrated and synergistic inter-relationships, represents a complex, adapted-in-the-moment, flow of performances that is partly art, partly science, and mostly craft (Mintzberg, 1973, 2004).

Also included in the *IEL Tent* are authentic, moral, servant, spiritual, and wise, philosophies and styles of leadership. These positive philosophies and styles, and their interrelationships are discussed in detail in Chapter 7. Their inclusion within the *IEL Tent* implies that these particular philosophies and styles of leadership are positively associated with *IEL* behaviours and practices. Their depiction as the roof of the *IEL Tent* implies that their influence is collective, synergistic, and ranges across all the repertoires and the multiple levels. As well, the roof’s protective function implies that they also play important inhibiting roles against “negative” and “disintegrative” forms of executive conduct outside the *IEL Tent*, such as, despotism and Machiavellianism. In effect, these positive philosophies and styles act as powerful safeguards against executive conduct that is: morally ignorant, mute, amoral, immoral, telepathic, narcissistic, sociopathic or psychopathic. These positive protective functions play especially important roles in both moderating prescribed *IEL* behaviours and practices, and defending against the “dark sides” of executive conduct and “personalized charisma”.

Charismatic influence is conceptualized as both a transient meta-outcome of *IEL* that occasionally manifests when specific *IEL* behaviours and practices, philosophies and styles are enacted. “Socialized charisma” is positive, and contributes significantly to *IEL*’s positive influence.
General IEL Propositions

The general propositions of IEL theory are contained in Appendix C. These propositions address the: (1) situational contexts; (2) positive integrative agency and outcomes; (3) positive integrated repertoires of behaviours and practices; (4) positive philosophies and styles; and (5) requisite competencies, attainments, and dispositions of positive executive business leadership, as synthesized from the extant leadership literature. The specific propositions will be discussed in their following respective chapters.
CHAPTER 4

IEL Situational Contexts

In the majority of leadership research “the organizational and environmental context in which leadership is enacted have been almost completely ignored” (House & Aditya, 1997, p. 445; Hunt & Dodge, 2001, p. 435). Yammarino, Dionne, Chun, and Dansereau (2005) concur, arguing that “relatively few studies in any of the areas of leadership research have addressed levels of analysis issues appropriately in theory, measurement, data analysis, and inference drawing” (2005, p. 879). They argue that “to build a more comprehensive and integrative theory of leadership, regardless of the approach, multiple levels of analysis must be incorporated in theory and hypothesis formulation” (2005, pp. 903-905). Yukl (2006) agrees that leadership should be investigated at all of the multiple levels, but that “[m]ost leadership theories are focused on processes at only one of these levels, because it is difficult to develop a multi-level theory that is also parsimonious and easy to apply” (Yukl, 2006, p.15). Typically, leadership research “uses an individual, dyadic or group level of analysis” only (Yukl, 2006, p. 453). Hunt and Dodge also observe that most leadership theories fail to address the temporal aspects of the situation. At best they are treated as “comparative statistics or a linear series of snapshots over a period of study” (Hunt & Dodge, 2001, p. 443). Yukl (2006) agrees, stating that most leadership studies only examine events that occur during a brief time interval. Although longitudinal studies are essential to examine leadership processes, “few researchers are willing to invest that much time in a study. What passes for longitudinal research in leadership is a survey study with measures taken a few months apart, rather than an intensive examination of evolving relationships, emerging problems, protracted decisions, sequential changes, and reciprocal influence processes” (Yukl, 2006, p. 455). Consequently, the contexts and evolutionary processes of leadership need to be fully considered in leadership research and theory (Hunt & Dodge, 2001, p. 437). Accordingly, this thesis proposes that:

(P.1) **IEL** is enacted at the individual level, the level of pairs/groups/teams, the intra-organizational level of departments, functional areas, divisions, and subsidiary firms, and the extra-organizational societal and environmental levels.

(P.2) The contextual levels of **IEL** are mutually-influencing, through various direct and indirect, reciprocal processes, as complex, dynamic, adaptive systems.
IEL is influenced by the historical forces - past, present and emerging future - operating at each of these contextual levels, which present different pressures (push) and demands (pull). In turn, IEL influences these historical forces through various feedback and learning loops.

Pettigrew (1985) observed that contexts, processes, and outcomes are all linked in interactive and non-linear ways, and that various leadership actors seek “to harness forces in the external and internal contexts of their organizations to help them shape the pace, direction and outcome of...change as far as possible in line with their intentions” (Leavy, 1996, p. 441). Consequently he advocated studying leadership using methodologies that are sensitive to the dynamic interplay among contexts, processes and outcomes, and to view leadership phenomena as continuous processes in context (Pettigrew, 1987, p. 650). His general principles for contextually and temporally sensitive leadership research include: “(a) multiple levels of analysis in connecting context, process and outcome...(b) an underlying theory of social action…and (c) longitudinal-processual research strategies that allow patterns of continuity and change to be observed over time” (Pettigrew, 1985, p. 38; Leavy, 1996, p. 441). This methodology requires the study of the historical patterning of contexts at multiple levels of analysis, because only thereby is it “possible to fully explore how leadership performance [is] shaped by, and shaped, the larger context within which it [is] embedded” (Leavy, 1996, p. 442). The underlying theory of social action views leadership actors as both enabled and constrained by their social contexts and the structures within which they operate, not as independent, separate realities, but as interpreted and enacted environments (Smircich & Stubbart, 1985; Weick, 1977). The longitudinal perspective “conceptualizes leadership as performance over time and tenure in interaction with context and organizational history” (Leavy, 1996, p. 443). Therefore, contextual and temporal sensitivity requires “primarily a qualitative methodology that combines many of the skills of the business historian with those of the organizational ethnographer… [and] shares many of the characteristics and challenges facing researchers using case-based methodologies…[including] the always daunting task of analyzing rich descriptive data and generating value-added contributions” (Leavy, 1996, p. 442).
The *IEL Descriptive Framework* adopts this holistic, contextually and temporally sensitive perspective, incorporating multiple levels of influence, and Pettigrew’s general principles of “processual analysis”. For instance, the case study of Dr. P. Roy Vagelos presented in Chapter 10, applies Pettigrew’s general principles, illustrating Dr. Vagelos’ positive leadership at multiple levels and through an extended time period. As Leavy argues, this kind of “meta-framework provides direction for a potentially wide range of organizational studies linking elements of context, process and outcome, while still providing…plenty of scope…in the specifics of research design” (Leavy, 1996, p. 442). The *IEL Descriptive Framework* also incorporates specific insights from Kim and Yukl (1995, 1998) – two articles identified by Yammarino et al., (2005, p. 905) that expressly aim towards an integrated theory of leadership. Their *Multiple Linkages Model* integrates: situational variables, outcome variables, power, trait and behaviour variables, as well as intervening variables, all interconnected via both direct, and indirect, reciprocal influence relationships (Kim & Yukl, 1995, 1998; Yukl, 2006, pp. 228-235). Yukl advises that this model “applies to any level of management in a large organization, but the…variables change somewhat from level to level.” Among these interrelated elements “[i]ndirect effects are especially important for top management…[specifically] the core ideology and cultural values of the organization, the formal structure and management systems, the skills and capabilities of organization members, the competitive strategy, and the network of cooperative relationships and joint ventures with other organizations” Yukl, (2006, pp. 445-448). The *IEL Descriptive Framework* also adopts an important refinement recommended by Weick, Sutcliffe and Obstfeld (1999, pp. 110-111), who emphasize the ever-larger realms of forces impacting leadership (Hunt & Dodge, 2001, p. 443). The significance of this refinement is that “the level of analysis emphasized is a force’s acting on an individual or thing, rather than on specific categories of collectives. Instead of considering electron, atom, molecule, or substance, the nature of the energy holding these together is emphasized” (Hunt & Dodge, 2001, p. 443). Therefore, the *IEL Descriptive Framework* emphasizes these contextual binding influences placed upon executives.
Environmental and Societal Levels

At the environmental and societal levels, *IEL* is subject to many powerful pressures and demands, over which it has relatively limited influence, as identified by Sachs (2008). All firms are embedded within many different environmental, political, legal, regulatory, technological, economic, competitive, socio-cultural, educational, and ethical environments, that create unique challenges and opportunities (Dess, Lumpkin, & Peridis, 2006, pp.32-61). These environments of business generate multiple, inter-penetrating streams of influences, information and “noise”, that are highly complex and ambiguous, hyper-turbulent, hyper-competitive, increasingly hostile, and unrelenting (Crossan, Vera and Nanjad, 2008). This implies that the capacity of *IEL* to achieve the direction, alignment, and commitment (*DAC*) “to make a particular strategic impact is often heavily circumscribed, though rarely fully predetermined, by history and context” and that leadership participants can “impact on the destinies of their organizations, but not always in circumstances of their own choosing” (Leavy, 1996, p. 444).

In addition to shaping their organizations’ destinies within these environmental and societal contexts, *IEL* executives have the capacity to shape, to varying degrees, the environmental and societal contexts themselves. For instance, Margolis and Walsh (2001) observe that the world cries out for repair. While some people in the world are well off, many more live in misery. The sheer magnitude defies easy recognition. With the global population over six billion people, it is difficult to paint the picture. The necessity of domestic and global reform is well documented by Danaher (1996), Greider (1997), Henderson (1996), Kapstein (1999), Korten (1995), Madeley (1999), Sklar (1995), and Wolman and Colamosca (1997). The pressures and demands for corporate involvement in redressing broader problems of society come from many quarters. Non-governmental organizations and associations such as *Business for Social Responsibility* (“BSR”) (http://www.bsr.org), have worked to establish worldwide standards for corporate social responsibility (Ranganathan, 1998). There appears to be a convergence of opinion, as expressed by the United Nation’s High Commissioner for Human Rights. She made an historic plea in her keynote address at the 1999 *BSR* annual meeting - positioning multinational firms alongside the United Nations as perhaps the only other powerful institutions on the world’s stage with the resources to fight global social ills.
Organizational Level

Several general contextual variables are especially pertinent to *IEL* at the organizational level, namely; “contextual uncertainty”, “pressure for change”, the “competitive imperative” and the “ethical imperative”. *Contextual uncertainty* relates to: the inability to understand the directions in which an environment or society might be changing; identify and assess the potential environmental, societal and organizational impacts of those changes; and determine whether or not particular organizational responses might be successful. *Pressure for change* relates to the degree of external and/or internal demand to maintain or improve the status quo, versus transform the society and organization (Bartram, 2010; Milliken, 1987; Waldman, Ramirez, House & Puranam, 2001). These two variables and the corresponding *IEL* priorities are represented in Table 4.1.

**Table 4.1: Situational Contexts and Appropriate *IEL* Responses**

Source: adapted from (Bartram, 2010. p. 12).

<table>
<thead>
<tr>
<th></th>
<th>High uncertainty</th>
<th>Low uncertainty</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High external pressure</strong></td>
<td><strong>High risk, rapid change</strong></td>
<td><strong>Medium risk, rapid change</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Change by revolution</strong></td>
<td><strong>Change by innovation</strong></td>
</tr>
<tr>
<td><strong>Low external pressure</strong></td>
<td><strong>Medium risk, slow change</strong></td>
<td><strong>Low risk, maintain status quo</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Change by evolution and continuous improvement</strong></td>
<td><strong>Gradual improvements and maintenance</strong></td>
</tr>
</tbody>
</table>

Table 4.1 indicates that it is not necessarily the case that all environmental and societal contexts demand revolutionary transformations. In different circumstances and/or at different times, *IEL* executives must emphasize developing “direction, alignment and commitment” to different kinds of outcomes, such as: stabilizing chaotic situations; or introducing incremental improvements; or nurturing greater innovation. Viewed from this perspective, *IEL* requires great versatility to stabilize, maintain and improve, gradually evolve, innovate or radically transform a society or organization, depending upon the circumstances. In this manner, *IEL* can
accommodate the managerialist orientations of functionalist and interpretivist paradigms, as well as the radical change orientations of radical humanism and radical structuralism. However, IEL’s pragmatism requires that the appropriate response should be determined by the situation. In doing so, IEL executives must satisfy the competitive imperative, which relates to the necessity to pursue effectiveness, efficiency, excellence, sustainable competitive advantages, and profitability, in order to survive and thrive. At the same time, IEL executives must satisfy the ethical imperative, which relates to the necessity for businesses to serve the common good in ethical ways (Goodpaster, 2004; Dess, Lumpkin, & Peridis, 2006). The challenges in resolving the tensions between these two imperatives create deep problems for business leadership. For instance, “[c]alls for corporate help clash with traditional conceptions of a firm’s purpose. It is not at all clear how firms should respond” (Margolis & Walsh, 2001, p. 7). A number of constraints limit a corporation’s response to environmental and social ills and trigger contentious debates about the theory and purposes of the firm (Bradley, Schipani, Sundaram, & Walsh, 1999).

Communitarians write eloquently…but [the] dominant contractarian perspective sees the firm as a nexus of contracts in which managers’ preeminent responsibility is to maximize the firm’s value. While contractarians may be as interested in ameliorating human misery as anyone else, they see no reason for a corporation to divert its resources to solve society’s problems directly…Corporations can contribute best to society if they do what they do best: provide high quality goods and services to the marketplace and, in so doing, fulfill people’s needs and create wealth. Socially responsible initiatives may be seen as an undisciplined double tax on a firm, a tax that leaves managers unfocused and investors frightened. The challenge facing advocates of corporate social initiatives is to find a way to promote social justice in a world where the shareholder wealth maximization paradigm reigns supreme (Margolis & Walsh, 2001, p. 7).

**Transforming-Developmental Leadership**

In leading their organizations within these environments, IEL executives cannot simply set long-term strategies, short-term operating plans, practice "incremental management", and then hope for the best (Begley & Boyd, 2003). Environmental and societal pressures require them to take a global perspective and make continual changes in firms’ missions and strategic directions (Crossan, Vera & Nanjad, 2008; Hamel & Prahalad, 1994). Business today is conducted within the broader context of serious global challenges (Sachs, 2008), that create unprecedented
demands for transforming developmental leadership. Accordingly IEL is not simply custodianship of the status quo, but rather is anticipatory, proactive, transformative and developmental, in order to continually renew organizations to successfully respond to environmental, societal and organizational needs. This requires executives and organizational members alike, to maintain responsible and responsive vigilance and to continually formulate and implement effective and ethical missions, visions and strategies, so as to respond to environmental and societal needs, to contribute to the common good (Garten, 2002), to continuously evolve and grow, and to sustain societies and organizations that last (Collins & Porras, 1997; Gentile, 2002a, 2002b, 2002c). In this regard, IEL executives have significant influence in shaping DAC - direction, alignment and commitment – and thereby achieving positive, meaningful stakeholder outcomes. IEL Transforming-Developmental Leadership, as discussed in Chapter 6, is the means by which positive executive leaders strive to transform and develop their environmental, societal, and organizational contexts on an ongoing basis, to ensure good “fit”, adaptation and evolutionary development. IEL Transforming-Developmental Leadership implies that executives must possess the serenity to accept what they cannot change, the courage to change what they can, and the wisdom to know the difference.

Visionary-Strategic Leadership

Positive executive leadership must also be visionary and strategic. IEL executives must take an integrative view of how an organization should fit within its environment and society, serve the needs and purposes of various stakeholder groups, integrate all of the organization’s functional areas, and coordinate activities to achieve the organization’s mission, vision, and strategic aims, goals and objectives (Bennis & Nanus, 1985; Dess, Lumpkin & Peridis, 2006, pp. 7-10). However, their options and actions are greatly affected by complexity, ambiguity, and constant change in: environmental and societal contexts; the organization’s unique combinations of strengths and weaknesses; the stage in the organization’s life cycle - introduction, growth, maturity or decline (Dess, Lumpkin, & Peridis, 2006, pp. 150-155); the specific value chain activities – primary activities, support activities, and their interrelationships (Dess, Lumpkin, & Peridis, 2006, pp. 67-77); and, the organization’s particular constellations of tangible and intangible resources - financial, intellectual, technological, human, and social capital (Dess,
Lumpkin, & Peridis, 2006, pp.78-86, 98-115). Accordingly, IEL Visionary-Strategic Leadership, as discussed in Chapter 6, requires executives not so much to plan and “scientifically” manage strategy, as shape it over time, more like craftsmen who employ intuition, imagination, tacit knowledge, and personal feel for issues (Mintzberg, 1978, 1987; Leavy, 1996, p. 437; Dess, Lumpkin & Peridis, 2006. pp 10-11).

Full Range Managerial-Leadership

IEL requires essential general managerial-leadership behaviours, namely, “Full Range Leadership” (Bass, 1985; Bass and Avolio, 1994), and “Managerial Leadership” (Yukl, 2002, 2006) to complement IEL Visionary-Strategic Leadership. The latter is “about the organization” (Boal & Hoojberg, 2001; Boal & Schultz, 2007), and provides the visionary-strategic parameters for IEL Full Range Managerial-Leadership, which addresses the pressures and demands to manage tasks, relations and change “within the organization” to integrate organizational functional areas, and coordinate activities to achieve the organization’s mission, vision, and strategic aims, goals and objectives, as discussed in Chapter 6.

Pairs, Groups, and Teams

Functional-Relational Facilitative Leadership

In order to provide effective day-to-day management and supervision, IEL executives are called upon to practice a variety of forms of functional, relational, and facilitative leadership, tailored to situational contingencies (Fleishman et al., 1991; Fleishman & Zaccaro, 1992; Laiken, 1994; Zaccaro et al, 2001; Vroom & Yetton, 1973). These group circumstances and tasks range from situations requiring “focused” leadership (Gronn, 2002; Laiken, 1994), which is concentrated and directive, to those requiring “distributed” leadership (Gronn, 2002; Laiken, 1994) which is participative and democratic, to those which are somewhere between these poles, requiring consultative approaches (Laiken, 1994; Vroom & Yetton, 1973). The forms of “focused” IEL functional leadership at the directive end of the spectrum are amenable to an “entity” approach to analysis, under conditions of “being organized” (Uhl-Bien, 2006, p. 661). However, the forms of “distributed” IEL relational leadership at the democratic end of the spectrum require a
“relational” approach to analysis, under conditions of being “emergent… iterative and messy social process… shaped by interactions with others” (Uhl-Bien, 2006, p. 664).

IEL executives are required to facilitate group functional and social processes, and nurture team capacities, that are essential to effective and ethical team performance, in situations where the “group”, which is not yet a “team”, cannot provide this leadership for itself. Also, IEL executives must cultivate self-managed, high performing teams that can effectively practice relational, distributed leadership. Effective and ethical group work and teamwork at either ends of this continuum, requires a flexible, facilitative approach that can range from directive to consultative to democratic modes, depending upon the various phases of team development (Laiken, 1994; Tuckman, 1965; Tuckman & Jenson, 1977). All of the foregoing are part of an integrated behavioural repertoire, that is situationally adapted and dynamically balanced in real-time. IEL Functional-Relational Facilitative Leadership operates within this full range of group and team situations. This is among the reasons that this repertoire, as discussed in Chapter 6, is not a highly structured, deterministic “model”, but remains pragmatically open to “a variety of methods, approaches, and even ontologies that explore the relational dynamics of leadership and organizing” (Uhl-Bien, 2006, p. 668). Accordingly, at the pairs/groups/teams level, IEL offers “conception not definition…[the] theory… should direct attention and focus rather than characterize the intrinsic nature of stable objects or mirror fixed attributes among them” (Deetz, 1992, p. 8; Uhl-Bien, 2006, p. 668).

Individual Level

Contemplative Self-Leadership

In order to effectively address such complex environmental, societal, organizational, and work-group demands, IEL executives are continually pressured to ensure that all organizational members as individuals, absorb, learn, discern, innovate and adapt (Boal & Schultz, 2007; Boal & Hooijberg, 2001; Crossan, Vera & Nanjad, 2008). Accordingly, IEL executives must practice, role model, and promote continual learning and self-renewal, maintain and enhance members’ effectiveness and ethics, and continually develop requisite personal attainments, dispositions, and competencies (Bartram, 2004). At this intra-personal level, IEL executives support the
foregoing, through practicing and role-modeling “self-leadership” (Houghton & Neck, 2002, 2004), “Super-leadership”, (Manz and Sims, 1989, 1991; Manz, 1990b, 1991, 1992a), “the five disciplines” (Senge, 1990a, 1990b), and “contemplative practice” (Miller, 1994, 1999, 2006). These IEL Contemplative Self-Leadership practices complement all of the other repertoires of IEL at a deep personal level, both inhibiting unethical and corrupt behaviors and supporting superior performance. Collectively, these practices cultivate “positive leadership” at the core (Cameron, 2008), and thereby “encourage positive, desirable behaviors that lead to successful outcomes, while suppressing negative, undesirable behaviors that lead to unsuccessful outcomes” (Neck & Houghton, 2006, pp. 271-272). Chapter 6 describes how IEL Contemplative Self-Leadership synergistically promotes executive effectiveness, ethics, excellence, and “positive leadership”.

**IEL Philosophies and Styles**

Collectively, all of the foregoing IEL repertoires put into practice the principles of “positive leadership”, a concept that has many important implications for IEL, as discussed in Chapters 1 and 2. Chapters 7, 8, and 9 present evidence from the emerging fields of positive scholarship, that in addition to promoting effectiveness and ethics, these IEL repertoires promote “positive leadership” and “positive deviance” - that is, successful performance that dramatically exceeds merely “good” performance (Cameron, 2008, p. x). Powerfully shaping these IEL repertoires across all of the multiple levels are IEL philosophies and styles of leadership. In effect, these are the positive “thought patterns and habitual ways of thinking” (Neck & Houghton, 2006; VanSandt & Neck, 2003), and the positive “mental models” (Senge,1990), of positive leadership - the deeply ingrained, often unconscious presuppositions that influence how executives perceive, feel, interpret, and act in leadership situations. Their philosophies, for better or for worse, shape executives’ assumptions, attitudes, perceptions, feelings, reasoning, beliefs, purposes, expectations, norms, and decisions regarding business leadership behaviours and practices. In fact, executives’ leadership styles can be viewed in terms of their enactment of underlying philosophies, and the associated ways in which they deal with tasks, people and change. Accordingly, implicit in the descriptions of positive IEL behaviours and practices are elements of: authentic, moral, spiritual, servant, and wise philosophies and styles of leadership,
which are all “constructive thought patterns and habitual ways of thinking that can positively impact performance” (Neck & Houghton, 2006, pp. 272-273). Operating at the core of IEL’s constructive thought self leadership, their influence is collective, integrated and synergistic – radiating outward across the micro, meso, macro and societal levels. As well, they play important inhibiting roles against opposing forms of social influence, such as executive conduct that is: morally ignorant, ethically mute, amoral, teleopathic, narcissistic, sociopathic and/or psychopathic. These positive philosophies and styles are discussed in Chapter 7.

**Summary of IEL Contexts**

IEL requires a complex, mutually reinforcing, integrated “repertoire of repertoires” of positive leadership behaviours that an executive must perform well within and across multiple, complex, dynamic, contexts. Therefore IEL cannot be algorithmic, but rather is a heuristic of complex, holistic leadership processes, with inner and outer, intentional and behavioural, individual and collective, dimensions. The contextual levels, behavioural and intentional dimensions of IEL and their interrelationships are depicted in Table 4.2.

**Table 4.2: IEL Contextual Levels, Roles, Repertoires, Philosophies and Styles**

<table>
<thead>
<tr>
<th>IEL Philosophies and Styles</th>
<th>IEL Leadership Roles</th>
<th>IEL Behaviours &amp; Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Context</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual</td>
<td>Management of Self</td>
<td>1. Contemplative Self-Leadership</td>
</tr>
<tr>
<td>Pairs/Groups/Teams</td>
<td>Supervisory and Middle</td>
<td>2. Functional-Relational Facilitative Leadership</td>
</tr>
<tr>
<td>Organizational</td>
<td>General Management</td>
<td>3. Full Range Managerial Leadership</td>
</tr>
<tr>
<td>Environmental - Societal</td>
<td>Executive Management</td>
<td>4. Visionary-Strategic Leadership</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5. Transforming-Developmental Leadership</td>
</tr>
</tbody>
</table>
CHAPTER 5

IEL Agency and Outcomes

Within these complex, dynamic, multi-level business contexts, IEL executives must exercise “positive” and “integrative” agency. This chapter describes and theoretically grounds IEL’s positive integrative agency. Specifically, this thesis posits:

(P.4) IEL “positive agency” is positively associated with, development from negative deviance to normal healthy functioning, and/or from normal healthy functioning to positive deviance and excellence.

(P.5) IEL “integrative agency” is positively associated with positive outcomes at all of the contextual levels of business, including health, effectiveness, quality, efficiency, positive relationships, adaptability, profitability, and ethics.

This chapter argues that the “positive integrative agency” of IEL executives, synergizes individual and collective well-being, and generates a dialectical ability to do well by serving the common good, through multi-stakeholder professional stewardship, integrated performance management, and a living code of ethics.

IEL “positive integrative agency” refers to the application of positive principles drawn from the emerging fields of positive psychology, positive organizational behaviour (POB), and positive organizational scholarship (POS), as discussed in Chapters 1 and 2. IEL applies these principles within IEL positive integrative agency. Cameron (2008) describes three essential features of the “positive” vector:

1. **Affirmative bias:** Rather than being oriented to addressing deficits, obstacles and impediments, positive integrative agency focuses upon strengths, capabilities, and human potential, to enable thriving and flourishing. This does not ignore undesirable states, negative events, weaknesses, and problems, but builds on them to develop holistic positive outcomes (Cameron, 2008, pp. 2-3).

2. **Positively deviant performance:** In addition to achieving expected, normal success, positive integrative agency also strives to attain extraordinary levels of achievement - individually and collectively. Achieving “positively deviant performance…is not the same as achieving ordinary success” (Cameron, 2008, p. 2). Positive deviance involves
intentional behaviors that depart from the norm of a reference group in honorable ways” (Spreitzer & Sonenshein, 2003, 2004).

3. **Virtuousness:** Facilitating the best of the human condition, individually and collectively, requires the cultivation of “eudaimonia” or virtuousness. Positive integrative agency “is oriented towards developing virtues, or what Aristotle labeled goods of first intent – ‘that which is good in itself and is to be chosen for its own sake’ (Metaphysics XII: 3)” (Cameron, 2008, p. 3). Recent evidence suggests that all societies and cultures have catalogues of traits they deem to be virtuous, and that there is significant agreement across societies and cultures (Peterson & Seligman, 2004).

Cameron also describes an integrated “deviance continuum” (2008, pp. 7-9) that captures the distinctive features of this positive agency. *IEL* positive integrative agency, as depicted in Figure 5.1, builds upon Cameron’s deviance continuum, and emphasizes the central interrelationship of integrative agency and positive agency. The horizontal axis of the deviance continuum represents negatively deviant performance and conditions in the left column, normal states or expected performance in the middle column, and positively deviant performance and conditions in the right column. The vertical axis depicts general criteria important to the individual, group & organizational, and the societal & environmental levels. *IEL* positive integrative agency intentionally and synergistically promotes development along both the horizontal and vertical vectors. *IEL* positive integrative agency requires both: *(P.4)* the intentional and proactive developmental agency from negative deviance to normal healthy functioning, and/or from normal healthy functioning to excellence and positive deviance; and *(P.5)* the achievement of normal to excellent states of health, effectiveness, quality, efficiency, positive relationships, adaptability, competitiveness, profitability, and ethics, at all of the contextual levels of business - individual, group & organizational, societal & environmental.

For this reason, *IEL*’s integrative agency is construed as being broader than and encompassing *IEL*’s positive agency. Also, for this reason, this form of executive business leadership is called “integrative executive leadership” as opposed to “positive executive leadership”.
Table 5.1: IEL Positive Integrative Agency
(Source: Adapted from Cameron, 2008, p. 8)

<table>
<thead>
<tr>
<th>IEL Positive Integrative Agency</th>
<th>Increasing Positivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative Deviance</td>
<td>Normal State</td>
</tr>
<tr>
<td>Individual</td>
<td></td>
</tr>
<tr>
<td>Physiological</td>
<td>Illness</td>
</tr>
<tr>
<td>Psychological</td>
<td>Illness</td>
</tr>
<tr>
<td>Group/Organizational</td>
<td></td>
</tr>
<tr>
<td>Effectiveness</td>
<td>Ineffective</td>
</tr>
<tr>
<td>Quality</td>
<td>Errors - Substandard</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Inefficient</td>
</tr>
<tr>
<td>Relationships</td>
<td>Harmful - Destructive</td>
</tr>
<tr>
<td>Adaptability</td>
<td>Freeze/Flight/Fight</td>
</tr>
<tr>
<td>Economics</td>
<td>Uncompetitive - Unprofitable</td>
</tr>
<tr>
<td>Ethics</td>
<td>Unethical</td>
</tr>
<tr>
<td>Societal/Environmental</td>
<td>Dying</td>
</tr>
<tr>
<td>Summation of Influences</td>
<td>Disintegrative</td>
</tr>
</tbody>
</table>

In very general terms, IEL positive integrative agency, at the individual level, restores health, and cultivates physiological vitality and psychological flow. At the group and organizational level, competent task-oriented leadership achieves acceptable standards of effectiveness, quality, and efficiency, and ultimately greatly exceeds these standards. Also, competent relations-oriented leadership establishes helpful and constructive working relationships, and
ultimately benevolent and transforming mutual influences. In addition, competent change-oriented leadership ensures that organizational members not only cope well, but flourish within turbulent business environments. This positive integrative agency also achieves a balance of: competitiveness and profitability, and ideally industry leadership and exceptional wealth creation; along with ethical and ideally virtuous conduct and outcomes. At the societal and environmental levels, positive integrative agency establishes initiatives and programs related to corporate ethics, organizational citizenship, corporate societal responsibility and responsiveness, to not only avoid the potential “die off” of industrial societies, but to cultivate mutual sustainability, and nurture thriving businesses, societies and environments (Boatright, 2003, pp. 372-381). Summatively, these various forms of IEL positive integrative agency are mutually reinforcing and serve to attenuate the kinds of disintegrative influences discussed in Chapter 1, establish the degrees of integration required for normal, healthy functioning, and ultimately cultivate positive-integration-generating (“integrative”) structures and processes at each level.

The remaining discussion in this chapter: (1) clarifies the nature of ethos/virtuousness, and the potential integral synergies – focusing especially upon desirable economic performance and ethical outcomes; and (2) articulates how IEL positive integrative agency can accomplish these synergies via: multi-stakeholder professional stewardship; integrated performance management; and, a holistic living code of ethics.

Virtuousness

Cameron (2006) describes “ethos” or “virtuousness” as what individuals aspire to be when they are at their very best. The word “virtue” is derived from the Greek “arête” which means excellence. “Virtuousness represents conditions of flourishing and vitality, meaningful purpose, ennoblement, personal flourishing, and that which leads to health, happiness, transcendent meaning, and resilience in suffering” (2006, pp. 319-320). Virtuousness is characteristic of organizations as well as individuals (Park & Peterson, 2003). Cameron, Bright, and Caza (2004) advise that virtuousness within organizations refers to the transcendent, elevating behaviours of its members, whereas virtuousness enabled by organizations refers to features of the organization that cultivate virtuousness within its members. Accordingly, they provide a general
definition of *organizational virtuousness* as: “individuals’ actions, collective activities, cultural attributes, or processes that enable dissemination and perpetuation of virtuousness in an organization” (2004, p. 768). They point out that virtuousness “does not refer to an all or nothing condition…because neither individuals nor organizations are completely virtuous or nonvirtuous, nor are they virtuous all the time” (2004, p. 768). Also, they advise that virtuousness is multi-faceted, so no single indicator can measure it. However, they identify three key attributes of virtuousness: moral goodness, human flourishing, and social betterment.

*Moral goodness* represents what is good, right, and worthy of cultivation (Peterson, 2003). In this sense, virtuousness “is the basis of ‘moral muscle’, willpower, and stamina in the face of challenge” (Cameron, 2006, p. 320). Aristotle’s “goods of first intent” have long been claimed to be characteristics of the best of the human condition. Therefore Cameron (2006) characterizes the moral component of virtuousness by Aristotle’s goods of first intent, which are desired for their own sake, and argues that virtuousness can, and should, serve as a fixed point to guide individual and organizational moral behavior because these aspirations are universal and unchanging in essentially all societies, cultures, and religions. Peterson and Seligman (2004) have developed a typology of virtues that are recognized as intrinsically valuable in many societies, as provided in Appendix F.6. *Human flourishing* and virtue are associated with meaningful purpose, transcendent principles, moral character, human strength, self-control, and resilience (Baumeister & Exline, 1999, 2000). Although the structures and processes of an organization may be neither virtuous nor nonvirtuous - having neither positive nor negative human impacts – certain organizational structures and processes can promote and perpetuate personal flourishing, positive interpersonal relationships, meaningful work, enhanced learning, and personal development among members (Cameron, Bright, & Caza, 2004, p. 769). *Social betterment* extends beyond mere self-interest to create social value that transcends the interests of the actor and produces benefit to others regardless of reciprocity or reward. Virtuousness is not oriented toward obtaining external recognition, benefit, or advantage. Margolis and Walsh (2003) observe that many organizations behave responsibly and engage in prosocial behavior because of expected reciprocation, for instance, avoiding sanctions, generating a positive public image, or earning political rewards. However, virtuousness in organizations is more than
participation in normatively prescribed corporate ethics, organizational citizenship, or corporate social responsibility programs (Spreitzer & Sonenshein, 2003, 2004).

Certain socially responsible and citizenship activities may represent organizational virtuousness, but the focus of virtuousness is on social betterment irrespective of personal or corporate benefit. Virtuousness does not stand in opposition to concepts such as citizenship, social responsibility, or ethics, but it extends beyond them. It broadens the orientation to include fostering the moral good, not just redressing the bad, and producing human effects and social betterment, all without expectation of personal return (Peterson & Seligman, 2004).

Nevertheless, Cameron, Bright, and Caza advise that “there is reason to believe that virtuousness and performance in organizations are positively related and mutually reinforcing” (2004, p. 770).

**Integral Synergies**

Within the field of positive organizational scholarship the investigation of the role of virtuousness in individual and organizational performance is emerging. This is ironic because, by definition, virtuousness is intrinsically desirable. No reward is required for virtuousness to be valued. However, without a business case being made for virtuousness, it is usually ignored as a standard to guide individual or organizational action within business (Cameron, 2006, p. 320). Therefore, several recent studies have been conducted into the impact of virtuousness in various kinds of organizations. For instance, Cameron, Bright, and Caza (2004) examined eighteen recently downsized organizations in a variety of industries, all of which were facing high degrees of change and uncertainty. The research assessed members’ perceptions of their own organizations’ demonstration of organizationally-facilitated virtues, such as compassion, integrity, forgiveness, trust, and optimism. These virtues are all included in Peterson’s and Seligman’s (2004) typology of universally valued virtues (see Appendix F.6). Empirical results revealed that virtuous organizations significantly outperformed less virtuous organizations in a series of objective outcome measures, including profitability, productivity, innovation, quality, customer retention, and employee loyalty. In a separate study by Gittell, Cameron, and Lim (2006) of the U.S. airline industry after the tragedy of September 11th, the airline companies demonstrating virtuousness universally outperformed other airlines. They lost less money, their
stock price recovered faster and to a greater extent, and their passenger miles remained higher. In summary, within turbulent and complex environments, virtuous firms made more money than less virtuous firms. They recovered from downsizing more quickly, and retained customers and employees to a greater extent, than non-virtuous firms. Virtuous firms were also more creative and innovative.

Cameron, Bright, and Caza (2004), and Cameron (2006), point out that virtuousness is associated with positive outcomes, not just the absence of negative outcomes. They advise that virtuousness produces positive emotions and energy in people that become disseminated throughout the organization. This fosters growth and vitality within individuals and builds social capital interpersonally, which together enhance prosocial behaviour and extraordinary performance organizationally (Cameron, Dutton, & Quinn, 2003). In short, doing good helps organizations to do well. They explain that the reason that virtuousness has this kind of positive impact is because it produces an “amplifying effect”, a “buffering effect”, and implicitly, a potential “extraordinary performance effect”.

The *amplifying effect* is the self-perpetuating nature of virtuousness. Specifically, virtuousness is contagious. People are inherently attracted to virtuous acts, and they are inspired by them. Since they are elevated by virtuousness, it tends to be reproduced (Fredrickson, 2003). In organizations, this amplifying effect spreads and expands and, eventually, becomes part of the structure and culture of the firm (Cameron & Caza, 2002). Individuals who work within virtuous environments tend to be more physically and mentally healthy, make better decisions and be more creative. Interpersonally, virtuousness is associated with affiliativeness, high-quality connections, and the formation of social capital. Organizationally this produces positive emotions, meaningfulness, and mutual reinforcement in the organization (Dutton & Heaphy, 2003). This amplifying effect of virtuousness causes it to replicate itself, broaden and build, and thereby to improve organizational performance over time. The *buffering effect* of virtuousness protects individuals and organizations against illness, dysfunction, and harm. Seligman and Csikszentmihalyi (2000) reported that virtues such as courage, optimism, faith, integrity, forgiveness, and compassion all have been found to protect individuals against psychological
distress, addiction, and dysfunctional behavior. Learned optimism, especially, prevents depression and anxiety in children and adults. Also, virtuousness buffers individuals from the negative consequences of personal trauma. The cardiovascular, emotional, and intellectual systems in individuals recover more rapidly and completely in the presence of virtuousness. Also, individuals who experience virtuous behaviour suffer less psychological distress and engage in fewer destructive behaviors in response to adverse events (Seligman & Csikszentmihalyi, 2000). Organizationally, virtuousness contributes to the speed and effectiveness of recovery from setbacks. For instance, downsizing almost universally produces ambiguity and undesirable organizational outcomes, including at least 12 recurring problems - the “dirty dozen” (Cameron, 1994, 1998):

1. decreasing employee morale, commitment, and loyalty;
2. loss of trust among customers and employees;
3. restricted communication flows and less information sharing;
4. loss of teamwork;
5. loss of accessible, forward-thinking, proactive leaders;
6. decreasing innovativeness;
7. adopting a short-term, crisis mentality;
8. centralizing and narrowing of decision making;
9. increasing resistance to change;
10. escalating politicized special interest groups and political infighting;
11. increasing interpersonal conflict; and
12. risk-aversion and conservatism in decision making.

Under these conditions, organizational performance deteriorates over time, and organization members develop perceptions of injustice, personal harm, and desires for retribution (Gittell & Cameron, 2002). Virtuousness buffers the organization from these effects by clarifying purposefulness and vision, protecting feelings of solidarity, preserving social capital, and enhancing collective efficacy. Virtuousness also enhances relational coordination and helps create resilience that allows the organization to recover quickly (Gittell, Cameron, & Lim, 2003). There is also an implicit extraordinary performance effect. Virtuousness can enhance and enable spectacular performance in organizations. In an environment characterized above all by escalating turbulence and high-velocity change, a hallmark of positive, high-performing systems is the demonstration of not only ethical behavior - the absence of harm - but also generativity and benevolence. “Thus positive spirals of prosocial behavior…tend to flow from virtuous behavior” (Cameron, Bright, & Caza, 2004, p. 772).
Cameron, Bright, and Caza (2004) point out that the empirical relationships in these studies are limited by the small sample sizes and the exploratory nature of the assessments. Therefore, conclusions drawn from the results should be interpreted as suggestive rather than decisive. Although theoretically the amplifying and the buffering qualities of virtuousness suggest that organizations expressing and fostering virtuous attributes have higher performance levels, suggestions of mutual causality have not yet been substantiated. Additional research is needed to draw more certain conclusions about the strength and directionality of the relationships between virtuousness and performance, specifically, whether: virtuousness leads to effective performance; high performance leads to enhanced virtuousness; and/or a mutually reinforcing spiral occurs. Nevertheless, Cameron (2006) notes that whereas ethics receives by far the most attention in scholarly research, textbooks, management classes, and managerial practice (Ghoshal, 2005), more focus on ethos/virtuousness and organizational dynamics is needed to understand and enable these positive outcomes.

**Multi-Stakeholder Professional Stewardship**

*IEL multi-stakeholder professional stewardship* involves cultivating direction, alignment and commitment (*DAC*) within an organization to serving the needs of a broad range of stakeholders effectively and ethically (Drath et al., 2008). Positive scholarship highlights the importance of outcomes that benefit human welfare and are societally responsible (Walsh, Weber, & Margolis, 2003). This requires wide, inclusive “zones of caring”, as represented horizontally across the multiple levels in Figure 5.1. This also requires addressing a broad range of positive, meaningful outcomes for these stakeholders. This can be usefully represented in terms of Maslow’s lower-order and higher-order needs (Maslow, 1954, 1971), as depicted vertically, in Figure 5.2. Thereby, in addition to traditional, lower-order economic outcomes, which are essential to the material security and well-being of the organization’s many stakeholders, *IEL* agency strives to achieve important higher-order outcomes related to intellectual, human, social, psychological, moral, spiritual, societal, and ecological needs, that are meaningful to the organization’s various stakeholders. This does not imply that every business organization must be “all things to all people”, but rather, that within an organization’s chosen marketplace, and with respect to its specific products, services and business processes, it must be sensitive to its
multiple stakeholders, assume responsibility for, and be responsive to their hierarchy of needs, to the greatest extent feasible, given its resources (Margolis & Walsh, 2001).

**Figure 5.1: IEL’s Wide Zones of Caring**

![Diagram](image)

**Figure 5.2: Maslow’s Hierarchy of Human Needs**

![Diagram](image)

*IEL* multi-stakeholder professional stewardship combines these horizontal and vertical perspectives into an integrative “upward spiral”, as portrayed in Figure 5.3, which necessitates a higher centre of gravity for business. This upward spiral is “economic” – in its original sense. In the *Nicomachean Ethics*, Aristotle defined “economics” (*oikonomia*) as productive activities.
aimed at creating various forms of wealth that serve the real-life-needs of society and its members (Aristotle, in McKeon, 1941, pp. 935-1112). “Economics” Aristotle contrasted with “chrematistics”, which are activities that promote selfish accumulation of wealth by a narrow few to satisfy their “inauthentic” needs for social status, power and prestige. Aristotle also observed that, whereas economics can comfortably integrate some aspects of chrematistics, the latter is narrower, more restricted, and inflexibly at odds with the former (Daly & Cobb, 1990; Yujuico, 2008). In this sense, IEL’s multi-stakeholder professional stewardship is economic (oikonomic) in Aristotle’s sense of serving a broad range of stakeholders, cultivating multi-stakeholder synergies, serving their full hierarchy of authentic needs, and promoting mutual well-being and flourishing. This is central to IEL positive integrative agency.

**Figure 5.3: Horizontal and Vertical Outcomes of IEL**

(Source: adapted from Cook-Greuter, 2004, p.3)

The essence of IEL’s multi-stakeholder professional stewardship is expressed eloquently by Burns. In Leadership (1978), he emphasized the vertical axis, articulating “transforming leadership” as a process whereby the leader “looks for potential motives in the followers, seeks to satisfy higher needs, and engages the full person of the follower…[resulting] in a relationship of mutual stimulation and elevation” (Burns, 1978, p. 4). Burns also employed Maslow’s hierarchy to represent the full range of human needs (Maslow, 1954, 1971). In Transforming Leadership (2003), he emphasized the vertical and horizontal axes, arguing:
I believe leadership is not only a descriptive term but a prescriptive one, embracing a moral, even a passionate dimension. We don’t call for “good” leadership – we expect, or at least hope, that it will be “good”. “Bad” leadership implies “no” leadership. I contend that there is nothing neutral about leadership; it is valued as a moral necessity. Summoned forth by human wants, the task of leadership is to accomplish some change in the world that responds to those wants. Its actions and achievements are measured by the supreme public values that themselves are the profoundest expressions of human wants: liberty and equality, justice and opportunity, the pursuit of happiness. And if leadership is, as I believe, a moral undertaking, a response to the human wants expressed in public values, then surely its greatest task...must be to respond to the billions of the world’s people in direct want (Burns, 2003, p. 2).

Chapters 6 and 7 will show that Burn’s “transforming leadership” is essential to IEL, which is predicated upon ethical sensitivity in business decision-making in general, and ethical sensitivity to multiple stakeholders in particular. This is a critical counter-balance to business, which in general does not lean in this direction. As discussed in Chapter 1, big business especially tends to exert downward pressures on ethical and virtuous agency.

Walsh, Weber, and Margolis (2003) observe that as business executives confront growing societal expectations, enormous global challenges, and evident failures to hold the public trust, “management scholars’ eerie silence on the social role and impact of business organizations is conspicuous” (2003, p. 860). In their analysis of Academy of Management publications throughout its history, they note that while management scholarship shows a steadily increasing fascination with performance, interest in human welfare (outside of American Catholic universities) peaked in the late 1970s. Also, while waning, interest in human welfare has also been dominated by analyses at the individual level, relatively little research has focused on human welfare at the organizational level, and even less research has focused upon societal-level issues. Similarly, a portrait of the business community’s central concerns discerned from a content analysis of Wall Street Journal articles published between 1889 and 2002, suggests an almost exclusive focus on aggressive business competition, as opposed to generosity and compassion in business (2003, p. 873). Therefore, scholarship that seeks to establish its credibility within the business community tends to speak to competitive advantage. Consequently, economic reasoning has become the management and organizational scholars’ major orienting framework and firm performance is the key outcome variable (2003, p. 874).
In addition, addressing issues related to human welfare embroils management scholars in a long-standing controversy about the purpose of the firm. Milton Friedman (1970) aggressively challenged the notion of any firm making investments in social objectives and public interests other than economic ones. Shareholder agency theory, as advocated by Freidman and his followers, states that “the responsibility of corporations is to conduct business in accord with…[shareholders’] desires, which generally will be to make as much money as possible while conforming to the basic rules of the society” (Baron, 2007, pp. 683-684). Walsh et al. note that Friedman’s stakeholder agency theory “has become something of a classic point of reference, a hurdle to be reckoned with by any researcher or theorist whose outcome of interest is something other than a firm’s financial performance. Property rights, the invisible hand of the market, and the government are entrusted to solve society’s problems. Corporate managers are to play no direct role in ensuring the social welfare of society” (Walsh et al., 2003, p. 865). As a consequence, Henri (2004) notes that business enterprises historically have monitored, measured, and rewarded only quantifiable, “economic” outcomes of interest to a relatively narrow stakeholder group – investors, creditors, executives, and tax authorities. These include: financial outcomes (increases in profitability and shareholders’ equity, etc.); commercial outcomes (increases in market share, etc.); and technological outcomes (operating effectiveness and efficiency, etc.). As discussed in Chapter 1, the exclusive pursuit of such objectives leads many executives to attenuate, ignore, or violate the basic rules of society, as embodied in law and ethical custom, and rationalize this misconduct by citing shareholder agency theory.

Ghoshal (2005) argues that shareholder agency theory actually promotes preconventional levels of moral reasoning within business contexts - a level of moral reasoning that is lower than that in non-business contexts (Weber, 1992, 1996). In fact, Weaver, Trevino and Cochran (1999) found that the moral reasoning of executives in large to medium sized firms is likely to be at preconventional levels (Kohlberg, 1981, 1984) in which people behave ethically only to avoid harm and/or gain rewards. In large to medium sized firms, complex bureaucracies, layers of structure, and greater rule-based control produce forms of executive isolation, disconnection and alienation from stakeholders, which restrict moral reasoning to preconventional levels. By contrast, executives who work at small firms or who are self employed, tend to develop at least conventional levels of moral reasoning, which emphasize the importance of obeying laws and
societal conventions in order to maintain a functioning society (Kohlberg, 1981, 1984). They suggest that those who work at small firms or who are self employed tend to have frequent, hands-on interactions with many stakeholders, which promotes the development of a higher stage of moral reasoning (Weiss, 2003). In addition, at a business culture level, Blodgett, Lu, Rose and Vitelli (2001. pp. 196-199) found that Hofstede’s (1983,1984) cultural dimensions, specifically, “individualism”, “masculinity”, “high power distance” and “low uncertainty avoidance”, have negative effects on ethical sensitivity toward various stakeholders, and that “collectivism”, “femininity”, “low power distance” and “high uncertainty avoidance” have positive effects on ethical sensitivity toward various stakeholders. However, when Hood and Logsdon (2002) applied Hofstede’s cultural dimensions to assess the ethical decision-making cultures of American and Canadian business managers, they found that in the USA, business culture tends to exhibit high individualism, moderately high masculinity, and low uncertainty avoidance, which have negative effects on executive ethics. This is only offset to a degree by low power distance, which has positive effects on executive ethics. By comparison, Canadian business culture also tends to exhibit low uncertainty avoidance and moderately high individualism - also offset to a similar degree by low power distance. However, in Canada, the downward ethical pressures are offset somewhat more by relatively more balanced masculinity and femininity. Hood and Logsdon (2002) note that overall, the business cultures in Canada and the USA are fairly similar and not conducive to ethical sensitivity, but that the business culture in Canada is somewhat more conducive than in the USA.

A critique of the variations of shareholder agency theory is a topic worthy of another thesis. However, it is sufficient for the present purposes to note that shareholder agency theory is widely challenged. For instance, strategic management literature frequently criticizes shareholder agency theory as being materially inadequate to achieve even its espoused purpose of maximizing shareholder wealth. It is argued that despite their ideological commitments to the primacy of shareholder value creation, “managers who focus solely on the interests of the owners of the business will often make poor decisions that lead to negative, unanticipated outcomes. For example, decisions such as mass layoffs to increase profits, ignoring issues related to conservation of the natural environment to save money, and exerting undue pressure on suppliers to lower prices can certainly harm the firm in the long run…[and] likely lead
to...alienated employees, increased governmental oversight and fines, and disloyal suppliers” (Dess, Lumpkin & Peridis 2006, p. 15). As well, shareholder agency theory is criticized as being grounded in “zero-sum” thought patterns that view the various stakeholders as competing for the attention and resources of the organization.

The gain of one individual or group is the loss of another individual or group. That is, employees want higher wages (which drive down profits), suppliers want higher prices for their inputs and slower, more flexible delivery times (which drives up costs), customers want fast deliveries and higher quality (which drives up costs), the community wants charitable contributions (which take money from company goals), and so on. This zero-sum thinking is rooted, in part, in the traditional conflict...and competing priorities of the diverse stakeholders (Dess, Lumpkin & Peridis 2006, p. 16).

As a consequence, its proponents fail to think and manage in ways that acknowledge “the organization can achieve better results through stakeholder symbiosis...which recognizes that stakeholders are dependent upon each other for their success and well-being.” IEL multi-stakeholder professional stewards “acknowledge the interdependence among employees, suppliers, customers, shareholders, and the community at large and incorporate this understanding in their decisions” (Dess, Lumpkin & Peridis, 2006, p. 16). Adopting this strategic management perspective, this thesis argues that contrary to stakeholder agency theory, “an organization must acknowledge and act upon the interests and demands of stakeholders, such as citizens and society in general, which are beyond its immediate constituencies – customers, owners, suppliers, and employees. That is, it must consider the needs of the broader community and act in a socially responsible manner (Rowley & Moldoveanu, 2003; Dess, Lumpkin & Peridis 2006, p. 16). Accordingly, the leading-edge organizational effectiveness theory and performance measurement models discussed in the following section explicitly recognize that serving multiple stakeholders and their non-financial interests is critical to organizational vitality and performance. These principles are explicit in the Integral Framework for Performance Measurement model adopted by this thesis.

Nevertheless, these criticisms of shareholder agency theory have prompted a 40-year research quest for correlations between corporate social performance (“CSP”) and corporate financial performance (“CFP”). Advocates for broader corporate responsibility argue that such initiatives actually benefit shareholders. In their meta-analysis of 95 empirical studies of the relationships
between CSP and CFP published between 1972 and 2000, Margolis and Walsh concluded: “A clear signal emerges from these 95 studies. There is a positive association, and certainly very little evidence of a negative association, between a company’s social performance and its financial performance” (2001, p. 10). In 80 of these 95 studies CSP is treated as an independent variable predicting CFP. The majority of results (53%) point to a positive relationship, and only 5% suggest a negative relationship between CSP and CFP. The remaining studies suggest either a neutral (24%) or a mixed (18%) relationship depending upon the circumstances. In 19 of the 95 studies CSP is treated as a dependent variable predicted by CFP. The majority of results (68%) point to a positive relationship between CFP and CSP, and the remaining studies suggest either a neutral (16%) or a mixed (16%) relationship depending upon the circumstances.

Despite these encouraging findings, there are some significant qualifications. More than one half of the 95 studies examined exemplary firms (N=19), or notorious firms (N=17), or very large companies (N=20) which are not representative of all business enterprises. The majority of these studies of CSP focus on environmental practices which are not necessarily representative of CSP more broadly, and how it bears upon CFP. Also, in 19 of the 95 studies there were no control variables, while in the remaining studies 47 different control variables were investigated. Corporate reports of CSP are also highly vulnerable to impression management, such as “greenwashing”, and selective disclosure that make assessment inaccurate. In addition, most studies are silent about the timing of the relationship between CSP and CFP. The emphasis is upon establishing the presence of a connection, rather than on understanding how this unfolds or the causal mechanisms that might account for the observed link. Also, there is no consensus for measuring financial performance. CFP is measured in 70 different ways in the 95 studies, using a range of accounting and market measures. Also, the measurement of CSP is operationalized in so many different ways by subjective and behavioural measures that it is nearly impossible to aggregate and compare the results. Nevertheless, adequate judgment of a company’s CSP must weigh all of the different corporate activities, both positive and negative. Freeman’s (1984) stakeholder theory provides concrete foci for researchers, such that scholars now operationalize CSP by investigating corporate actions as they impact salient stakeholder groups – shareholders, customers, employees, suppliers, the community, and the environment (Clarkson, 1995; Wood & Jones, 1995). Whereas stakeholder analysis makes the CSP construct
more manageable and measurable, it also complicates efforts to formulate an unambiguous summary assessment to connect a firm’s CSP and CFP. Because the CSP construct has evolved over the years, currently there are no uniform means for weighing, combining, and comparing it. Consequently, *IEL* executives might benefit from an “integral framework for corporate social performance measurement”. This is a good topic for another thesis.

More fundamentally, the pragmatic question arises as to what are the practical implications of proving that CSP contributes to CFP anyway. Proponents for a broader role for the firm in society argue that business success is predicated upon the well-being of society as a whole. Businesses cannot thrive within toxic societies, and societies eroded by irresponsible business practices cannot serve the collective well-being – including that of business. This suggests that a certain minimum (i.e., *conventional*) level of corporate ethics and social responsibility is necessary for business to operate at all (Boatright, 2003, pp. 376-377). Of course, in this respect, proponents also advance qualified dialectical arguments that “the positive and neutral financial returns associated with social investments… [are] proof that an expanded set of responsibilities neither jeopardizes the financial role of the firm nor squanders its resources… [and] the bottom-line benefits of CSP makes room for humanitarian concerns within the shareholder wealth-maximization paradigm (Margolis & Walsh, 2001, p. 29). However, these arguments all essentially appeal to *preconventional* moral reasoning (Kohlberg, 1981, 1984). By contrast, the reasons that societally responsible executives give for these investments typically have more to do with their convictions that *CSP is simply the right thing to do* (Margolis & Walsh, 2001), and not what’s in it for the shareholders. Their arguments proceed from *postconventional* moral reasoning which focuses on the implications for society or humanity in general, and leads them to behave ethically and in societally responsible ways, because they are committed to self-selected, rationally-justified, de-ontological, ethical principles (Kohlberg, 1981, 1984).

Margolis’s and Walsh’s observation is consistent with VanSandt’s (2003) finding that benevolent altruistic principles are positively correlated with higher levels of moral awareness, while egoistic principles are associated with lower levels of moral awareness. This also fits
with findings that there is a positive relationship between higher levels of “cognitive-moral development” and greater ethical awareness in business (Trevino & Youngblood, 1990), and with socially responsible business behaviour (Goolsby & Hunt, 1992). Finally, this coheres with O’Fallon’s and Butterfield’s conclusion: “more than two decades of research reveal fairly consistent findings. Idealism and deontology are generally positively related…while relativism, teleology, and…economic orientation are generally negatively related” to ethical awareness and ethical conduct (2005, p. 379). Consequently, postconventional arguments emphasize that businesses have “negative” ethical obligations - to not inflict harm. Businesses also are embedded within multiple contexts from which they disproportionately derive benefits, they have the power and the means to lend a helping hand, and therefore they have “positive” obligations - to exercise corporate societal responsibility (ethics) and responsiveness (ethos/virtue) (Boatright, 2003, pp. 377-378). Therefore, the fundamental argument for IEL’s multi-stakeholder professional stewardship is postconventional, which fundamentally transcends the objections of preconventional moral reasoning. In short, our economic freedoms demand wider and greater moral responsibility. IEL multi-stakeholder professional stewardship essentially accepts this moral responsibility. Margolis and Walsh (2001, pp. 28-29), argue:

...the question that needs to be examined...is not whether social initiatives make a difference to shareholders...but...how corporate social performance can benefit those to whom it is directed. Faith in the power of corporate social performance can only be substantiated or discarded by examining whether and how social performance works...the logic for pursuing CSP in the first place.

Accordingly, they reframe the fundamental issue to: (1) Where should firms invest? (2) How much they should invest? (3) How should firms make their investments?, and (4) How should firms manage and discipline the CSP process over time? (2001, p. 31).
Integrated Performance Management

In order to effectively manage and lead complex adaptive business organizations, *IEL* positive integrative agency requires a sophisticated, holistic, management perspective and measurement methodology that promotes comprehensive, accurate, clear, and fair assessments of organizational performance to guide leadership. Fortunately, considerable progress has been made within the fields of organizational theory and performance measurement to provide assistance to *IEL* executives in this regard. This thesis proposes that:


(P.7) *IEL* executives ensure the integrity and sound functioning of their organizations as complex adaptive systems via: the appropriateness and adequacy of organizational goals; and the “effective”, “efficient”, and “economical” achievement of these goals.

(P.8) *IEL* executives measure organizational performance employing multi-dimensional views and transparent data analyses that assess the organizational context holistically.

Historically, theories of organizational effectiveness (“OE”) were developed within the field of organizational theory and models of performance measurement (“PM”) were developed within management accounting literature. Although their separate evolution resulted in a number of divergences in both theory and practice, *OE* and *PM* have now converged to a great degree, and consequently more holistic views have emerged in both fields (Henri, 2004). *OE* was initially focused on the achievement of goals (goal models), and gradually evolved to consider: the resources and processes necessary to attain those goals (system models); the constituencies served by the organization (strategic constituencies model); and the various values by which effectiveness is evaluated (competing values model) (Henri, 2004, p. 95). By contrast, *PM* models “evolved from a cybernetic view whereby performance measurement was based mainly on financial measures…an element of the planning and control cycle that captures performance data, enables control feedback, influences work behavior…and monitors strategy” (Henri, 2004, pp. 95-96). Within a holistic framework, *OE* and *PM* play “a key role in the development of strategic plans and evaluating the achievement of organizational objectives…as well as acting as a signaling and learning device” (Henri, 2004, p. 96). Now there is wide agreement in *OE*
theory that “(i) organizational effectiveness requires multiple criteria, (ii) it must consider both means and ends, and (iii) the choice of model and criteria should be flexible and appropriate for the context” (Henri, 2004, p. 97).

Henri also notes that consequently, the realization has gradually dawned that short-term financial performance measurement is “inadequate for the new reality of organizations”, and that performance measurement must reflect the “crucial importance of nonfinancial indicators, which are based on organizational strategy…[and] which include key measures of success” (Henri, 2004, p. 101). Consequently, the leading PM frameworks in existence include the use of financial and nonfinancial measures. Influential examples of these holistic PM frameworks include: the balanced scorecard model (Kaplan & Norton 1992, 1996); the integrated performance measurement model (Dixon, Nanni & Vollman 1990); the multi-stakeholder model (Atkinson, Waterhouse & Wells 1997); the performance management framework (Otley 1999), and the integral framework for performance measurement (Rouse & Putterill, 2003). Henri argues that these holistic models of PM broaden its traditional cybernetic view “to consider the addition of a second higher-order feedback loop…This second loop involves modification of the organizational assumptions, targets and strategic plans and thus represents a learning experience…single loop to…double loop learning” (Argyris and Schön,1978; Henri, 2004, p. 104). In order to stimulate learning and guide holistic leadership, Henri observes that these holistic systems of PM “focus attention on strategic priorities, create visibility within the organization to ensure coordination, inspire action and enhance communication considered essential to learning” (Henri, 2004, p. 104). In order to help focus organizational attention and strategic efforts, holistic PM systems foster “discussions, debates, action plans, ideas and tests throughout the organization…[and ] learning that encourages the gradual emergence of new strategies and tactics” (Henri, 2004, p. 104). Accordingly, in addition to “being a diagnostic system, performance measurement also...contributes to strategy formulation and implementation by revealing the links between goals, strategy, lag and lead indicators and subsequently communicates and operationalizes strategic priorities...This function involves measuring movement in a strategic direction instead of distance from a goal (Henri, 2004, pp. 104-105).
Integral Framework for Performance Measurement

This integration of OE theory and PM models provides the foundation for the integrative conceptualization and measurement of IEL “effectiveness”. Among the most useful models for this purpose is Rouse’s and Putterill’s (2003) Integral Framework for Performance Measurement (“IFPM”). IFPM provides an integrated model for performance measurement that addresses multiple stakeholders and their expectations, strategic, operational, and core productive process levels of the organizational context. The IFPM model is presented in Figure 5.4. The IFPM model flexibly defines “performance measurement as the comparison of results against expectations with the implicit objective of learning to do better” (2003, p. 795). In addition to “accommodating simple closed loop management control systems” the IFPM “includes the broader evaluation processes relating to the organization’s mission and objectives, with due stakeholder consideration in the formulation of measures and resource management” (Rouse & Putterill, 2003, p.791). IFPM also incorporates a systematic structure of measures, methods of analysis, and processes of evaluation that are at the core of sustained strategic management – a defining role of business executives. The “‘integral’ feature of IFPM recognizes that performance appraisal encompasses a multitude of processes and tools, requiring a systems view” (Rouse & Putterill, 2003, p.791).

Especially important features of the IFPM model are its vertical and horizontal integrating relationships. The vertical, cascading relationships integrate the organization’s vision and goals, strategic objectives, operational plans, and performance norms, with the measurement and evaluation systems, as specified by the organization’s structure and culture, to meet multi-stakeholder expectations. The horizontal relationships, viewed from left to right, represent many kinds of complex, mutual exchange processes that integrate the contributions of various stakeholders, to create the resource capacities, to supply the resources utilized as inputs to the core value-chain processes, to create the outcomes that deliver the benefits sought by stakeholders (Rouse & Putterill, 2003, p.798). Ongoing successful delivery of these benefits promotes the continuation of these stakeholder contributions, that builds the resource capacities, and so on, that nurtures the vitality and promotes the continuing operations of the organization.
However, “inadequate delivery of benefits can lead to withdrawal of stakeholder contributions and subsequent downsizing or failure of the organization” (Rouse & Putterill, 2003, p.798). Viewed in a holistic sense, the IFPM provides balance “between macro and micro views of the organization and their interactions...[via] an open system interpretation, while allowing for dynamic flows between the various levels...as well as for the entire system...viewed as a vortex moving through time, shifting...in response to changes in its environment, i.e. a self-adaptive system” (Rouse & Putterill, 2003, p.799). IFPM is ideally suited to the complex adaptive business systems within which IEL executives operate.

**Figure 5.4: The IFPM Model**
(Source: Rouse & Putterill, 2003, p.799)
1. The IFPM Multi-Stakeholder Oval

The outermost oval of Figure 5.4 depicts the interface between the organization and its various stakeholders, while the shading represents the influence of the organization’s environment on each of its contextual levels. Freeman (1984) defined “stakeholders” broadly “as any identifiable group or individual that can affect the organization’s objectives, or who is affected by these objectives”. Atkinson et al. (2001) advises they include owners, employees, partners, suppliers, creditors, customers, communities, and various governmental agencies, whose expectations define the organizational environment and the general constraints under which the organization must operate (Rouse & Putterill, 2003, p.798). The organization’s mission, vision and goals represent its response to these expectations of its stakeholders. In anticipation of receiving the benefits, explicitly or implicitly communicated by the organization’s vision, and goals, these stakeholders provide contributions to the organization locally, nationally and internationally, in the form of material, capital, labour, infrastructures and services, etc, which create the resource capacities for resource utilization as inputs for production and service processes.

2. The IFPM Strategic Management Oval

Moving inwards, the next oval of Figure 5.4 encompasses strategic objectives, resource capacities, organizational culture and structures, and strategic outcomes. Strategic objectives inform the management plans, which inform the performance norms. Also, an organization must have the resource capacities or core competencies in place, interpreted broadly to include, human, technological, productive, material, financial, managerial, leadership, etc. (Prahalad & Hamel, 1990), to be able to achieve its strategic objectives. These capacities supply the resources utilized as process inputs. The required capacities vary by industry, organization, and strategy, and are determined by primarily the organizational culture and structure. Strategic outcomes are the subset of the organization’s total outcomes that are officially judged to be “strategic”, given the organization’s culture and structure. For example, a profit-driven, sales organization will have different strategic outcomes than a non-profit, social services organization (Hofstede, 1981). Otley (1999) advises that an essential part of the evaluation process at this level is “to appraise the ‘goodness of fit’ of [all of these]
aspects of the system” (Rouse & Putterill, 2003, p.797). Collectively, these macro-organizational structures, socio-technical systems and prevailing strategic imperatives provide the essential environment and the “people, practices, technology and infrastructure that together enable execution of the organization’s processes” within the inner-most rings (Neely et al., 2001; Rouse & Putterill, 2003, p. 798).

3. The IFPM Operational Management Oval

These management/control, measurement and evaluation functions, are tightly connected with the broader strategic management systems, as illustrated in the previous surrounding oval of Figure 5.4, which integrate both a planning-evaluation (vertical) function, and a resource-achievement (horizontal) function. Within the broader planning-evaluation function, operational planning processes formulate the evaluation methodologies and criteria, at the meso-level performance norms, which are essential to both the meso-level measurement and the broader evaluation processes. These broader management systems require “not just information about the process but also contextual information… [including] the setting and environmental factors external to the process that have been identified as affecting performance” (Rouse & Putterill, 2003, p.796). This information includes the resources utilized relative to the outcomes achieved by the process. The outcomes as this level are generally viewed as the end products or services of the organization that are valued by its customers. This resource-achievement perspective reflects “means-ends” reasoning, which enables sound corrective action via feedback and predictive information flows. Specifically, resource utilization and outcome information are generally combined to measure “effectiveness”, “efficiency”, and “economy”. Resource utilization along with inputs is generally employed to define conventional economic measures. The relationship between outputs and inputs conventionally measures efficiency. Effectiveness is generally gauged by comparing outcomes and outputs (Rouse & Putterill, 2003, p.796).

4. The IFPM Core Productive Processes Oval

At the center of the IFPM framework are the core productive processes of the organizational value-chain. These are conceptualized as collections of activities consuming inputs to
produce outputs. The outputs at this level are generally viewed as direct results of these productive processes, “not usually valued in themselves, but more for the [eventual] outcomes they provide, e.g. ‘what the customer values as the result of the activity’” (Rouse & Putterill, 2003, p.796). There are many core processes within the primary and support functions of the organization’s value chain, as well as many complex and dynamic interrelationships among them, involved in producing the eventual outcomes valued by customers. However, each of these processes can be conceived as essentially a task or unit of work, which must be managed/controlled in some manner, usually in real-time, and in ways impacting directly upon the process inputs, activities and outputs. This requires a measurement system that compares activities against performance standards or norms, as illustrated in the innermost oval of Figure 5.4 (Rouse & Putterill, 2003, p.796).

5. The IFPM Performance Measurement Elements

Essentially, effective executive leadership ensures the ongoing integrity and sound functioning of the organization as a complex adaptive system as described above (Lichtenstein & Plowman, 2009). The extent to which an organization and IEL executives achieve the foregoing, is captured holistically by the IFPM model. Thereby, IEL executives demonstrate effective “multi-stakeholder professional stewardship” through ensuring the integrity and sound functioning of their organizations as complex adaptive systems, as defined by the IFPM and as determined by the ongoing application of its measurement principles. Within this holistic framework, the IFPM model employs a multi-disciplinary approach to performance measurement, as represented in Figure 5.5. General systems theory underlies the basic disciplines that are essential to this holistic performance measurement, including; organization theory, behavioural sciences, mathematics, economics, accounting, and information technology. These are the core disciplines beneath the management and agency theories, which draw upon their concepts and methodologies to develop performance measures, conduct analyses, and develop evaluations. These are all situationally determined. Performance measures include dashboards, scorecards, or hierarchical pyramids of key performance components and their related drivers. Performance analysis employs multiple criteria, statistical methods, expert systems, ratio analysis, and various productivity measures. Performance evaluation assesses
strategic alignment, the performance of the organization as a whole, and the effectiveness and efficiency of specific processes (Rouse & Putterill, 2003, pp.800-801).

**Figure 5.5: IFPM Performance Measurement**
(Source: adapted from Rouse & Putterill, 2003, p.800)

![IFPM Performance Measurement Diagram](image)

**Assessing Organizational Performance and IEL Performance**

The *IFPM* model emphasizes four principles of holistically assessing the effectiveness of both organizations and *IEL* executives (Rouse & Putterill, 2003, pp.801-802):

1. **Appropriateness and adequacy of goals**: Stakeholder expectations provide the major criteria in the evaluation of an organization’s goals and its prospects for survival. Therefore the needs of all stakeholders must be explicitly included in the evaluation. Where there are conflicts regarding the appropriateness of, or the relative priorities among goals, the evaluation must assess the adequacy of any attempts to resolve these conflicts, as well as attempts at learning to do better.

2. **Accountability**: Accountability evaluation requires assessments of effectiveness, efficiency, and economy. **Effectiveness** is the extent to which stakeholder expectations (benefits) are met by the organization. **Efficiency** refers to the relationship between resources utilized and the outcomes (products or services) provided by the organization. **Economy** refers to the relationship between the resources contributed and the extent to which stakeholder expectations (benefits) are met by the organization.
3. *Multi-dimensional views and data analysis:* Multi-dimensional views and measurements of different dimensions within a performance area are required to ensure that stakeholder needs are met. These methods must support benchmarking and comparative measures for organizational learning.

4. *Performance Measures:* Measures must be taken of the entire context holistically, relate to organizational vision, goals and strategies, and reveal underlying drivers of performance measures, so as to serve as indicators of, and diagnostic aids for, problem areas.

Although the *IFPM* model is a sophisticated holistic approach, establishing causality, and fairly apportioning praise and blame to *IEL* executives within complex adaptive systems remains inexact and indeterminate (Henri, 2004; Yukl, 2006, pp. 353-357). There are a number of underlying reasons for this. Executive actions are constrained by external and internal influences such as: limitations on their power and discretion; the opposing and deflecting influence agendas of others; and, varying degrees of organizational change readiness and resistance. Also, assigning credit or blame is subject to ambiguity due to: team-based, distributed leadership; multiple sources of causation; lagging effects from predecessors’ actions; subtle, indirect and delayed effects of executives’ own actions; impression management by others; and various attribution biases and errors. Evaluation methods are generally based upon retrospective behaviour and outcome descriptions. Those whose perceptions are surveyed may lack a holistic, disciplined *IFPM* perspective, and fail to provide a rigorous and fair assessment. Also, their opinions are subject to serious inaccuracies due to: faulty recall, differing interpretations of behaviours, a wide variety of response biases, implicit leadership theories, and attribution errors (Starbuck & Mezias, 1996). Even where significant correlations are found among behavioural and/or outcome variables, both the direction and the nature of causality are difficult to establish in complex systems (Yukl, 2002, pp. 54-61). Finally, even significant correlations generally only partially explain the co-variance among questionable variables.

Nevertheless, the *IFPM* model is essential to *IEL* given its holistic, complex, adaptive systems orientation; its ability to focus attention on multi-stakeholder expectations; integrating key strategic, operating, and core productive process priorities and performance measurement; creating visibility within the organization to ensure coordination, inspire action; and enhancing
the communication essential to learning and performance improvement. Thereby the IFPM model is instrumental to cultivating the integrated performance that avoids negative deviance, and strives to achieve positive deviance - performance beyond the normal expectations of stakeholders (Cameron, 2008, pp. 7-9).

**A Living Code of Ethics**

Analogous to the functions performed for integrated performance management by the IFPM, IEL agency requires a holistic model for the management of organizational ethics and ethos/virtue. A review of the business ethics literature reveals a broad range of approaches and foci, including: leadership values and conduct; sensitivity to ethical issues; cognitive-moral development; moral reasoning; ethical decision-making; organizational structures and processes that reinforce ethical decision-making; corporate ethics codes; organizational culture, ethical values, and ethical climate, etc. Factors especially relevant to an organization’s ethical functioning include: its leaders and their moral capacities, formal and informal organizational structures and processes, especially decision-making processes, and the organizational culture and climate regarding ethics. The POS approach to ethics provides an affirmative way to conceptualize the essential nature of an ethical organization, regardless of the ethical traditions that shape it. Verbos, Gerard, Forshey, Harding, & Miller (2007) recently formulated a model of a “living code of ethics” that integrates all of these dimensions, positing that at the heart of a positive ethical organization is an ethical organizational identity which emerges from the interaction of (1) authentic leadership, (2) aligned organizational structures and processes, and (3) ethical organizational culture and climate. This thesis posits that:

(P.9) **IEL** positive integrative agency involves leading and managing organizational ethics and ethos/virtuousness holistically, as in Verbos’ et al.’s (2007) *Living Code of Ethics*.

The elements of this model are shown in Figure 5.6.
This model of a living code of ethics performs for positive ethical leadership, functions analogous to those that the IFPM model performs for positive performance management. Accordingly, this thesis adopts Verbos’ et al.’s (2007) model, subject to one significant modification. The requirement for authentic leadership is expanded to include four additional distinct, but closely interrelated positive philosophies and styles of leadership – ethical, spiritual, servant, and wise leadership. Their roles in IEL positive integrative agency will be discussed in Chapter 7. So as not to materially alter the living code of ethics model at this juncture, the discussion in this chapter will not address this modification. The following discussion clarifies the IEL living code of ethics, and IEL executives’ positive integrative agency and outcomes.

Ethical Organizational Identity

Central to a living code of ethics is ethical identity formation. Identity exists in various forms at all levels of business: individual, group, organization, and in the organization’s societal environments. Individual identity is a person’s reflected response to the question “Who am I?” Individuals bring the salient parts of their individual identities into their work roles. A salient “moral capacity”, includes (a) a view that one’s work role includes an ethical responsibility to stakeholders; (b) a heightened awareness of the moral dimensions of issues; and (c) the capability of recognizing, reflecting upon, and evaluating moral dilemmas (May, Hodges, Chan,
& Avolio, 2003). Verbos et al. propose that higher levels of moral capacity correlate positively with salient individual ethical identities (2007, p. 20). *Social identity* is that part of individual identity that is made up of a person’s perceived memberships in various social groups, (e.g., gender, race, or religion, etc.), professional groups, (e.g. physician, research scientist, or executive, etc), or organizational groups and roles (function, department, division, or hierarchical position, etc). These group identities overlap and sometimes impose conflicting role expectations. In these circumstances the individual’s conduct generally accords with the expectations of the group most closely associated with his or her salient individual identity. Verbos et al. propose that the interactions of leadership, organizational structures and processes, and organizational culture and climate, as manifested in a living code of ethics, prime this ethical identity salience (2007, p. 20). *Organizational identity* is a special form of social identity, that is socially constructed through the shared thoughts, feelings, and behaviors of individuals and group members embedded within the organizational context. Organizational identity is expressed in members’ shared answers to the question “Who are we?”, and is a central, distinctive, and enduring characteristic of an organization that provides cues to inform and shape employee conduct, including managerial-leadership, and interactions within the organization (Haslam, Postmes, & Ellemers, 2003). An ethical organization answers the question “Who are we, ethically?” through decisions and actions that are consistent with the moral values expressed by its leaders and reinforced through its organizational structures and processes, culture and climate. Verbos et al. propose that when a living code of ethics is a central, distinctive, and enduring characteristic of the organization, an ethical organizational identity emerges, as in Figure 5.6 (2007, pp.20-21). Thereby, an *ethical organizational identity* emerges from members’ individual, social, and organizational identities.

**Organizational Identification**

Organizational identification is the process through which members align their individual and social identities with the organizational identity that they perceive the organization represents (Kreiner & Ashforth, 2004). This identification often is motivated by a need to belong, or by a member’s aspiration toward an ideal self. This “cognitive expansion of the self” may occur on two levels, *situated identification* and *deep structure identification*. Verbos et al. describe
situated identification as an elementary form of identification. The “I as We” of situated identification disappears once situational cues are removed. Thus situated identification is a necessary but insufficient precondition for deep structure identification, which occurs through interactions that cause fundamental and enduring changes to an individual’s self-schemas (mental models of the self). Verbos et al. propose that members of a positive ethical organization experience deep structure identification as they internalize the living code of ethics (2007, p. 21). The more similar the individual’s salient identities and the organizational identities, the stronger the individual’s identification with the organization. Being a part of an organization in which there is strong identity fit enhances members’ self-concepts and self-esteem. Satisfaction comes from the social validation of one’s self-identity, and the expression of congruent values (Katz & Kahn, 1978). Verbos et al. propose that a salient ethical identity emanates from sources at all levels of the organization. Although it may be perceived differently by organizational members, especially at different levels of the hierarchy (Corley, 2004), Verbos et al. (2007, p. 21) note that “positive organizational outcomes such as loyalty, productivity, organizational citizenship, desire to comply with organizational rules, supportive reactions to organizational change, and willingness to communicate have been associated with organizational identification” (Haslam et al., 2003). This is especially the case when organizational identity is stable, strong, and enduring. An organization with an ambiguous, unstable, or inconsistent identity has an identity gap, whereas a weak organizational identity is considered to be an identity deficit. Verbos et al. propose that the interaction of authentic leadership, aligned processes, and ethical organizational culture strengthens and stabilizes ethical organizational identity, and therefore are negatively correlated with identity gaps and deficits. Also, if one these elements is weak or inconsistent with the other elements, the living code of ethics and the ethical organizational identity will not emerge (2007, p. 21).

A Living Code of Ethics

Verbos et al. (2007, p. 22), define a living code of ethics as:

...the cognitive, affective, and behavioral manifestation of an ethical organizational identity within a positive ethical organization. It encompasses [1] the cognitions of members about acting ethically within their organizational roles, [2] a profound feeling that ethical action is not only right, but the only way to act within the organization, and
[3] members’ ethical behavior within the organizational context. A living code is practicing positive deviance in ethical matters (i.e., honorable positive departures from the expected ethical norms.

They propose that a living code of ethics is the result of the interactions among: (a) authentic leadership, (b) aligned organizational structures and processes, and (c) ethical organizational culture and climate. Verbos et al. advise that within a living code of ethics, ethical practices are: modeled and promoted by authentic leaders; infused through a positive organizational context in which formal and informal organizational structures, processes and systems are aligned with ethical practices; and sustained and reinforced in an ethical organizational culture in which heightened ethical awareness and salient ethical identities among members contribute to a strong positive climate regarding ethics.

(a) Authentic Leadership

Authentic leadership is anchored in positive values, beliefs, behaviors, and character incorporating moral capacity (Luthans & Avolio, 2003; May et al., 2003). Authentic leaders’ key role in influencing ethical practices in their organizations is well established in business ethics literature (Brown, Trevino, & Harrison, 2005; Sims, 1991; Sims & Brinkmann, 2002; Trevino, Brown, & Hartman, 2003). Specifically, authentic leadership is consistent with the attributes of ethical leadership revealed by Trevino et al. (2003), namely:

1. an orientation toward others and their development;
2. visible ethical actions and traits, including role modeling, listening, having integrity and courage;
3. setting ethical standards and accountability; and
4. possessing ethical awareness and concern for stakeholder effects in decision processes.

In addition, authentic leadership is consistent with Brown et al.’s (2005) definition of ethical leadership as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making” (2005, p. 120). Accordingly, Verbos et al. propose that authentic leadership characterizes leaders of positive ethical organizations. In particular, they note that authentic leaders possess heightened awareness of their own and others’ moral values and perspectives, knowledge and strengths, and of the
contexts in which they operate (Avolio, Gardner, Walumba, Luthans, and May, 2004). Core capacities of authentic leaders include possessing and modeling confidence, hope, optimism, resiliency, and a future-orientation (Avolio et al., 2004; Luthans & Avolio, 2003). Authentic leadership also requires more than holding authentic attitudes and beliefs. Authentic leaders possess the moral courage to act consistently with their beliefs when dealing with difficult moral issues. This courage to act in accord with deeply held values distinguishes ethical leaders from simply decent people (May, et. al., 2003; Trevino et al., 2003). Moreover, authentic leaders work actively to create, build, and strengthen positive capacities in others (Gardner & Schermerhorn, 2004). In addition, authentic leaders have highly developed moral reasoning capacity, enabling them to identify and frame moral dilemmas (May et al., 2003), and they use transparent decision-making processes and seek input from other members, to discern paths which are most congruent with espoused values (Luthans & Avolio, 2003). Their *multiple-perspectives approach* surfaces and clarifies moral complexities that are inherent in ambiguous and difficult moral problems (May et al., 2003). Authentic leaders are also humble, people-oriented individuals who develop their associates through role modeling, mentoring, and training (May et al., 2003; Luthans & Avolio, 2003). This is genuine because followers know the difference between faked and authentic behaviors. By modeling *PsyCap* (Luthans, Youssef, & Avolio, 2007), especially hope and optimism, leaders engage members’ identification with the organization and obtain stronger commitment (Gardner & Schermerhorn, 2004). The humility and modesty that characterize authentic and ethical leaders (Trevino et al., 2003), also characterizes those leaders whose companies exhibit the highest level of financial success over time (Collins, 2001). These leaders use their moral capacity, with a comprehensive set of organizational structures and processes, to embed a moral foundation into the culture and climate, to develop the moral capacity of its members (Verbos et al., 2007, pp. 22-23).

(b) Organizational Structures and Processes

Verbos et al. identify five key organizational structures and processes through which ethics are woven into the organizational fabric:

1. attraction – selection - attrition  
2. socialization  
3. reward systems  
4. decision-making  
5. organizational learning
These factors influence members’ choices of referent groups in ethical matters, and provide cues for acceptable and unacceptable conduct. For every formal organizational structure and process, there is a complementary informal component that can either augment or counteract it. Also, there is often a disconnect between the espoused and the actual enacted values within organizations, such that written codes of ethics are not reflected in its beliefs, attitudes, behavior, or reward systems. Therefore, informal systems dominate formal systems as a factor influencing actual ethical conduct (Argyris & Schon, 1978; Sims & Brinkmann, 2002, 2003). Verbos et al. (2007, pp. 23-25), describe these key organizational structures and processes:

1. **Attraction – selection – attrition processes:** All organization members are responsible for ethics. To enact a living code throughout an organization, an ethical identity must be a salient part of each employee’s identity. Trevino and Youngblood (1990) found that individual differences affect ethical decision-making and conduct, and therefore recommended focusing on attracting, selecting, and retaining employees for whom there is strong person-organization fit. Accordingly, positive ethical organizations employ appropriate forms of moral/ethical screening tools to evaluate moral capacity and salient ethical identity in their selection processes.

2. **Organizational socialization processes** inculcate the cultural perspectives, including important ethical values, beliefs, attitudes, and norms, necessary to fit in and successfully perform organizational roles. These socialization processes include orientation programs, training, and mentoring. Positive ethical leaders’ active engagement enhances the power of these processes. In a positive ethical organization, socialization primes ethical identification and is vital to imparting the living code of ethics to new members.

3. **Reward systems** broadly defined are any formal means of applying the power of reward or punishment. Reward systems shape behavior, producing both immediate and long lasting effects. Conflicts between an organization’s espoused ethical values and its reward systems, result in ethical ambivalence, create the potential to undermine organizational ethical intentions. Verbos et al. propose that positive ethical leaders assess how reward systems work in concert (or conflict) with each other, and align reward systems with the living code.

4. **Decision-making** processes are found at all levels: from executive strategy formulation through to the day-to-day decisions of front line employees. While attraction–selection–attrition is about having the right employees, and socialization and reward systems point those individuals in the right direction, decision-making is where espoused ethics become ethics in use. Ethical decisions are driven by the positive ethical organization identity (Sims & Brinkmann, 2002) and what an organization’s culture teaches members to think, feel and perceive about the problems an organization faces.
5. **Organizational learning**, the process of directing attention, creating and capturing knowledge in a useful form (Argyris & Schon, 1978; Senge, 1990), is implicit in the living code of ethics. Positive ethical leaders examine and question moral norms in application, and also for their continuing appropriateness as moral norms, within double-loop learning processes (Argyris & Schon, 1978). In the absence of double-loop learning capacities and processes, mere compliance with ethical rules substitutes for ethical reasoning. The very concept of a living code of ethics is opposed to such legalistic ethical definitions and static ethical norms. The dynamic nature of organizations and their members commands an open system in which learning derives from interactions with the environment and informs moral reasoning throughout. It is through such an open ethical system that the living code of ethics remains living, and against which the organization’s moral capacity is honed.

(c) Organizational Culture and Climate

Organizational culture can be defined as “a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems” (Schein, 2004, p. 17). The levels of culture include:

1. underlying assumptions that exist at an unconscious, taken-for granted level;
2. espoused beliefs and values which are reflected in an organization’s stated strategies, goals, and philosophy; and
3. artifacts which are visible at an organization’s surface, including myths, stories, and the organization’s climate.

A positive, ethically-oriented culture is the key to institutionalizing ethics (Sims, 1991). Organizational cultures are rooted in history, are collectively held, and can facilitate an organizational member’s moral development. To the extent that an organizational structure or process does not fully align with ethical practices, a positive ethical organizational culture can tip the scales back toward ethical behavior. With respect to ethics, organizational culture can even supersede a written code (Sims & Brinkmann, 2003). Therefore, in a positive ethical organization, with a living code of ethics, a written code is a mere formality. It is useful primarily as a mechanism for communicating the organization’s philosophy and values. Two more critical attributes of a positive ethical organizational culture are heightened levels of ethical awareness, and a positive climate regarding ethics. If an organization defines its ethical domain too narrowly (as in shareholder agency theory), less attention will be paid to the ethical
dimensions of issues (Nicholson & Robertson, 1996). Therefore, encouraging ethical consciousness from the top down is a critical development strategy within an organization (Sims, 1992). This helps to establish a positive climate regarding ethics - a “shared set of understandings about what is correct behavior and how ethical issues will be handled”, that sets a tone for decision-making within an organization (Sims, 1994, p. 29). The climate regarding ethics is a shared understanding of “how things are” while the organizational culture relates to “why things are” (Grojean, Resick, Dickson, and Smith, 2004). In a positive ethical organization, ethical awareness is present at levels conducive to positive deviance throughout the organization, and a climate regarding ethics is cultivated to sustain the living code of ethics (Verbos et al., 2007, pp. 25-26).

IEL and a Living Code of Ethics

Verbos et al. describe the relationships among the elements of the model of the living code of ethics as interactive and fluid. IEL positive integrative agency, as described in this chapter, is a primary mechanism.

1. IEL executives model and promote the values underlying the living code, telling key stories, myths, and history, especially any life-stories that include instances in which the leader exercised moral courage. Leaders’ key stories, myths, and other artifacts are assumed into the organizational culture.

2. IEL ethical decision-making processes identify ethical issues, whether explicitly or tacitly through leaders’ patterns of interest and emphasis.

3. IEL executives are responsible for rewarding those members who adhere to the living code while taking care not to inadvertently endorse unethical practices. IEL executives also consider the ethical implications of how they arrive at (procedural justice) and allocate (distributive justice) organizational rewards to individuals or teams to demonstrate a deep commitment to the living code in action.

4. IEL executives substantively manage ethical organizational identity by aligning organizational structures and processes with ethical values. They symbolically manage ethical organizational identity by including it in the visible artifacts of organizational culture, including the mission, vision, and strategy, and by propagating organizational stories and myths.

5. IEL executives respond to multiple organizational identities by integrating, complementary identities, and reconciling, extinguishing, or compartmentalizing
conflicting identities. The living code and the ethical organizational identity must be integrated and mutually-reinforcing. This integration occurs through organizational structures and processes (May et al., 2003).

6. *IEL* executives play a vital role in creating both corporate and organizational identities, promoting consensus, and directing and facilitating goal achievement. When members’ understand and agree that they must act congruently with ethical values that *IEL* executives promote and model, situated identification with the ethical organizational identity occurs. A salient ethical organizational identity emerges from the living code, reflects it, and reinforces the cognitive component of the living code through the process of deep structure identification (Rousseau, 1998).

7. *IEL* executives employ socialization processes to effect greater identification, and ultimately the internalization of the organization’s ethical values. Members’ identification with the ethical organizational identity simultaneously strengthens it and guides members’ ethical cognitions, feelings, and conduct, as reflected in the living code. This process assists in the understanding, refinement, and institutionalization of the ethical beliefs and practices comprising the living code.

Through means such as the foregoing, *IEL* executives ensure that all elements are present, consistent, and mutually reinforcing for an organization to enact a living code of ethics. Thereby *IEL*’s positive integrative agency proactively cultivates a positive ethical organization that achieves positively deviant economic, ethical, and excellent (virtuous) outcomes (Caza et al., 2004).
CHAPTER 6

IEL Behaviours and Practices

IEL behaviours & practices include five inter-related, repertoires that operationalize IEL positive integrative agency. Each of these is geared primarily to a specific contextual level, and each successive repertoire encompasses the previous repertoire(s) into a more complex and integrated “repertoire of repertoires”. This implies, as Zaccaro (2001) advises, that an executive must develop successively higher orders of conceptual and behavioural complexity and integration, to mature from lower (administration) to middle (operations) to top (systems) level executive management. Since each repertoire also impacts multiple levels, they are organized in an open-nested arrangement of increasingly wider and more complex repertoires. Each repertoire is a combination of sub-models of leadership, selected because they are: well-established, positive, mutually-reinforcing, and collectively sufficient to address the general demands presented at its respective level. As well, wherever possible, the sub-models have well-validated means of empirically verifying and assessing an executive’s practice of the repertoire. At a general level, the five repertoires are also complementary, mutually-reinforcing, and collectively sufficient to address the full range of managerial-leadership challenges presented to executive leaders across all of the contextual levels of business. In accordance with the metaparadigm theory-building approach, this thesis does not “boil down” the five repertoires into a reductive, deterministic, functional “model”, but rather preserves the integrity, validity, and ability of each sub-model to stand on its own for its intended purposes. The five repertoires are unified heuristically within the IEL Tent to signify their integrated and synergistic relationships, as a complex, multi-level, adapted-in-the-moment, flow of performances (Mintzberg, 1973, 2004). The repertoires are outlined in Appendix D.1. These prescriptions are derived directly from the research and sources discussed in this chapter.

IEL Contemplative Self-leadership

IEL’s Contemplative Self-Leadership is a combination of Houghton’s and Neck’s self-leadership, Manz’s and Sims’ Super-leadership, Senge’s five disciplines, and Miller’s contemplative practice. This thesis posits:
(P.10) IEL executives practice self-leadership, as defined by Houghton and Neck (2002), and, SuperLeadership, as defined by Manz and Sims (2001), as assessed by Houghton’s and Neck’s (2002) Revised Self Leadership Questionnaire.

(P.11) IEL executives enact reflective praxis via Senge’s (1990) five disciplines, namely: personal mastery, mental models, shared vision, team learning, and systems thinking, and cultivate the diffusion of the five disciplines throughout the organization.

(P.12) IEL executives are contemplative practitioners, as described by Miller (1994), who cultivate integrative consciousness, as described by Maslow (1971), and psychological complexity, as described by Csikszentmihalyi (1990).

(P.13) IEL executives frequently experience flow, as described by Csikszentmihalyi (1990), and as measured by the Jackson and Marsh (1996) Flow State Scale, and Bakker’s (2008) Work-Related Flow Inventory.

Operating at the core of IEL, their collective influence is synergistic, radiating outward across all of the levels, to moderate all of the other prescribed repertoires with IEL’s positive integrative agency.

Self-leadership

Self-leadership is a positive self-influence process designed to positively influence personal effectiveness and ethics, via three sets of strategies: (1) behavior-focused; (2) natural rewards; and (3) constructive thought patterns strategies (Manz & Neck, 2004; Manz & Sims, 2001; Neck & Houghton, 2006; Prussia et al., 1998). The behavior-focused strategies encourage positive, desirable behaviors that lead to successful outcomes, while suppressing negative, undesirable behaviors that lead to unsuccessful outcomes (Neck & Houghton, 2006, pp. 271-272). The natural reward strategies reinforce behaviour-focused strategies by helping to create feelings of competence and self-determination, which in turn energize performance-enhancing task-related behaviors (Neck & Houghton, 2006, p. 272). Underlying both of these are the constructive thought pattern strategies designed to facilitate the formation of “habitual ways of thinking that can positively impact performance” (Neck & Houghton, 2006, pp. 272-273).
Behavior-focused strategies strive to heighten an individual’s self-awareness in order to facilitate behavioral management, including behaviors related to necessary but unpleasant tasks (Neck & Houghton, 2006, pp. 271-272). These strategies include self-observation, self-goal setting, self-reward, self-punishment and self-cueing. Self-observation involves raising one’s awareness of when and why one engages in specific behaviors, to change or eliminate ineffective behaviors (Manz, 1986; Manz & Neck, 2004; Manz & Sims, 1980). Setting challenging and specific goals can significantly increase individual performance levels (Locke & Latham, 1990). Also, self-set rewards can significantly energize efforts to accomplish these goals (Manz & Sims, 1980; Manz & Neck, 2004). Self-punishment involves positively-framed self-correcting feedback about failures and undesirable behaviors, while avoiding excessive self-criticism, which can be detrimental to performance (Manz & Sims, 2001). Concrete self-cueing can also encourage constructive behaviours and attenuate destructive ones (Manz & Neck, 2004). Natural reward strategies motivate and/or reward the individual through the inherently enjoyable aspects of the activity, via building more pleasant and enjoyable features into it, focusing attention away from the unpleasant aspects, and refocusing on the inherently rewarding aspects (Manz & Neck, 2004; Manz & Sims, 2001). Both techniques create feelings of competence and self-determination that are central to intrinsic motivation (Neck & Houghton, 2006, p. 272). Constructive thought pattern strategies facilitate the formation of positive habitual ways of thinking (Manz & Neck, 2004; Neck & Houghton, 2006, pp. 272-273; Neck and Manz, 1992), by reflectively examining thought patterns, challenging and replacing dysfunctional and irrational beliefs with more constructive thought processes (Manz & Neck, 2004; Neck & Manz, 1992). Negative and destructive self-talk is identified and replaced with more positive and optimistic self-dialogues (Neck & Manz, 1992, 1996; Seligman, 1991). As well, envisioning successful performance of an activity in advance increases the likelihood of success when faced with the actual task (Manz & Neck, 2004; Neck & Manz, 1992, 1996).

Self-leadership research identifies a number of positive outcomes, including greater “commitment, independence, creativity/innovation, trust, potency, positive affect, job satisfaction, psychological empowerment and self-efficacy”, which are all “mechanisms that affect individual, group and organizational performance” (Neck & Houghton, 2006, p. 283). Self-leadership researchers have discovered, within a variety of contextual settings, positive
relationships between self-leadership, and: goal setting/goal performance (Godwin et al., 1999; Neck et al., 2003); job satisfaction (Houghton & Jinkerson, 2004; Roberts & Foti, 1998); performance appraisal (Neck et al., 1995); self-leading teams (Neck et al., 1996); team performance (Stewart & Barrick, 2000); team sustainability (Houghton et al., 2003b); organizational change (Neck, 1996); ethics (VanSandt & Neck, 2003); and, workplace spirituality (Neck & Milliman, 1994). Neck and Houghton depict the more significant findings from this emerging stream of research in Figure 6.1.

Self-leadership can also positively influence ethical conduct within organizations, via: inculcating ethics into the firm’s culture (VanSandt & Neck, 2003, p. 371-372); and, establishing reinforcements that promote prosocial, ethical behaviors (VanSandt & Neck, 2003, p. 372). Self-leadership encourages “the employee to accept a measure of control for his or her actions on the job” (VanSandt & Neck, 2003, p. 373). They also observe “that self-leadership can serve as a catalyst for enhancing ethical behavior among all employees at all levels of the organization”. Specifically, “self-leadership can be a self-influence mechanism to help employees prevent…divergence between an employee’s moral code and that of the organization” by maintaining her/his own high ethical standards and helping to raise the ethical standards of others (VanSandt & Neck, 2003, p. 374). The manner in which self-leadership accomplishes this, is depicted in Figure 6.2 (Neck and Houghton, 2006, pp. 275-281).

Figure 6.1: Self-leadership and Performance Outcomes
(Source: adapted from Neck & Houghton, 2006, p. 285)
The role of *self-observation* is supported by Rest’s (1994) model of moral behavior, according to which, “moral character…ego strength, perseverance, strength of conviction, and courage are necessary to carry out moral behavior to its end result”. Self-observation (recognizing strengths and weaknesses, seeking corrective feedback) helps “establish insights regarding the causes of one’s behaviors that relate to ethical practices and provides basis for change” (VanSandt & Neck, 2003, p. 377). Through *self-goal setting*, organization members play greater roles in influencing decision making and strategic processes. “In terms of a cybernetic control process, organization members are more involved in setting the thermostatic standard as well as acting to achieve and maintain the standard once it is set. This implies active involvement in both short-term processes of deviation reduction as well as longer term processes of standard setting… allowing for improvements in the code of ethics rather than maintaining the status quo” (Neck & Manz, 1996; VanSandt & Neck, 2003, p. 376). Research has found *covert positive reinforcement* tends to be successful in modifying wide varieties of behaviors, but has not supported the efficacy of *self-punishment*. Therefore, in order to promote ethical conduct, individuals should reward themselves when improvements are made, but should not dwell on self-criticism when they fail to achieve their goals as expected (Neck & Manz, 1996; VanSandt & Neck, 2003, p. 378). As well, they should design and complete their tasks in ways that enable...
the work to provide natural rewards through “a sense of (1) competence, (2) self-control, and (3) purpose” (VanSandt & Neck, 2003, p. 378). The management of antecedents to behavior “encompasses the gradual limiting of…stimuli that evoke undesirable behavior while increasing cues for more desirable behavior”. Even simple things, such as “placing a sign on …[one’s] desk that reads, ‘What is the ‘right’ thing to do?’ provides a visual stimulus that cues this desired behavior…regardless of the organizational policies” (VanSandt & Neck, 2003, p. 378). Sims and Manz (1996) also advise that employees who facilitate proactive teamwork, “that is, acting in ways that promote the benefits of others as well as themselves may also be the most ethical” (VanSandt & Neck, 2003, p. 379). Networking is significantly related to proactive teamwork but implies a broader, more action-oriented stance. Everyone in the organization is viewed as a kind of teammate and a potential source of help. “Employees who construct positive networks create a foundation necessary for greater movement towards the goals of the employee and the mission of the organization” (Sims & Manz, 1996; Neck & Manz, 1996; VanSandt & Neck, 2003, p. 379).

The cognitive-moral self-leadership strategies are “pivotal”. VanSandt and Neck argue that Thought Self-Leadership (“TSL”) “is a critical subset of self-leadership strategies” that enhance individual cognitive process, behavior, and affective states (Manz & Neck, 1999; Neck & Manz, 1992, 1996; VanSandt & Neck, 2003, p. 379). Empirical support for the efficacy of TSL exists in many fields of study, including: “sports psychology… clinical psychology…counseling psychology…and communications” (VanSandt & Neck, 2003, pp. 379-380). Especially important is that “the primary TSL components – beliefs and assumptions, self-dialogue, mental imagery, and thought patterns – can positively affect employee perceptions of their current dynamic environment and thus provide the basis for increased ethical behavior of employees” (VanSandt & Neck, 2003, p. 380). VanSandt and Neck advise that a “comprehensive way to enhance an employee’s ethical behavior is for the employee to alter his/her thought patterns” (Neck & Manz, 1992, 1996; VanSandt & Neck, 2003, p. 381). Therefore, “employees who are able to focus on “doing the right thing” (opportunity thinking) rather than being concerned over the repercussions of not following company policy (obstacle thinking) will be much more likely to act ethically in a situation where there is a gap between the organization’s and employee’s codes of ethics” (VanSandt & Neck, 2003, pp. 381-382). Also, individuals can identify and
confront their dysfunctional beliefs and replace them with more ethical beliefs. Positive ethical self-dialogue also affects emotional states, which in turn affect moral cognitions and behaviours (Manz & Neck, 1991; Neck & Manz, 1992). As well, employees can use the processes of mental imagery to imagine successful ethical performances before the tasks are actually completed (Manz & Neck, 1991; Neck & Manz, 1992, 1996). In sum, given “the need for heightened moral behavior from the business sector…[much] can be accomplished in the ethical climate, if employees are granted the opportunity” through self-leadership, to follow “an alternative road, one that has the potential to quickly bring about the desired improvements, based on the moral codes of workers within organizations” (VanSandt & Neck, 2003, p. 382).

In order to verify the extent to which an executive practices self-leadership, Houghton and Neck (2002) have devised and validated the “Revised Self Leadership Questionnaire” (“RSLQ”). Houghton and Neck argue that the RSLQ, by “empirically confirming the generally accepted theoretical model of self-leadership and by providing a psychometrically sound instrument for the measurement of self-leadership…could be instrumental in the advancement of future empirical self-leadership research…[and] enhance the efficacy of self-leadership as an organizational intervention” (Houghton & Neck, 2002, pp. 686-687).

**SuperLeadership**

Closely related to self-leadership is “SuperLeadership” which involves role-modeling self-leadership and cultivating the capacities within others to lead themselves (Manz & Sims, 1989, 1991; Manz, 1990b, 1991, 1992a). Therefore the strategies of self-leadership form the core of SuperLeadership. Chemers observes that SuperLeadership supplies strong linkages between self-leadership and team leadership, insofar as it is “a potential substitute for leadership in which self-regulation replaces the role normally filled by supervisors” (1997, pp. 73-74). As well, the “characteristics of the leadership situation that make self-management an appropriate option…are exactly the situational characteristics specified by normative decision theory (Vroom & Jago, 1974; Vroom & Yetton, 1973) for participative decision making in group tasks and for delegation with individual tasks” (1997, p. 75). Normative decision theory is discussed as an essential component of *IEL Functional-Relational Facilitative Leadership*. Consequently,
SuperLeadership is “quite useful in filling out an integrated understanding of effective leadership” (Chemers, 1997, p. 75).

The research literature for self-managing teams often prescribes self-leadership among team members as an integral part of the self-managing process that is important to effective team functioning (Manz & Sims, 1986, 1987, 1994; Manz, 1990a). Within empowered shared leadership and self-managing teams, “the most effective external leaders…are those that engage in behaviors that facilitate self-leadership strategies such as self-observation, self-goal setting and self-reward” (Neck & Houghton, 2006, p.273; Manz & Sims, 1987). Self-leadership within teams develops a sense of ownership, and produces higher levels of commitment to tasks, goals, other teams, and the organization. It also generates greater feelings of control and autonomy, leading to heightened levels of independence in behavior and decision making, and to greater creativity and innovation (Neck & Houghton, 2006, p. 284). A critical component of team effectiveness, self-leadership cultivates trust and team potency. Trust includes beliefs that others will be honest, uphold commitments and decline to take unfair advantage when given an opportunity. Team potency is a belief shared among team members that the team can be effective in accomplishing its goals and objectives (Neck & Houghton, 2006, p. 284). Also, significant positive relationships have been found between thought self-leadership and both positive affect (enthusiasm), job satisfaction, and subjective well-being of team members (Neck & Houghton, 2006, p. 284). Therefore, self-leadership is viewed as a primary mechanism for facilitating empowerment. “Self-leadership may enhance feelings of empowerment by creating perceptions of meaningfulness, purpose, self-determination, and competence…More precisely, the behavior-focused strategies of self-observation, self-goal setting and self-reward can foster feelings of self-determination and competence, while natural reward strategies are aimed at increasing feelings of competence, self-control and purpose” (Neck & Houghton, 2006, p. 285).

The Five Disciplines

Senge’s “five disciplines” extend both Thought Self-Leadership and SuperLeadership to deeper reflective praxis that is especially important to positive integrative executive leadership. Senge’s five inter-related disciplines: “personal mastery”, “mental models”, “shared vision”,

\textit{Thought Self-Leadership}
“team learning” and “systems thinking”, address executives’ needs to develop constructive thought patterns that enable them and other organizational members to understand holistically why and how things are the way they are, and what to do, in complex, dynamic situations (Senge, 1990a, 1994, 1996, 2003).

*Personal mastery* is the discipline of continual self-development, clarifying and deepening personal vision, and focusing energies, developing patience, insight and seeing reality as it is. This discipline involves: approaching life from a creative and generative viewpoint; pursuing life-long learning to continually cultivate valuable attainments, dispositions and competencies; engaging in ongoing processes of clarifying and envisioning what's important; and, continually learning how to assess reality and adjust courses of action in relation to achieving that vision. Chatterjee (1995) also advises that this discipline can effect a fundamental shift in attitudes about the workplace, from a mechanistic, to an organic, to a sacred view of work, by which organizational members learn how to harmonize the ethics of exemplary human beings with the “morals of the market place” (Senge, 1990, p. 143).

Senge describes *mental models* as deeply ingrained, unquestioned, and often unconscious perceptions, assumptions and generalizations that influence how people interpret and feel about the organizations, environments and events, where they work, and how they act in response. Senge advises that the “problems with mental models lie not in whether they are right or wrong - by definition, all models are simplifications ... problems with mental models arise when the models are tacit - when they exist below the level of awareness” (Senge, 1990a, p. 176). People often require assistance from others to surface, clarify, reflect upon, and improve their internal models, and consequent perceptions, beliefs, attitudes, feelings, decisions and actions (Senge, 1990a, p. 175). By focusing the spotlight of their awareness developed through personal mastery, upon their mental models, executives can transform and greatly enhance their own and others’ interpretations of the world and the organization’s position, path and conduct within it. This process requires safety, openness, awareness and integrity to support effective listening, inquiry and dialogue. This process also requires the cultivation of authenticity. Words that translate into actions, and actions that match words, build faith and trust. Where there are disconnections, people are viewed as inauthentic, dishonest and hypocritical, and consequently,
mutual respect, faith and trust are eroded. Although this discipline takes time and great care, it leads to deep understanding, learning, connection, and genuine alignment (Avolio & Garner, 2005; Gardner et al, 2005; Ilies et al., 2005).

Shared vision involves a sense of commitment among people who develop shared pictures of the future they seek to create, and the means by which they hope to get there. IEL executives practice this discipline as an essential part of IEL Visionary-Strategic Leadership. The greater the degree of participation in forming the shared vision, the greater the sense of ownership, cohesion and common direction felt by members, and consequently, the greater their commitment to achieving its aims, goals and objectives (Senge, 1994, pp. 315-326). At its best, Chatterjee (1995) notes, a shared vision is a spiritual force which promotes deep commitment. Senge (1990a, p. 206) concurs: “A shared vision is not an idea. It is not even an important idea such as freedom. It is, rather, a force in people’s hearts, a force of impressive power.... It is palpable, people begin to see it as if it exists. Few, if any, forces in human affairs are as powerful as shared vision” (Senge, 1990a, p. 206).

Team learning involves people in groups developing mutual intelligence, understanding, and collective capacities far greater than the sum of the groups’ parts. Senge observes that team learning is synergistic: the “fundamental characteristic of the relatively unaligned team is wastage of energy .... [but] when a team becomes more aligned, a commonality of direction emerges, and individuals’ energies harmonize” (Senge, 1990a, p. 234). Team learning requires creating environments in which individuals are able to work hard and have fun, relax and talk genuinely, and which promotes caring and trust, honest feedback and integrity in interpersonal interactions. Through authentic dialogue, people learn to ask questions that promote deep learning, inquire with care, and advocate clearly with fairness and balance. In so doing, they shift the whole frame of reference from egocentric, competitive, zero-sum games to balanced mutual, win-win processes (Patterson et al, 2002, 2005).

Systems thinking, “the conceptual cornerstone that underlies all of the five learning disciplines” (Senge, 1990a, p. 69), is a way in which people holistically interpret the elements, connections,
forces, and inter-relationships that shape the behaviours of multi-leveled organizational contexts. In doing so, IEL executives and organizational members learn how to better attune themselves, their work groups, and the organization-as-a-whole to larger societal processes. Individuals from different levels and functions in the organization, map out societal trends, envision the organization’s mission and strategies, co-create and co-manage various organizational socio-technical structures and processes in order to accomplish this. Yeo (2005) observes that systems thinking plays “a dual role: one as a skill to help organization members in their learning process, and two as an integrative approach to a more effective operation of the five disciplines…which is systemic in nature” (Yeo, 2005, p. 374).

Senge argues that, in addition to nurturing holistic understanding, this ensemble of thought-patterns provides vital energy and continually enhances human capacities for learning, self-renewal, transformation and growth at all levels of the organization, starting with the self (Senge, 1990a, 1994). Chatterjee (1995) argues that Senge’s five disciplines also open up the horizons to a potentially deeper quest of human development - a shift in stance, that brings self-leadership and the five disciplines close to the developmental insights of the world’s most ancient religions (Chatterjee, 1995). For instance, the concept of personal mastery is implicit in the Indian Sanskrit word “sadhana” which describes a disciplined process of inner purification and perfection. Also, the discipline of mental models is reminiscent of the classical Indian expression, “chittashuddhi” (mind purification), which is considered indispensable for human development in both Hindu and Buddhist traditions. These deeper processes of human development are central to IEL at the intrapersonal level.

The multi-leveled practice of these five disciplines involves a broad range of tactics and techniques that must be adapted to specific organizational circumstances (Senge, 1994). Given their complexity and their necessary tailoring to local circumstances, there are no pre-developed instruments that can reliably assess, within all organizations, the extent to which they are employed by IEL executives. Rather, Senge recommends the development of customized, multi-phased organizational process audits to assess executives’ unique combinations of strategies, tactics and techniques within an organization. These phases involve assessing:
individual learning processes, their contributions to individual skills development, and tests of new skills: their intermediate effects upon group behaviours and effectiveness; and, their diffusion throughout the organization and resultant impacts. Senge’s recommended assessment processes (1999, pp. 281-318), closely resemble those recommended by Kirkpatrick (1994) and Phillips (1991, 2007).

Contemplative Practice: Integrative Consciousness, Complexity and Flow

Closely connected with self-leadership and the *reflective praxis* of the five disciplines, is the pursuit of a deeper quest of human development, through “contemplative practice” (Miller, 1994). This can take many forms, and vary in degree of intensity among *IEL* executives, but it is essentially a kind of *sadhana* or personal mastery, a disciplined process of inner purification, and a pursuit of ethics and excellence (Chatterjee, 1995). Whereas the five disciplines are founded upon *reflective thought self-leadership*, contemplative practice takes this deeper:

…reflection is still rooted in a dualistic view of reality in that there is a subject that reflects on an object. If we stay with a dualistic view of reality, we ultimately end up…fragmented and compartmentalized…there is also a need for synthesis
…Contemplation is characterized by a merging of subject and object…. Duality disappears. Contemplation is based on the notion of a deeply interconnected reality as described in subatomic physics and ecology. It is through contemplation that we can see, or envision, the Whole. In reflection we are still limited to focusing on the part. Of course, we need to be able to see the part and the whole, but…[through] contemplation there is the opportunity to restore a balance between part and whole. (Miller, 1994, p. vii)

Contemplative practice cultivates the “integrative consciousness” (Maslow, 1971) that Miller advises is essential to addressing the global challenges we currently face (Miller, 1994, p. 5). Through integrative consciousness the *IEL* executive experiences a “sense of the sacred quality of existence” (Miller, 1994, p. 5). For instance, Carl Sagan and Stephen Jay Gould urge: “As scientists, many of us have had profound experiences of awe and reverence before the universe. We understand that what is regarded as sacred is more likely to be treated with care and respect. Our planetary home should be so regarded. Efforts to safeguard and cherish the environment need to be infused with a vision of the sacred” (Cited in Miller, 1994, p. 5). This is also expressed by Al Gore (1992), who sees a strong connection between the *lack* of integrative
consciousness and our global problems: “The more deeply I search for the roots of the global environmental crisis, the more I am convinced that it is an outer manifestation of an inner crisis that is, for lack of a better word, spiritual…I have come to believe in the value of a kind of inner ecology that relies on the same principles of balance and holism that characterize a healthy environment” (Gore, 1992, p. 12). Contemplative practice and integrative consciousness have profound implications for IEL. In addition to infusing the executive with a positive appreciation of the profoundly interconnected nature of reality, Miller advises:

Through contemplation we are also able to tap a deeper energy that can bring joy and purpose to our work. By being more attentive to the smallest detail, which is the essence of contemplation, we experience time and space differently. We move into what Csikszentmihalyi calls the flow experience where we merge with what we are doing. Artists and athletes frequently report on the flow experience. However, I believe this heightened state should not be limited to certain artists and athletes, but is available to any professional through contemplation. (Miller, 1994, p. vii)

The contemplative practitioner, rather than employing “old school” management techniques, would use deeper, more “radical” ways to enhance individual, group and organizational performance, ethics and ethos. “A much more natural way to facilitate productivity is to cultivate the flow experience. Contemplation can help us experience the flow state more often and as a result participate more fully in our work. From the contemplative state our work becomes sacred in that it becomes fulfilling in itself. Traditionally, work has been treated as a means to an end; from a contemplative perspective it is an end in itself” (Miller, 1994, p. 5).

IEL Transforming-Developmental Leadership describes how this can be accomplished within the top management and middle management teams.

This positive appreciation of the profoundly integrated nature of reality is a powerful corrective to amorality, immorality, teleopathy, and the culture of narcissism. For instance, Goodpaster (2004) argues that confronting teleopathy involves addressing its syndrome of causes: “rationalization”, “detachment” and “fixation”. Avoiding rationalization, he advises, requires strong commitment to telling the truth, even when distortion and denial are tempting - the kind of honesty that is alive in candid conversations in close relationships and within organizations that encourage dialogue and constructive criticism rather than blind allegiance. He argues: “[v]alues begin with telling the truth, internally and externally…Integrity must run deep in the
fabric of an organization’s culture. It guides the everyday actions of employees and is central to its business conduct…When the company’s leaders become role models for its values, the impact on the entire organization is tremendous”. Avoiding *detachment* involves developing engagement through “keeping the head and heart in healthy communication with each other”. *IEL*’s positive integrative agency emphasizes the mission of the organization in human terms, offering heart-felt reasons for what the company contributes to the larger scheme of things, and encourages a service-orientation towards the organization’s many stakeholders, especially to the community as a whole and to the less advantaged. Goodpaster points out “It is difficult to remain indifferent in the regular presence of human needs” (2004, p.7). Avoiding fixation requires the “recovery of perspective”. He explains, that busy executives “live in a perpetual state of triage, doing whatever seems most immediately pressing, while losing sight of any bigger picture”. As a consequence, they lose perspective and succumb to fixations. Recovering perspective, he states:

comes from habits of thoughtful reflection. Professional lives steeped in reflection are less vulnerable to fanaticism and misplaced devotion… [practices] that give people the opportunity to pause and look inside include meditation, journal writing, prayer and service to others. Each of these activities can also serve as …a way to break the linearity of relentless goal-oriented activity” (Goodpaster, 2004, p. 6).

Developing integrative consciousness and this perspective through contemplative practices such as these, is a prescription that pays big dividends, according to Goodpaster. “On the playing field or in the boardroom, high performance depends as much on how people *renew and recover* energy as on how they *expend* it, on how they manage their lives as much as on how they manage their work. When people feel strong and resilient – physically, mentally, emotionally and spiritually – they perform better, with more passion, for longer. They win, their families win, and the corporations that employ them win” (Goodpaster, 2004, p. 6).

Integrative consciousness has been scientifically authenticated, and its distinguishing properties described (Cahn & Polich, 2006). Goleman (1988) describes a variety of meditative experiences from a broad range of traditions from around the world. He observes that although many meditative states are rarified, there are many everyday applications and implications of meditation that help people deal with stress, improve performance and the quality of life in
general. He also notes that: “The true context of meditation is spiritual life. At their height, the states of consciousness described in the classic sources can lift one out of the small-mindedness bred by daily pursuits as well as transform ordinary awareness. Such transcendental states seem to be the seeds of spiritual life, and they have been experienced by the founders and early followers of every world religion…the living spirit at the common core of all religions” (Goleman, 1988, pp. xxiii – xxiv).

Maslow considered the highest levels of human psychological development to be self-actualization, self-transcendence and integrative consciousness. He suggests that integrative consciousness involves a new appreciation of “knowledge” expressed by “a change in attitude, valuing reality in a different way, seeing things from a new perspective, from a different centering point” (Maslow, 1970, p. 78). Integrative consciousness is “holistic, integrative, and inclusive” and not based upon thinking “atomistically, in terms of either-or, black-white, all-in or all-out, of mutual exclusiveness and separateness” (Maslow, 1970, p. vii). Rather, it directs our attention to appreciate how “everything is miraculous”, how “the sacred is in the ordinary, that it is to be found in one’s daily life, in one’s neighbors, friends, and family, in one’s backyard”, and that his “is quite compatible, at the higher levels of personal development, with rationality, with science, with social passion” (Maslow, 1970, pp. x–xi). He advises that integrative consciousness fosters capacities to: perceive the whole universe as an integrated whole; appreciate everything as equally significant; look upon persons, nature, and objects as having value in and for themselves, rather than as useful to ego satisfaction; validate and justify life itself; accept the world as basically good rather than as evil; understand evil as arising from limited or selfish vision and understanding; fuse facts and values such that people and the world are experienced equally as sacred; emphasize the emotions of wonder, awe, reverence, humility, surrender; and, resolve the dichotomies, polarities, and conflicts of life by focusing on unity and integration (Maslow, 1970, pp. 59–66). Not only this, it can “quite easily integrate the healthy animal, material, and selfish with the naturalistically transcendent, spiritual, and axiological” (Maslow, 1970, pp. xx). He advises that this experience is not supernatural, but natural. It is an attribute of human nature, originating in human experience, along with our experiences of the world of others and nature. It is, however, an experience of “something other” than either our selves, or other people, or nature, and yet still is compatible with all of our experiences. This
kind of experience introduces another dimension or aspect of human nature, an appreciation of transcendence. In fact, Maslow believed that inherent to human nature are “mystery, ambiguity, illogic, contradiction, mystic and transcendent experiences” and that we must “accept and build upon all of these neglected aspects of human nature if …[we are to] have any hope at all [of fostering] the fullest actualization and fulfillment of the highest and fullest humanness” (Maslow, 1970, pp. 44-45). Consequently, he argues that essential for human development is a venturing beyond the immediate into transcendence, and a yearning to find meaning, by surpassing the limitations we set for ourselves, or allow others to set for us.

The importance of integrative consciousness, as applied to executive business leadership, is described by Primeaux and Vega (2002). They identify an important set of values: affiliation (relatedness), community feeling (helpfulness), and growth (development) that explains why business executives would reasonably place emphasis on personal, interpersonal, organizational, and societal well being. This set of values, they explain, is obviously more qualitative than quantitative, and cannot be assessed in purely rational and objective categories. Nevertheless, these qualitative values are subject to verifiable principles derived from anthropology, psychology, sociology, philosophy, and other humanities and social-science disciplines that describe healthy human relationships. They argue that the acknowledgment of these qualitative values represents a broadening appreciation of human identity, meaning-making and ethics to embrace the relational, the helpful, and the developmental (Primeaux & Vega, 2002). These individuals would develop a new understanding of themselves as ethical agents, within a new framework of ethical expectations. Primeaux and Vega, (2002, pp. 97-108) advise that this integrative ethical framework implies that executives would not exclude ethics from either personal identity, nor exclude ethics from corporate identity. Corporate identity in particular, they argue is defined through a business’ general approach to management, especially in the ways in which relationships with a variety of stakeholders are identified and enacted. This inclusion of the interests of others, Primeaux and Vega advise, shifts the emphasis from the individual executive or business corporation as isolated and detached, to related and interconnected - as reflected in IEL’s multi-stakeholder professional stewardship.
It is highly beneficial for business executives to develop integrative consciousness in order to find personal meaning in serving the common good. In fact, Csikszentmihalyi advises that we can find meaning only when we “become independent of the social environment to the degree that...[we] no longer respond exclusively in terms of its rewards and punishments” and develop our psychological “complexity”, which paradoxically unites our opposing tendencies both towards individuality and towards community into a powerful and creative synthesis (Csikszentmihalyi, 1990, p. 16). He states: “Complexity is the result of two broad psychological processes: differentiation and integration. Differentiation implies a movement toward uniqueness, toward separating oneself from others. Integration refers to its opposite: a union with other people, with ideas, and entities beyond the self. A complex self is one that succeeds in combining these opposite tendencies” (Csikszentmihalyi, 1990, p. 41). Individuals with integrative consciousness exhibit complexity, and readily recognize, value and serve both poles simultaneously. To use Taylor’s terms, such a person experientially knows that “self-fulfillment, so far from excluding unconditional relationships and moral demands beyond the self, actually requires these in some form” (Taylor, 1991, pp. 72-73).

Csikszentmihalyi (1990, 2003), describes the means of translating integrative consciousness and complexity into excellent performance, in terms of cultivating “flow”. He also demonstrates how this integrative consciousness in action impacts everyday and business life, respectively. He describes flow in terms that are virtually identical to those Maslow used to describe integrative consciousness: “a merging of action and awareness, centering of attention on a limited stimulus field, loss of or transcendence of ego, feelings of competence or control, having unambiguous goals and immediate feedback” (Csikszentmihalyi, 1975, p.38). Through his research he discovered that experiences of flow occurred when a challenge was encountered that was sufficient to engage the subjects’ attention and the subjects possessed the commensurate skills to meet the challenge. Flow did not occur when either the challenge was not engaging, or when the subjects’ skills were either insufficient or significantly beyond the demands of the challenge. In these cases, “anti-flow” experiences resulted, namely: “anxiety” when the challenge was engaging but well beyond the subjects’ skills; “boredom” when the challenge was engaging but well below the subjects’ skills; and “apathy” when both the challenge and the
subjects’ skills were low. Hill (2004) reports that positive outcomes of flow have been found in many studies in a variety of settings. These research studies reveal that:

1. flow is a cross-cultural phenomenon (Han, 1988);
2. anxiety, boredom and apathy are debilitating, and result in distraction (Larson, 1988);
3. there is a high positive correlation between flow, autonomy, and self-esteem (Gold, 1993);
4. freedom to determine the type, variety and level of difficulty of work increase the incidence of flow (Allison & Duncan, 1988);
5. people work harder on challenges when the quality of flow experiences is greater (Wong & Csikszentmihalyi, 1991);
6. greater experiences of flow results in more difficult challenges being taken on (Wong & Csikszentmihalyi, 1991);
7. a person in flow should be able to function at his or her best, and be at the peak of his or her productivity (Larson, 1988);
8. flow occurs more frequently in work settings than during leisure (Csikszentmihalyi & LeFevre, 1989);
9. flow occurs in all types of occupations when subjects perceive work as meaningful (Ramsland, 1989);
10. professionals experience flow more frequently in work settings than blue-collar workers (Allison & Duncan, 1988);
11. managers have almost triple the number of flow experiences at work than clerical workers (Delle Fave & Massimini, 1988); and
12. organizations can restructure work so as to facilitate flow (Ramsland, 1989).

Consequently, IEL’s Contemplative Self-Leadership behaviours and practices, when grounded in integrative consciousness, complexity, and flow, would supply powerful, natural correctives to amorality, immorality, teleopathy, and the culture of narcissism. IEL executives would not believe that the values of productivity and efficiency belong to business only, or that the values of relational affiliation and communal cooperation belong to the family and community only (Primeaux & Vega, 2002). The individual and the corporate person would strive to incorporate all of these within organizational life into a “win-win-win” formula. To pursue any other alternative would constitute not only a violation of their principles, but also of the psychological conditions under which they strive to attain a meaningful and enjoyable existence (Cloninger, 2004). Executives could not attain meaningful and enjoyable lives by cutting themselves off from the totality of experienced reality, by pursuing shareholder wealth alone. In effect, IEL’s Contemplative Self-Leadership would deeply integrate high levels of cognitive-moral
development into the executive’s personality and ego functioning so that he or she would spontaneously incorporate into practice, multi-stakeholder professional stewardship to serve the common good (Maclean, Walker, & Matsuba, 2004; Matsuba & Walker, 1998).

The verification of IEL executives’ levels of integrative consciousness and psychological complexity is challenging. These are complex and subtle inner states and stages. However, through behavioural observation, qualitative interviews, and the use of mutually-reinforcing assessment instruments, one can reasonably “triangulate” and verify integrative consciousness and psychological complexity. These means will be discussed within Chapter 8. However, there are two self-report instruments that can be readily employed in a complementary fashion, for assessing an executive’s experience of flow. The first instrument assesses retrospectively, the experience of flow in general while at work. The second instrument assesses retrospectively, the experience of flow in specific performances. Bakker’s (2008) Work-Related Flow Inventory (“WOLF”) is a validated assessment instrument that measures the experience of flow in general while at work. The WOLF defines flow as “a short-term peak experience characterized by absorption, work enjoyment, and intrinsic work motivation” and measures these three prominent elements of flow during work in general (Bakker, 2008, p. 400). The Jackson Marsh Flow State Scale (“FSS”) is a validated assessment instrument generally used within sports psychology to assess the experience of flow by athletes (Jackson & Marsh, 1996; Jackson et al., 1999), using each of the dimensions of flow identified by Csikszentmihalyi (1990): challenge-skill balance; action-awareness merging; clear goals; unambiguous feedback; concentration on task at hand; sense of control; loss of self-consciousness; transformation of time; and autotelic experience. The FSS can be readily adapted to serve as a valid and useful way to retrospectively assess IEL executives’ experience of flow in specific executive performances.

IEL Functional-Relational Facilitative Leadership

IEL Functional-Relational Facilitative Leadership operates at the next highest level of social aggregation - the level of pairs, groups and teams - as an integrated repertoire of positive leadership behaviours. At this level, different circumstances require different forms of IEL leadership ranging from focused functional group leadership (Burke et al., 2006; Gronn, 2002), which is concentrated and directive, to relational team leadership (Drath, 2001; Gronn, 2002)
which is distributed and participative. Operating between these poles is consultative leadership (Vroom & Yetton, 1973). Facilitative leadership adapts functional, consultative, and relational leadership styles to the requirements of the situation (Laiken, 1994). IEL Functional-Relational Facilitative Leadership prescribes leadership behaviours and practices proven to be effective within this range. Specifically, this thesis posits:

(P.14) IEL executives practice forms of member participation that vary from “autocratic”, to “consultative”, to “group” decision-making, adapted to the circumstances, as described by Vroom and Jago (1988).

(P.15) IEL executives, within the top management team, and in their leadership relationships with middle managers, exhibit the CEO, CEO-Advisor, and TMT modes of participation in decision-making, adapted to the circumstances, as described by Arendt et al. (2005).

(P.16) IEL executives situationally-adapt and balance their functional leadership to support team processes of information search and structuring, problem solving, managing personnel, and material resources, as described by Burke et al., (2006).

(P.17) IEL executives situationally-adapt and balance their task-focused, person-focused, transactional, and transformational leadership behaviours, to support team processes, as described by Burke et al., (2006).

(P.18) IEL executives cultivate team capacities related to cognition, motivation, affection, and coordination, as described by Zaccaro et al., (2001).

(P.19) IEL executives practice relational leadership, where possible, to cultivate high-quality leader-member exchanges, as defined and measured by Graen’s and Uhl-Bien’s (1995) LMX-7, and Schriesheim’s et al.’s (1999) LMX-6.

(P.20) IEL executives’ high-quality LMX relationships encourage organizational citizenship behaviours, interactional, procedural and distributive justice, as described by Scandura (1999).

(P.21) IEL executives practice facilitative leadership along the functional-relational continuum, and through the phases of team development, to respond to individual member needs, and nurture high-performing teams, as described by Laiken (1994).

The Functional – Relational Continuum

Uhl-Bien (2006) observes that group leadership research has traditionally focused upon functional leadership and “considers relationships from the standpoint of individuals as
independent, discrete entities” and adopts “a ‘subject-object’ understanding of relationships” (Uhl-Bien, 2006, p. 655). This entity orientation presumes “an individually constituted reality, which conveys a view of leadership as a more individually-based, causal set of factors...under the condition of already ‘being organized’” (Uhl-Bien, 2006, p. 661). Examples include individualized leadership theory, (e.g. Dansereau, 1995) and social networks theory (e.g. Balkundi & Kilduff, 2006). Relational leadership views “leadership and organization as human social constructions that emanate from the rich connections and interdependencies of organizations and their members” (Uhl-Bien, 2006, p. 655). The relational orientation “starts with processes and not persons, and views persons, leadership and other relational entities as made in...the social construction processes by which certain understandings of leadership come about” (Uhl-Bien, 2006, p. 655). Accordingly, relational leadership recognizes that “leadership can occur in any direction...[is] a relational property of a group...[and] is constructed and constantly in the making” (Uhl-Bien, 2006, p. 661). A relational perspective views leadership as a social reality, “emergent and inseparable from context...an iterative and messy social process that is shaped by interactions with others” (Uhl-Bien, 2006, p. 664). Examples include: leader-member exchange theory (e.g. Graen & Uhl-Bien, 1995), distributed leadership theory (e.g. Gronn, 2002; House & Aditya, 1997), and lateral relationships theory (e.g. Ashforth, 1999; Osborn, 1999; Sayles, 1964, 1999). The functional and relational perspectives are equally-valid, but incomplete ways of viewing meso-level leadership. The former emphasizes a fixed “structure” view, and the latter emphasizes a mutable “process” view. Both views are required for an integrative understanding of this complex, dynamic, adaptive, phenomenon.

**Work Groups vs. Teams**

The terms “work-group” and “team” are often used loosely and interchangeably. However, there is a critical distinction - a team is not just any work-group. In work-groups people “come together to share information, perspectives, and insights; to make decisions that help each person do his or her job better; and to reinforce individual performance standards. But the focus is always on individual goals and accountabilities” (Katzenbach & Smith, 2005, p. 164). Typically, work-group members do not take responsibility for performance results other than their own. By contrast, teams require both individual and mutual accountability. “Teams rely on
more than group discussion, debate, and decision, on more than sharing information...[teams] produce discrete work products through the joint contributions of their members...[which] makes possible performance levels greater than the sum of all the individual bests of team members...a team is more than the sum of its parts” (Katzenbach & Smith, 2005, p. 164). Based upon these distinctions, Katzenbach and Smith define a “team” as “a small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable” (2005, p. 165). Therefore, the essence of a team is its direction, alignment and commitment (DAC) to a common purpose, concertive action, and mutual accountability, without which “groups perform as individuals; with it, they become a powerful unit of collective performance” (Katzenbach & Smith, 2005, p. 165). In effect, work-groups operate at the functional end, and teams operate at the relational end, of this continuum. IEL executives must provide effective leadership with many different work-group and team situations among their superiors, peers and subordinates. Thus, at times, IEL executives practice focused functional leadership when the people they work with behave more like work-groups. At other times, IEL executives practice distributed, relational leadership, when they behave more like teams. Since the majority of the time work collectives operate somewhere between these poles, IEL executives also must practice consultative leadership. Therefore, in order to enhance individual, group and organizational performance, IEL executives must practice facilitative leadership to adapt and develop work-groups into self-leading, high performing teams that can effectively practice relational leadership.

Work-Groups and Teams Need Leadership

Although popular literature extols self-managed teams’ abilities to improve organizational performance (Kirkman & Rosen, 1999; Cohen & Bailey, 1997), much of the evidence is based upon weak research methods: loose anecdotal reports; longitudinal studies that fail to exclude other simultaneous factors; cross-sectional studies that interpret ambiguous results in favour of self-managed teams; and experimental research studies that exhibit inconsistent results or fail to substantiate large performance improvements (Yukl, 2002, p. 316). On the contrary, there is substantial, strong and consistent research evidence that collectives left to their own devices do
not exhibit better performance. In general “leaderless groups” are unpredictable. For instance, in large groups, within novel or unstructured situations, and where there is intense arousal, there are strong pressures for individuals to “de-individuate”, shift their attention away from their own worldviews, values, personal standards, and behaviours, and identify and conform with the group’s norms and actions (Diener, 1980, pp.209-242). This can be beneficial, like a group of bystanders spontaneously responding to an emergency; or dangerous, if the group is unethical and/or anti-social. It is critical in potentially dangerous situations, that leadership exists to promote pro-social purposes. Hoyt, Goethals and Riggio, (2006, pp. 96-122) identify six natural group processes, that in the absence of effective leadership, work against effective group performance: (1) social loafing (Karau & Williams, 1993); (2) social inhibition (Guerin, 1993); (3) impaired brain-storming (Mullen, Johnson & Salas, 1991); (4) biased information processing (Larson, Christensen, Abbott & Franz, 1996); (5) group polarization (Levine & Moreland, 1998; Myers & Bishop, 1971); and (6) group think (Janis, 1972, 1982). IEL Functional-Relational Facilitative Leadership is essential to counteract these forces and to promote effectiveness, ethics, and excellence at the pairs/group/team level.

**Work-Group and Team Participation**

Within the knowledge economy, human capital is widely recognized as the key to organizational success (Dess, Lumpkin, & Peridis, 2006, pp. 98-118). Therefore, IEL executives must avoid the "heroes-and-drones syndrome, exalting the value of those in powerful positions while implicitly demeaning the contributions of those who fail to achieve top rank”, and rather, must nurture cultures and processes within which leaders emerge at all levels, both up and down as well as across the organization (Dess, Lumpkin, & Peridis, 2006, p. 21; Senge, 1990a, pp. 7 - 23). Leithwood and Duke (1998, pp. 38-40) note that considerations favoring this kind of wide leadership participation fall into two groups - ideological commitments to democratic principles, and expectations of enhancing effectiveness. IEL reflects not only a heart-felt commitment to democratic principles, but also a hard-headed recognition that participation, when effectively applied, enhances effectiveness, ethics, and excellence. However, this does not assume that all situations require member participation, and that all forms of member involvement should be fully participative. There are good reasons for this.
For instance, Fiedler’s (1964) LPC theory posits that the most effective style is a function of three situational variables; the leader’s power relative to other members, the degree of task structure, and the quality of leader-member relations. House’s (1971) Path-Goal Theory draws attention to the importance of a leader identifying goals valued by individual members and setting up paths to those goals. Aspects of the situation such as the nature of the task and member attributes determine the optimal approach. Hersey and Blanchard advise leaders to assess members and the degree to which they are “motivated or confident” and “able” to perform their work as required. The leader then adapts his or her influence style to suit their “readiness” (Blanchard et al, 1985). Finally, others have identified additional situational factors that collectively attenuate the need for group leadership, such as: members’ high levels of experience, abilities, and professionalism; members’ indifference to rewards; highly structured, routine tasks, which are intrinsically satisfying and offer their own performance feedback; and settings where work groups are cohesive, or where roles and procedures are formalized and inflexible, (Kerr & Jermier, 1978; Howell et al, 1990).

Vroom and Yetton (1973), and Vroom and Jago (1988) developed a normative decision-making model to identify the extent to which leaders can effectively involve others in making work-related decisions. The most effective form of participation depends upon the combination of eight situational factors (Yukl, 2002, pp. 90-94), which determines one of five different forms of member involvement (Yukl, 2002, p. 92). The eight situational factors are:

1. **Quality**: How important is the technical quality of the decision?
2. **Commitment**: How important is others’ commitment to the decision?
3. **Leader’s Information**: Does the leader have sufficient information to make a sound decision?
4. **Problem Structure**: Is the problem well structured, and the goal and path forward clear?
5. **Commitment Probability**: If decided unilaterally, would others be committed?
6. **Goal Congruence**: Do others share the goals to be attained by solving the problem?
7. **Subordinate Conflict**: Is conflict among subordinates over the solutions likely?
8. **Subordinate Information**: Do subordinates have the information to make a sound decision?
The five different forms of member involvement are:

(1) **AI** = leader solves it and decides unilaterally
(2) **AII** = leader gets others’ input individually, then solves it and decides unilaterally
(3) **CI** = leader shares the problem with specific others, gets their input, then solves it and decides unilaterally
(4) **CII** = leader shares the problem with the entire work-group, gets their input, then solves it and decides unilaterally
(5) **GII** = leader shares the problem with the entire work-group, consensually defines the problem, collaboratively generates alternatives, collectively evaluates & decides upon solutions, and supports whatever the work-group decides.

This model employs a complex decision tree (see Appendix D.2) to determine the optimal form of member involvement in decision making. In every case, the decision tree prescribes the fastest possible approach that maintains decision quality and the commitment of others.

Chemers (1997, pp. 49-53) observes that Vroom’s and Jago’s normative decision model has had broad impact on research and theorizing, along with: House’ path-goal theory; Hersey’s and Blanchard’s situational leadership; Hunt’s and Osborn’s multiple influences model; and Yukl’s multiple linkages model. With respect to the Vroom and Jago model, Yukl notes that it “is probably the best supported of the contingency theories of effective leadership. It focuses on specific aspects of behavior, it includes meaningful intervening variables, and it identifies important aspects of the situation” (2006, p. 95). This thesis draws upon the conclusions from all of these contingency theories for their important integrating connections with many other **IEL** sub-theories, namely: self-leadership and SuperLeadership at the individual level; upper echelons theory and LMX theory at the pairs/group/team level; and both full-range leadership and managerial-leadership at the organizational level. Vroom’s and Jago’s model plays a central role, given its research support, to illustrate how **IEL** adapts the degree of member participation to suit the circumstances.

### **IEL Interactions within Top Management**

Arendt, Priem and Ndofor (2005) formulated an upper echelons theory that describes three basic modes of participation within the top management team (“TMT”). The **CEO** mode is at the focused end, the **TMT** mode is at the relational end, and the **CEO-Advisor** mode is somewhere between these poles. The **CEO** mode views the **CEO** as the firm’s primary leader, principal or
exclusive decision maker. The CEO mode aligns closely with Vroom’s and Jago’s (1988) autocratic decision-making styles, AI and AII, and is especially evident in firms led by owner-managers, and by “celebrity CEO’s” (Arendt et al., 2005, pp. 684-685). However, the need “to address multiple, conflicting goals and evaluate myriad options...along with the ambiguous nature of strategic decisions” limits the extent to which executives choose to be “lone rangers” (Arendt et al., 2005, p. 681; Garten, 2001; Granovetter, 1985, p. 483). The TMT mode views the firm’s top management team as a dominant coalition that shares responsibility for decision making, and exercises primarily collective decision making. The TMT mode aligns with the most democratic group decision-making style, GII, described by Vroom and Jago. Leaders using this style share problems with the group and solicit agreement. Nevertheless, “TMT’s tend to be hierarchical decision-making bodies in which involvement is not equal” (Arendt et al., 2005, p. 681; Granovetter, 1985, p. 485). This unequal participation is the result of: the varying expertise of TMT members (Hollenbeck et al., 1995); differential control of resources (Finkelstein, 1992); intrafirm coalitions (Eisenhardt & Bourgeois, 1988); and information asymmetries (Edmondson, Roberto, & Watkins, 2003) each of which “hinder equal decision participation by a firm’s top managers” (Arendt et al., 2005, p. 681). The CEO-Adviser mode blends individual and group decision making, and may involve individuals from anywhere within or outside the firm’s hierarchy, who may or and may not be consulted on all decisions (Arendt et al., 2005, p. 682). In situations where neither the CEO nor the TMT mode is suitable, the CEO-Adviser mode, which is very similar to Vroom’s and Jago’s two consultative decision-making styles, CI and CII, is most effective. Therefore, IEL participation may conform to either the CEO or the TMT or the CEO-Adviser modes, depending upon the circumstance. In fact, leadership interactions within the top management team are generally rather fluid processes (Arendt et al., 2005, p. 681; Roberto, 2003).

IEL Interactions with Middle Management

Raes, Glunk, Heijltjes, and Roe (2007), note that executive leadership is frequently viewed as “a strategic and relational activity between leaders and their immediate followers” (Raes et al., 2007, p. 362). Whereas upper echelons theory generally focuses upon TMT activities related to strategic management, the relational aspects usually focus upon the individual CEO and his or
her transactional and transformational relationships with followers. Very little research has focused upon the critical relationships between the TMT and middle managers (Balogun & Johnson, 2004; Currie & Proctor, 2005). Nevertheless, “it is the pattern of relationships within organizations, not the fact that ‘great men’ sit at the top of them, which makes it possible to exert influence and enhance organizational performance” (Raes et al., 2007, p. 362; Weick, 1979). Middle managers report directly to TMT members, such as; managers of departments, functions, divisions, or subsidiaries. They represent the management layer(s) between the TMT and first-level supervisors, and therefore are essential for creating alignment in organizations and influencing organizational performance (Balogun & Johnson, 2004; Currie & Procter, 2005; Floyd & Wooldridge, 1997). Therefore, middle managers are critical to the organization’s integration, and its effective, efficient, and ethical functioning (Sayles, 1964). It is their substantial managerial challenge to ‘rejigger’ the components to maintain effectiveness…in the larger system. It is the middle manager who carries the greatest burden in undertaking these initiatives…to modify routines or desired changes for the good of the larger system…[and who] must negotiate simultaneously with a number of peers and even superiors in order to gain high levels of system performance (Sayles, 1999, p. 10).

Middle managers are “able to redirect strategies, delay implementation, reduce the quality of implementation, and sometimes even sabotage it completely…in situations where…[their] self-interest is at stake, when they perceive the new strategy as flawed, or when they are incapable of implementing it” (Guth & MacMillan, 1986; Raes et al., 2007, p. 363). Thus, IEL must establish shared direction, alignment and commitment (DAC), and cultivate sound relationships with middle managers, because of the essential roles they play in strategic management, operational integration, the achievement of organizational goals, and effective, ethical, and excellent performance (Balogun & Johnson, 2004).

In their study of TMT relationships with middle management, Raes et al. (2007) found that TMT’s viewed these relationships as important, yet sometimes problematic. TMT’s generally preferred to influence middle managers through one-to-one contacts, as compared to formal meetings, and stressed the importance of unity in TMT actions toward middle managers. As well, TMT’s advocated enhancing power sharing and working closely with all middle managers...
on the \textit{TMT} level so as to promote decision making that is broadly based, and improves strategy implementation (2007, pp. 372-373). In these orientations towards middle management, effective \textit{TMT}'s acknowledge that the “organization is actively held together not by its policies and rules and procedures, but the web of interpersonal relationships that is built through ongoing interaction” (Ashforth, 1999, pp. 22-23; Sayles, 1964). The relationships between \textit{IEL} executives and the middle managers who report to them, mirror those between the \textit{CEO} and the other members of the \textit{TMT} who report to her or him. Thus, the \textit{CEO}, \textit{TMT} and \textit{CEO-Advisor} modes apply equally well one hierarchical level down. Similarly, \textit{IEL} interactions with middle managers are also fluid processes, in which “decision making tends to involve both ‘a stable core and a dynamic periphery’” (Arendt et al., 2005, p. 681; Roberto, 2003).

\textbf{Functional Leadership}

In classifying group leadership behaviors, the trend is “for behaviors to be broken into one of two categories: those dealing with task accomplishment (i.e., task-focused) and behaviors which facilitate team interaction and/or development (i.e., person-focused)” (Burke, Stagl, Klein, Goodwin, Salas and Halpin, 2006, p. 291; Fleishman et al., 1991). Whereas “task-focused behaviors are those that facilitate understanding task requirements, operating procedures, and acquiring task information… person-focused behaviors are those that facilitate the behavioral interactions, cognitive structures, and attitudes that must be developed before members can work effectively as a team” (Burke et al., 2006, p. 291). Also, research into leadership in teams often takes a functional perspective where the “main job is to do, or get done, whatever is not being adequately handled for group needs” (Burke et al., 2006, p. 289; Hackman & Walton, 1986, p. 5). Although this leadership can be provided by a single person or distributed throughout a team, group effectiveness requires that these functions of task and person/team maintenance are accomplished. Burke et al. describe functional leadership as “a dynamic process of social problem solving accomplished through generic responses to social problems…captured in four broad categories”, as outlined in Table 6.1. They integrate this task-focused and person-focused dichotomy, and these four functional concepts, within their model of functional leadership, as presented in Figure 6.3. \textit{IEL} theory adopts this model to
articulate the prescribed practices of group leadership at the functional end of the continuum, and to accommodate high-performing teams practicing relational leadership.

Table 6.1: Group/Team Leadership Functions and Definitions
(Source: Burke et al., 2006, p. 289, adapted from Fleishman et al., 1991)

<table>
<thead>
<tr>
<th>Information search and structure</th>
<th>“Systematic search, acquisition, evaluation, and organization of information regarding team goals and operations” (Zaccaro et al., 2001, p. 455).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information use</td>
<td>Using information gained from boundary spanning activities towards solving the problem at hand.</td>
</tr>
<tr>
<td>Managing personnel resources</td>
<td>Obtaining, allocating, developing, and motivating personnel resources as well as utilizing these resources to enact the developed plan and monitor progress.</td>
</tr>
<tr>
<td>Managing material resources</td>
<td>Obtaining and allocating material resources as well as utilizing these resources to enact the developed plan and monitor progress.</td>
</tr>
</tbody>
</table>

Figure 6.3: Functional Group / Team Leadership
(Source: Burke et al., 2006, p. 290)
1. Task-Focused Behaviours

Two categories of behaviors are subsumed under task-focused leadership; “initiating structure” and “boundary spanning” (2006, pp. 291-292). Initiating structure emphasizes task accomplishment through minimizing role ambiguity and conflict, via directive and/or autocratic leadership (Pearce et al., 2003). Directive behaviors include: initiating and organizing work-group activity; assigning tasks; specifying the way work is to be conducted; emphasizing goal attainment; and establishing clear channels of communication. Autocratic behavior consists of making decisions without consulting team members. Initiating structure has moderately positive relationships with leadership outcomes ($r = .29$) and with group/organization performance ($r = .23$) (Judge, Piccolo, et al., 2004). Initiating structure is used in various ways to manage material and personnel resources, to ensure that members have a clear sense of direction and purpose (Burke et al., 2006, p. 292). Boundary spanning involves scanning the environment, collaborating with others outside the team, and negotiating resources for the team (Hirst & Mann, 2004). This includes networking communication, which expands the amount and variety of information that is available to the team, and politically-oriented communication, which increases the resources available to the team (Brown & Eisenhardt, 1995). Boundary spanning is highly directive in orientation and is primarily task-focused (Edmondson, 2003). Hirst and Mann (2004) found that boundary spanning was positively related to teams’ perceptions of their effectiveness across time ($r = .30$ at 4 months, and $r = .49$ at 1 year). Also, boundary spanning is essential to information search and structure, maintaining situational awareness, facilitating effective problem solving, and gaining organizational support through negotiation – all of which are vital for effectively managing material resources (Burke et al., 2006, p. 292; Hirst & Mann, 2004). Initiating structure and boundary spanning are forms of transactional leadership, which primarily reflects a task focus, and focuses on mutual exchange relationships (Bass, 1985). In general, transactional leadership behaviours positively affect subordinate satisfaction and performance (Hunt & Schuler, 1976; Klimoski & Hayes, 1980; Podsakoff & Schriesheim, 1985), but the positive correlation is small, ($r = .16$) (Judge & Piccolo, 2004). These transactional behaviors are likely to be used during the provision of expert coaching (Burke et al., 2006, pp. 291-292).
2. Person-Focused Behaviours

Four categories of leadership behaviors are subsumed under *person-focused* leadership: “transformational”, “consideration”, “empowerment”, and “motivational” (Burke et al., 2006, pp. 292-294). *Transformational leadership* is characterized by meaningful and creative exchanges between leaders and members, as well as calculated risk-taking to proactively seize opportunities and solve organizational problems (Bass, 1985; Tichy & Ulrich, 1984). Transformational leadership also exhibits a balanced task and person focus, to solve complex problems while developing members, so they can bring about vision-driven change (Bass, Avolio, Jung, & Berson, 2003). Burns (1978) argues that transformational leaders focus on elevating members' motivational states to higher needs, such as self-transcendence. Bass (1999) explains this process in terms of the “leader moving the follower beyond immediate self-interest through idealized influence (charisma), inspiration, intellectual stimulation, or individualized consideration” (Bass, 1999, p. 11). The majority of empirical research suggests that there is a positive relationship between transformational leadership and performance (Avolio, 1999; Bass, 1998; Bass et al., 2003; DeGroot, Kiker, & Cross, 2000; Lowe, Kroeck, & Sivasubramaniam, 1996; Patterson, Fuller, Kester, & Stringer, 1995). Although most of this research has been conducted outside of team contexts, Burke et al. argue that theoretically, transformational leadership behaviours should be positively related to team performance, especially in the management of material and personnel resources. In these activities “behaviors such as individualized consideration and intellectual stimulation, when mixed with charisma, play a large role in creating a compelling direction and the provision of expert coaching…two of the conditions that enable the attainment of effective team performance outcomes” (Burke et al. 2006, p. 293). *Consideration* is a repertoire of leadership behaviors aimed at maintaining close social relationships and group cohesion, characterized by “two-way open communication, mutual respect and trust…an emphasis on satisfying employee needs…and an emphasis on the person and personal relationships” (Burke et al. 2006, p. 293). Expert coaching especially can impact team performance because it is the means via which team coherence (shared cognition, affect, and behavior) is often developed and maintained (Hackman & Wageman, 2005). Consideration has moderately positive relationships with leadership outcomes ($r = .48$) and both group and organization performance ($r = .23$) (Judge, Colbert, et al., 2004; Judge, Piccolo et al., 2004). *Empowerment* behaviors emphasize developing follower self-leadership skills (Neck &
Houghton, 2006; Pearce et al., 2003). These leadership behaviours include: Super-leadership; facilitative, consultative and participative leadership styles; and providing coaching, monitoring and feedback (Burke et al., 2006, pp. 293-294). Motivational behaviors promote continued effort, especially in the face of difficulties. Important motivational behaviours include rewarding and recognizing performance “behaviors which insure that the needs and values of members are met through…support for individuals and their efforts” (Fleishman et al., 1991), as well as, simple “encouragement, active consideration, and positive comments” (Kane, Zaccaro, Tremble, & Masuda, 2002). A high level of “team member motivation is an antecedent to effective team process and performance” (Salas et al., 1992), especially “within environments that require adaptive behavior” where team members must be “motivated to exert the extra effort that it takes” (Burke et al., 2006, p. 294).

Collectively these functional leadership behaviors facilitate effective team processes, team performance outcomes, and team learning and adaptation, (Edmondson, 1999; Hackman, 2002; Hackman & Wageman, 2005; Salas, Sims, & Burke, 2005; Swezey & Salas, 1992). Burke’s et al.’s comprehensive meta-analysis of 50 empirical studies suggests that:

the use of task-focused behaviors is moderately related to perceived team effectiveness \( r = .333 \) and team productivity \( r = .203 \). Person-focused behaviors were related to perceived team effectiveness \( r = .360 \), team productivity \( r = .284 \), and team learning \( r = .560 \). Sub-group analyses indicated that the specific leadership behaviors investigated were generally related to team performance outcomes. (Burke et al., 2006, p. 288)

Also, these results vary according to the extent to which these leadership behaviours address task interdependence “the degree to which team members must depend upon one another to perform their tasks in route to goal accomplishment “(Saavedra, Earley, & Van Dyne, 1993). As the level of task interdependence increases, so do the dependencies amongst team members and thereby the coordination requirements needed to achieve efficacious performance outcomes (Burke et al., 2006, p. 294). Task interdependence can be characterized along a continuum of interconnectivity from “pooled” to “sequential” to “reciprocal” to “team dependencies” (Saavedra et al., 1993; Thompson, 1967). Increasing levels of task interdependence “mandate
increasingly tight couplings between members and thus imply the need for escalating levels of leadership” (Burke et al., 2006, p. 294; Yukl, 2002, pp. 31-46).

Developing Team Functional Capacities

Zaccaro, Rittman, and Marks (2001) advise that promoting team effectiveness through functional leadership, requires nurturing a variety of team capacities that support functional and social problem solving, especially: cognitive capacities related to shared mental models, collective information processing, and collaborative metacognition; motivational capacities related to team task and social cohesion, collective efficacy, and work group norms; affective capacities related to team roster formation, interpersonal conflict, team emotions, and emotional contagion; as well as, coordinative capacities required for the integration of team actions, such as; orientation, resource distribution, timing, response coordination, motivating, systems monitoring, and procedure maintenance. These capacities are closely related to the central elements of organizational leadership identified by Zaccaro and Klimoski (2001), namely: continually managing organizational purpose and achieving intended goals (2001, pp. 6-8); ongoing large and small-scale social problem solving to respond to non-routine demands (2001, pp. 8-10); continually managing the social and cognitive phenomena of collective meaning-making (2001, pp. 10-11); and the ongoing management of the organizational context, that is, administrative (lower), operational (middle) and systems (top) levels (2001, pp. 12-13). The interrelationships among these leadership functions, team capacities and team effectiveness are represented in Figure 6.4.

Figure 6.4: Leadership Functions, Team Capacities and Team Effectiveness
(Source: Zaccaro et al., 2001, p. 458)
Team Cognitive Processes: Zaccaro et al. (2001. pp. 458-459) observe that “effective team coordination and performance depends upon the emergence of accurate shared mental models of requisite team strategies and interaction tactics among team members…[to] anticipate each other’s actions and reduce the amount of processing and communication that is required during team performance. The result is better coordination and more efficient collective responses to immediate task requirements” (Cannon-Bowers, Salas, & Converse, 1990, 1993; Minionis, Zaccaro, & Perez, 1995). In addition, they note that “metacognitive and self-correction processes in teams are critical for team performance, especially in situations requiring teams to adapt quickly to dynamic environmental circumstances” (Blickensderfer, Cannon-Bowers, & Salas, 1998; Kozlowski et al., 1996; Zaccaro et al., 2001, p. 459). Leadership behaviours that positively influence team cognition involve: meaning making and sense giving; identifying problems and requirements; planning; developing more comprehensive and effective team mental models; and better collective information processing, especially metacognition (Zaccaro et al., 2001, pp. 461-465).

Team Motivational Processes: Zaccaro et al. (2001. pp. 465-469) observe that team effectiveness “is grounded in members being motivated to work hard on behalf of the team…in part from the cohesion of the team and from its sense of collective efficacy” (Zaccaro et al., 2001. p. 465). Task-based cohesion and collective efficacy are associated with strong work norms that call for strong effort and higher performance from all group members. “Once established, these norms are enforced by the members themselves; when deviations occur, members will communicate in various ways with the nonconforming individual to bring him or her in line with group work expectations” (Zaccaro et al., 2001. p. 468). Leadership behaviours that positively influence team motivation include: direct motivational strategies, such as, role modeling successful behaviours, persuasion and social influence processes (Kozlowski et al., 1996); as well as indirect motivational strategies, such as, planning, coordinating, personnel development, and feedback behaviors (Zaccaro et al., 1995a, 1995b).

Team Affective Processes: Zaccaro et al. (2001. pp. 469-473) advise that team effectiveness is also determined by both the “top-down” and “bottom-up” affective climate within the team.
The top-down climate is the result of group dynamics that create “an emotional tone that is fairly homogenous across group members”. The bottom-up climate is the result of group emotion “as an additive function of individual members’ emotional states” (Barsade & Gibson, 1998). Viewed from the top-down perspective, group emotion can: be a force that carries group members to emotional extremes; dampen individual affective expression as a form of normative control; support team cohesion through interpersonal liking; and act to signal transitions or development in team performance (Barsade & Gibson, 1998; Gersick, 1988a, 1988b; Tuckman 1965; Tuckman & Jenson, 1977). From a bottom-up perspective, group emotion has significant impacts upon key performance outcomes. A positive group mood can foster more cooperation, more participation, less conflict, and stronger social cohesion, as well as increase the amount of information that is processed in teams, and the creativity of members. A negative group mood results in more internal conflict, less willingness by team members to participate and work with each other, impaired motivation and coordination, reduced prosocial behavior, and diminished group performance (George, 1990a, 1990b, 1996). Recent research underscores the importance of: positive emotional role modeling; providing clear team goals; clearly specifying member roles; setting unambiguous performance strategies; fostering a climate where disagreements about team strategies can be aired constructively; managing the team so that cognitive conflict is supported while affective conflict is discouraged; establishing strong norms for appropriate and inappropriate displays of emotion; managing the team’s affective climate through member selection; attending carefully to who will or will not be able to avoid affective conflict; and where necessary using counseling and/or development to address emotionally problematic team members (Zaccaro et al., 2001. pp. 469-473).

Team Coordination Processes: Zaccaro et al. (2001. pp. 473-476) advise that team effectiveness also “depends fundamentally upon how well team members can coordinate their actions” and they identify “seven superordinate dimensions” of team leadership, that is, the “activities required for effective team coordination and integrated performance” (Fleishman et al, 1991; Fleishman & Zaccaro, 1992. They also argue that these seven coordination functions need to become fairly automatic behavior patterns displayed by team members, individually and collectively. Also, “if teams need to operate in highly dynamic and complex conditions, then the application of these functions needs to be adaptive… [balancing] the need to standardize
how team members contribute and combine their resources and the requirement that they remain flexible” (Zaccaro et al., 2001, p. 475).

(1) **Orientation** refers to processes by team members to acquire and exchange specific information required for task accomplishment.

(2) **Resource distribution** includes activities such as the assignment of members to specific tasks during collective action, the distribution of requisite material resources across subtasks, and balancing task load across members.

(3) **Timing** involves those activities by team members to coordinate the pacing and speed of task accomplishment.

(4) **Response coordination** refers to the specific sequencing of member activities and their timing relative to the occurrence of other team actions.

(5) **Motivational** functions are activities geared toward procuring the commitment of members to team task accomplishment and their willingness to work hard on behalf of the group.

(6) **Systems monitoring** includes those actions directed at the detection of errors in the nature and timing of member activities.

(7) **Procedure maintenance** refers to the team monitoring to ensure compliance with established performance standards.

Several sets of leadership behaviours positively influence **team coordination** (Kozlowski et al., 1996; Zaccaro et al., 2001, pp. 475-476). Firstly, team leaders need to identify the combinations of contributions from team members that are most likely to lead to task success, and plan how to effectively integrate these resources. Secondly, team leaders need to provide training, instruction, and opportunities for team members to learn the roles, tasks, skills, and interaction patterns that must be integrated for effective teamwork and team success. Thirdly, team leaders need to develop mechanisms that regulate and standardize these patterns, which, once established, are reinforced by the team members themselves. Although these steps regulate team coordination, “they do not necessarily foster team effectiveness under dynamic conditions adaptation; indeed, they may cause the team to become more rigid in its responses within a dynamic environment”. Therefore, in situations “where established interaction patterns are not sufficient, the team leader needs to reconsider team resources, recombine them into more viable coordination patterns, and reorient team regulation mechanisms…within the confines of team task requirements and environmental conditions” (Hinsz et al., 1997; Kozlowski et al., 1996; Zaccaro et al., 2001, p. 476). Ultimately, “as teams become more experienced and achieve a significant level of expertise, other members take over more of the leadership functions, while
designated leaders retain their boundary spanning responsibilities” (Zaccaro et al, 2001, p. 477). Effective functional leadership can develop groups into teams that practice relational leadership.

Relational Leadership

Having the formal authority to functionally lead a work-group does not imply that one exercises leadership. Conversely, those without formal authority can exercise substantial leadership (Yukl, 2006, pp. 169-175). Hoyt et al (2006, p.109) point out that individuals emerge as leaders within groups when they are perceived by others as leaders (Lord & Maher, 1991, p.11). At the group level, relational leadership is the result of attribution processes related to implicit assumptions about leadership, social identity in groups, and to exchange processes between attributed “leaders” and members. These processes also play significant roles in leaders’: lateral relationships building (Ashforth, 1999; Osborn, 1999; Sayles, 1964, 1999); social networks development (Balkundi & Kilduff, 2005); and the emergence of distributed leadership (Gronn, 2002; House & Aditya, 1997).

People carry “implicit leadership theories” or stereotypes about both exemplary and poor leaders. Implicit theories are influenced by holders’ own personality traits, beliefs, and values, as developed by a variety of socio-cultural influences, and as refined over time through their personal experiences with leaders. These implicit theories determine who gets identified as a leader, the expectations that are imposed upon the leader, and how the leader is evaluated (Yukl, 2002, p.129). In effect, individuals who best fit group members’ shared implicit theories emerge as group leaders (Hollander, 1993). Also, people tend to evaluate more favourably those leaders whose performance is less competent but whose behaviours conform more closely to their expectations, than those who perform competently but do not conform as closely to their expectations (Lord & Maher, 1991). “Incompetent” and “non-conforming” leaders are rejected by groups, whereas “competent” and “conforming” leaders retain their positions and gain power, influence and discretion (Pfeffer, 1977b). In Canada and the USA, there are widely shared implicit assumptions about exemplary leadership traits and behaviours related to handling tasks and people, especially as related to: “agency” – independence, competence, assertiveness, competitiveness, aggressiveness and decisiveness; and “communality” -
sensitivity, warmth, expressiveness, helpfulness, sympathy, and nurturance, respectively (Eagly & Karau, 2002, pp. 573 - 598; Heilman, 2001, pp. 657 - 674). Because agency fits masculine stereotypes, and communality fits feminine stereotypes, people in effect blend both gender and leadership stereotypes and expectations in their implicit leadership theories. Despite there being no firm empirical evidence demonstrating differences in effectiveness between female and male leaders (Hoyt et al, 2006, p. 111), a “think leader - think male” stereotype results in fewer women emerging as leaders, and those women who do become leaders, being perceived negatively when they exhibit agency (Carli, 2001, pp. 725 - 741). This contributes to the “glass ceiling” for women in executive positions within organizations.

Over time, as group members identify more strongly with the group, the perception of the effectiveness of a leader, becomes increasingly based upon how proto-typically representative the leader is of the group itself (Hogg, 2001, pp. 184-200). This proto-typicality is a kind of integration of individual identity with the group identity, which increases in influence as group identity increases (Duck & Fielding, 1999, pp. 203-230). Highly representative leaders are more liked, gain greater status, increase social influence, enjoy more trust and perceived legitimacy, have more latitude for pioneering and non-conforming behaviour, and are imbued with attributes of “leadership” (Hoyt et al, 2006, pp. 112-113). As well, those leaders who go further and exhibit concern about the welfare of the group and its mission, demonstrate competent behaviour, and make self-sacrifices for the group without prospects of personal gain, are imbued with attributes of “extraordinary leadership” and gain even greater influence (Yukl, 2002, p.128; Yorges, Weiss & Strickland, 1999). These processes undergird many forms of discrimination that systematically exclude talented people from positions of executive influence. However, these processes can also exert beneficial influence. When executives and members practice relational leadership, they transcend their exclusive personal interests and agendas and the integration between the executives and the group increase. As a consequence, competent executives benefit from positive attributions and their power and influence increase, symbiotically enhancing their beneficial impact on the group, and the effectiveness of the group itself, in a positive upward spiral. Talented executives, with a “common sense” mastery of social influence (Hoyt et al, 2006, p. 104), serve the group through a broad range of social influence tactics, including: reciprocity, exchanges, assertiveness, ingratiation, rational
persuasion, appeals, coalitions, and only in rare cases, sanctions (Yukl, 2006, pp. 171-175; Yukl & Falbe, 1990, pp. 132-140). Within mature teams, members respond in ways that enhance collective effectiveness: finding out what they need to do; taking initiative to identify and deal with issues; keeping the leaders and each other informed; verifying the accuracy of information; encouraging open and honest feedback; supporting efforts to make necessary changes; showing appropriate appreciation and recognition; challenging flawed proposals and plans presented by the leaders; resisting erroneous or inappropriate influence attempts by leaders; and providing upward coaching (Yukl, 2002, pp. 129-134; Chaleff, 1995; Kelley, 1992).

In order to develop positive working relationships, emergent leaders must nurture high quality, ongoing, leader-member exchanges with subordinates, peers and superiors. This process is especially important to building the “partnerships” essential to effective lateral leadership (Ashforth, 1999; Osborn, 1999; Sayles, 1964, 1999), and effective social network leadership (Balkundi & Kilduff, 2006). This is captured well by Graen’s and Uhl-Bien’s (1995) “Leader-Member Exchange” theory (“LMX”). Chemers (1997, pp. 61-77) observes that LMX theory is the culmination of a long tradition of transactional and exchange theories, including: Homan’s theory of elementary social behaviour; Thibaut’s and Kelly’s interdependence theory; Adams’s equity theory; Hollander’s idiosyncrasy credit model; and Graen’s et al.’s vertical dyads linkage model. As well, Chemers notes that high quality LMX relies upon effective self-leadership (Manz & Sims, 2001), and is an important factor in Vroom’s and Jago’ (1988) normative decision theory (Chemers, 1997, pp. 73-74). Thus, LMX theory serves an important theoretical integrating role at the level of pairs/groups/teams, analogous to that of self-leadership and SuperLeadership at the individual level (Chemers, 1997).

LMX theory addresses the full functional-relational continuum, enjoys wide acceptance, and is positively correlated with many important leadership and organizational outcomes (Gerstner & Day, 1997; Graen & Uhl-Bien, 1995; Schriesheim et al., 1999, p. 64). Within LMX literature, it is proposed that high-quality leader-member exchanges result in “mutual support, trust, liking, latitude, attention, and loyalty” (Schriesheim et al., 1999, p. 77). Graen and Uhl-Bien distill LMX quality into three factors: “(1) mutual respect for the capabilities of the other, (2) the anticipation of deepening reciprocal trust with the other, and (3) the expectation that interacting
obligation will grow over time as career-oriented social exchanges blossom into a partnership” (1995, p. 237). They describe high quality LMX as strictly relational, and not bound by the concepts of “leader”, “follower”, or “work-unit”. Although LMX traditionally emphasizes the dyadic level of analysis, since the relationship is the focus, high quality LMX potentially applies at any level of analysis - dyads, groups, and networks (Dansereau et al, 1975; Graen & Uhl-Bien, 1995, p. 220). Graen and Uhl-Bien advise that high quality LMX, requires building strong relationships with others, supporting mutual learning, and accommodating the differing needs of individuals. This builds the mutual trust, respect, loyalty, and obligation which generate the mutual influence essential to eliciting superior work and support from other people. Developing high quality LMX is a gradual, time-consuming process that depends upon long-term relationships between leaders and members (Graen & Uhl-Bien, 1995, pp. 223-225). This process unfolds through three successive phases – evolving from “stranger” to “acquaintance” to “maturity” relationships outlined in Figure 6.5.

**Figure 6.5: Phases of LMX Relationship Development**
(Source: adapted from Graen & Uhl-Bien, 1995, p. 231)
As the LMX relationship develops through these phases, those involved enjoy “progressively higher degrees of mutual trust, respect, and obligation”, such that leaders can count on others “to provide them with partnership assistance when needed… and/or provide honest, constructive criticism where others may feel intimidated”, and members “may rely on the leaders for needed support, encouragement, and career investments” (Graen & Uhl-Bien, 1995, p. 232). They argue that it is “this mutual trust, respect, and obligation toward each other which empowers and motivates both to expand beyond the formalized work contract and formalized work roles: to grow out of their prescribed jobs and develop a partnership based on mutual reciprocal influence…and accompanied by a movement among members beyond their own self-interests to focus more on larger mutual interests” (Graen & Uhl-Bien, 1995, pp. 232-233). Members come to “recognize that by satisfying ‘partnership’ interests they are also able to fulfill their own interests and more…and the relationship becomes one more like peers than superior-subordinate…[giving them] the resources and support that allow them to take on additional responsibilities” (Graen & Uhl-Bien, 1995, p. 233). In effect, LMX begins as a transactional social exchange (Bass, 1985), but it evolves into a transformational social exchange (Burns, 1978; Graen & Uhl-Bien, 1995, pp. 238-239).

Mature LMX relationships result in more effective leadership and positive organizational outcomes. Leadership effectiveness is enhanced by “partners” who share mutual trust, respect, obligation and common goals, exert greater incremental influence with each other, gain greater access to resources and support, experience reciprocal influence, and rotate leadership functions. As well, partners exert extra effort, take personal initiative, exercise personal leadership to make work units more effective, and take career risks to accomplish assignments. Organizational outcomes positively associated with high quality LMX include: increased member performance; lower member turnover; increased job satisfaction; greater organizational commitment; improved performance appraisals; greater career progress; enhanced job climate; and, greater innovation (Gerstner & Day, 1997; Graen & Uhl-Bien, 1995; Schriesheim et al., 1999). In addition, high quality LMX relationships are also positively associated with ethical outcomes through increased organizational citizenship behaviours, greater empowerment, and enhanced procedural and distributive justice (Dirks & Ferrin, 2002; Gerstner & Day, 1997; Graen & Uhl-Bien, 1995, pp. 228-229; Scandura, 1999; Schriesheim et al., 1999). Sheldon and Ruderman
(1983) found that both distributive and procedural justice are positively related to high LMX factors, specifically; (1) high trust in management, (2) positive evaluations of management, (3) high social harmony relative to conflict, (4) high job satisfaction, and (5) low staff turnover intentions. Procedural justice accounted for significantly more variance in these first four factors. However, distributive justice accounted for significantly more variance in staff turnover intentions. Distributive justice focuses on the perceived fairness of rewards, while procedural justice focuses on the perceived fairness of the procedures used in allocating rewards.

Scandura (1999, p. 26), argues that the implications of LMX relations for considerations of organizational justice are especially important. Many studies have confirmed the tendency for work-groups to “become differentiated into in-groups and out-groups based upon the quality of leader-member relationships” (Dansereau et. al., 1975; Graen & Cashman, 1975; Vecchio, 1997), and that “the idea that some subordinates are treated better than others is inconsistent with norms of equality” (Kabanoff, 1991; Meindl, 1989). In fact, she argues that an additional requirement for the development of high quality leader-member exchanges in organizations is that “each party must see the exchange as reasonably equitable or fair” (Graen & Scandura, 1987, p. 182). Therefore, Scandura notes that, implicit within high quality LMX relationships, are perceived procedural and distributive justice, and “communications about what is fair to organizational members…interactional justice…a third aspect of justice at the workplace (1999, p. 28). Research into organizational justice indicates that, where there are differential rewards under LMX, if communicated in an interactionally just, transparent and open fashion, they “will be accepted by subordinates if procedural justice is followed, even if the distributive outcome is less than what an individual desires” (Bies & Moag, 1986; Moorman, 1991; Scandura, 1999, p. 28; Tyler, 1986).

Schriesheim, Castro, and Cogliser (1999), observe that the conceptualizations of LMX among researchers, “have evolved over time, often with little reason or rationale given for the changes. Likewise, the measures employed to assess LMX have varied widely and have included an almost bewildering array of diverse item content” (1999, p. 63). Two instruments are primarily used to assess LMX quality. Graen’s and Uhl-Bien’s seven item LMX-7 “is seen as being highly consonant with the theory…is clearly the most commonly used measure…[and] virtually all other LMX measures currently being used are based upon or have been incorporated into the
LMX-7" (Schriesheim & Cogliser, 2009, p.726). The LMX-7 measures three fundamental dimensions: “respect”, “trust”, and “obligation” (Graen & Uhl-Bien, 1995, pp. 236-238). Schriesheim’s et al.’s (1992a, 1992b), LMX-6 is based upon Dienesch’s and Liden’s (1986) construct, and measures three different factors: “perceived contribution to the exchange”, “loyalty”, and “affect”. Since, both the LMX-6 and LMX-7 appear to acceptably assess LMX quality in complementary ways, both are recommended for “triangulating” the assessment of IEL executives’ LMX relationship quality. However, since neither assesses interactional, procedural or distributive justice, these essential ethical dimensions of LMX relationship quality must be assessed by alternate means, as discussed in Chapters 7 and 8.

**Facilitative Leadership: Managing the Functional-Relational Continuum**

Relational leadership and high-performing team-work does not happen spontaneously – it requires skillful facilitative leadership. Laiken (1994) notes that mature groups are like gardens that need careful and constant nurturing. Therefore IEL executives must competently perform the foregoing functional and relational leadership repertoires. Although these are skill-related and learnable, they require high levels of skill in dialogue and conflict resolution (Patterson et al., 2002, 2005). These dialogue and conflict resolution skills revolve around helping the group mature from an initial dependence on the functional leader, to eventual assumption of responsibility for sharing these roles among group members, to become a high performing team. Laiken advises that facilitative leadership “tends to greatly increase interest, motivation and accountability, and offers group members the opportunity to develop their own skills as facilitators and productive team contributors. At the same time, it provides the designated leader with eventual freedom from the responsibility of day-to-day group functioning. This allows the leader to focus on…helping to provide resources needed by the group (materials, information, etc.) and interfacing with the larger system of which the group may be part…and to move on to working with other, less developed groups, leaving those which are functioning effectively to do so essentially on their own” (Laiken, 1994, p. 1). Laiken adapts Hersey’s and Blanchard’s *Situational Leadership* (1977), via buttressing it with more robust diagnoses of group needs (Tuckman, 1965; Tuckman & Jenson, 1977), and tailoring leadership interventions to the stages of group maturation: forming, storming, norming and performing. Facilitative
leadership is a sophisticated heuristic model that promotes the development of work-groups into high-performing teams along the functional - relational continuum. At the heart of facilitative leadership, is a self-transcendent act of relinquishing power.

**Forming Stage:** When a group initially forms, members usually do not perform to their full potential, due to: a lack of clarity regarding the goals and expectations; little orientation in the group’s specific task and relationship functions; and an initial automatic dependence on those in authority. This initially requires the leader to structure and supervise activities carefully.

**Storming Stage:** Once group members feel "on board" they begin to take more risks, generally attempting to influence the group’s direction and decisions by offering opinions and suggestions for tasks and procedures. Members start to compete for control and often experience tension and sense a lack of progress. People often complain but also resist attempts to help move the group along, usually challenging the leader, upon whom they have been dependent up to this point. The effective leader during this phase helps group members acknowledge their frustrations, surface and manage conflicts, but resists trying to solve problems or encourage premature consensus. Eventually, members make suggestions which may counter some of the leader's original proposals. Effective leaders are not panicked by this conflict, and do not fear losing control. Rather than clinging to power, they self-transcendently defer to the group, and in so doing, enable the group itself to begin establishing norms that integrate the expectations of all. However, a leader who clings to power, blocks the group's attempt at independence. The group will not pass through the storming stage and is likely to regress to a dependent stage from which it may never again resurface.

**Norming Stage:** As the leader mainly stays out of the way, the group eventually resolves its differences and enters a cathartic, “honeymoon” period, called the "norming" phase. Members in this stage set ground rules for task performance, group interactions and relationships, and congratulate themselves on being a "great group". This sets the stage for the group to move on with its tasks.

**Performing Stage:** This final stage of development is usually the most productive, from both a task and a relationship perspective. Group members function interdependently: sharing leadership roles, setting realistic goals, communicating openly, providing honest feedback to each other, handling conflict constructively, recognizing and using one another's strengths, solving problems and making
decisions in ways that reflect all members' perspectives. This stage is the facilitative leader’s ultimate goal - a high performing “leaderful group”.

The IEL executive, in the role of facilitative leader, must be sensitive to the fact that members of the group may be proceeding through these stages at different rates, and be able to respond appropriately to these individual differences. This may involve: working with members between group sessions; providing brief updates before group meetings for members who are new, or who have missed group sessions; and, providing chances for members to openly express their concerns to help them move through their own private "storming" phases and become more productive contributors to the group. In addition, the IEL executive must recognize that the group will cycle through these stages repeatedly during its lifetime and therefore remain alert to the need to continually adjust his or her leadership styles. Beneficial consequences of this ongoing facilitative leadership include accelerated individual and group learning and development, ongoing team effectiveness, gradual reductions in the length of time required to progress through these stages and smoother, less noticeable transitions between the stages. In the final analysis, Laiken advises that this facilitative leadership demonstrates the effectiveness of a profound shift in leadership itself:

The more traditional view of power implies control over others, or the ability to direct their actions to a specific end - one usually designated by the leader. The facilitative leader, on the other hand, gains power by empowering others to meet their individual and collective goals. Of this leader, as the ancient Chinese philosopher Lao Tzu wrote many centuries ago, “in the end, they will all say, we did it ourselves” (Laiken, 1994, p. 7).

Since most work collectives fall somewhere between work-groups, which require primarily functional leadership, and high-performing teams, which require primarily relational leadership, Laiken’s facilitative leadership may be the most useful and powerful repertoire available to the IEL executive. IEL Functional-Relational Facilitative Leadership integrates facilitative leadership, along with functional, consultative, and relational leadership behaviours, in order to adapt to the varied requirements within the functional-relational leadership continuum, to cultivate effective, ethical and excellent processes and outcomes.
**IEL Full Range Managerial-Leadership**

**IEL Functional-Relational Facilitative Leadership** and **IEL Full Range Managerial-Leadership** (Bass, 1985; Bass and Avolio, 1994; Yukl, 2002, 2006) are highly complementary repertoires of leadership behaviours. Whereas **IEL Functional-Relational Facilitative Leadership** is focused upon pairs, groups and teams, **IEL Full Range Managerial-Leadership** is focused more broadly upon the organizational level. This repertoire guides primarily middle managers and general managers, at the departmental, functional, and divisional levels, in the management of the tasks, relations and change processes, required to integrate organizational functional areas, and coordinate activities to achieve the organization’s mission, vision, and strategic aims, goals and objectives (Mintzberg, 1973; Sayles, 1964). The complementarity of these repertoires is derived from their common foundations in behavioural and charismatic leadership research. The former demonstrates that certain behaviours positively impact individual, group, team and organizational performance. These behaviours include: *task-focused* behaviours, such as, initiating structure, boundary spanning, and transactional management; as well as *person-focused* behaviours, such as, transformational leadership, consideration, empowerment, and motivational activities. The latter demonstrates the importance of visionary, change-oriented leadership. Bass (1985), and Bass and Avolio (1994) advise that effective leaders practice an integrated “full range” of these leadership behaviours along a continuum from: transactional management that achieves expected outcomes, to transformational leadership that achieves performance beyond expectations. Yukl, perhaps the most cogent critic of full-range leadership theory (Yukl, 1999), distills these leadership behaviours into three categories of “managerial-leadership”: *task-oriented, relations-oriented*, and *change-oriented* behaviours (2006, pp. 64-75). Accordingly, this thesis posits:

**(P.22)** **IEL** executives practice *Full Range Leadership* in their general management of tasks, people and change, at the group and organizational levels, as defined and measured by Bass’s, Antonakis’ et al.’s (2003) *MLQ-5X*.

**(P.23)** **IEL** executives practice *Managerial-Leadership*, in their general management of tasks, people and change, at the group and organizational levels, as defined and measured by Kim’s and Yukl’s (1995) *MPS*.

**IEL Full Range Managerial-Leadership** combines all of these into a complex, situationally-adapted repertoire.
Tasks, People, and Participation

During the 1950’s, researchers at Ohio State University (Fleishman, 1953), working to identify categories of relevant leadership behaviours, compiled a list of over 1800 examples of leadership behaviours, distilled this list into 150 or so examples of “good” leadership behaviour, and through factor analysis discovered that these reflected two, independent, but broadly defined categories of behaviour they named “consideration” and “initiating structure”.

Consideration involves a focus on people and developing and maintaining friendly and supportive interpersonal relationships through leadership behaviours including: listening, consulting, accepting suggestions, “going to bat” for others, doing personal favours and generally dealing with co-workers in an egalitarian fashion. Initiating Structure involves a focus on tasks and clarifying goals, defining and assigning roles, and providing the structure needed to accomplish these goals through such leadership behaviours as: developing approaches to handle problems, assigning tasks, establishing work standards, emphasizing deadlines and adherence to procedures, co-coordinating activities and evaluating performance. Researchers have found that effective leaders exhibit differing combinations and degrees of consideration and initiating structure in different circumstances, along with other important behaviours, such as visioning, role modeling, and change-oriented behaviours that are not included in these two basic categories (Northouse, 2004, pp. 65-67; Yukl, 1999a, p. 34, 2002, pp. 49-52).

At around the same time, researchers at the University of Michigan were studying relationships among leader behaviours, group processes, and measures of group performance through field research, interviews and questionnaires intended to identify and classify effective and ineffective managers, based upon measures of group productivity (Katz & Kahn, 1951; Kahn, 1956). The results of these studies were summarized by Likert (1961, 1967), who discovered three patterns of behaviour that distinguished between effective and ineffective managers. The first pattern he termed: “task-oriented” behaviour, which is very similar to “initiating structure”. The second pattern Likert called “relations-oriented” behaviour, which is very similar to “consideration”. The third pattern he referred to as, “participative leadership” (contrasted with “autocratic leadership”), in which effective managers use general group supervision, not close individual supervision, and allow people varying degrees of autonomy within set boundaries.
Participative leaders, Likert observed, primarily employ group meetings, facilitate discussions, resolve conflicts, and involve others in decision-making, and offer guidance and support (Northouse, 2004, pp. 67-69; Yukl, 2002, pp.52-53). Researchers have found that effective leaders “select from a wide variety of decision procedures…for different types of decisions…[that are] appropriate for the immediate situation” (Vroom & Jago, 1988; Vroom & Yetton, 1973; Yukl, 1999, p. 35).

Bowers and Seashore (1966) extended this University of Michigan research through their studies of peer leadership, through which they determined: many leadership functions can be carried out by people other than a designated leader; at their own initiative; and that a designated leader is generally necessary to establish “the pattern of mutual leadership which subordinates supply each other” (Bowers & Seashore, 1966, p.24). Bowers later developed The Survey of Organizations for the University of Michigan which measures: two sets of task-oriented behaviour, “goal emphasis” and “work facilitation”; and two sets of relations-oriented behaviour, “supportive leadership” and “interaction facilitation”. Bowers & Taylor (1972), in a review of research studies in 21 organizations, found that these behaviours were related to member satisfaction and the effectiveness of group processes, but these results varied with many contextual factors (Yukl, 2002, p.53). In order to achieve these results, effective leaders “integrate task and people concerns in a way that is relevant for the situation, rather than merely using task and relations behavior to the maximum extent” (Yukl, 1999, p. 34). Fleishman et al. (1991), Zaccaro et al. (2001), and Burke et al. (2006), have integrated the foregoing elements, along with transactional and transformational leadership, into their functional group leadership model, which is a central part IEL Functional-Relational Facilitative Leadership.

Charismatic, Transactional and Transformational Leadership

In the early 1980’s “there was a growing sense of disillusionment with organizational leadership theory and research”, because “task-oriented and person-oriented leadership and various contingency approaches…seemed inadequate to address…managing large scale organizational change and providing strategic vision to navigate more competitive marketplace environments” (Conger & Kanungo, 1994, p. 439). Therefore, researchers began investigating forms of
charismatic leadership, as proposed many years previously, by Max Weber (1925/1968). Conger (1989), and Conger and Kanungo (1994, pp. 440-441) observe that Weber was the first to apply the term “charisma” to leadership in *Economy and Society* (Weber, 1925/1968). Weber was intrigued by the forces of authority in society, and described three principal forms: traditional, rational-legal, and charismatic. Those who exercise traditional authority derive legitimacy by continuing existing values and social institutions, usually by some form of birthright. Those who exercise rational-legal authority occupy formal roles that give them the legal right to give orders, such as in present-day political institutions, bureaucracies, and corporations. These people are interchangeable - anyone who fills the same position has the same rights to issue orders. By contrast, charismatic authority derives its legitimacy from a shared faith in a leader’s exemplary character (Mommsen, 1989). For Weber, the charismatic individual is “set apart from ordinary men and treated as endowed with…exceptional powers and qualities… [which] are not accessible to the ordinary person but are regarded as of divine origin or as exemplary, and on the basis of them the individual concerned is treated as a leader” (Weber, 1925/1968, pp. 358-359). Weber was also concerned with “the problems of human freedom, creativity, and personal responsibility in modern society” (Conger & Kanungo, 1994, p. 440). Specifically, he feared that since rational-legal authority is the hallmark of industrial society, “society’s attempts to bring rationality into the area of human emotions and social arrangements would ultimately endanger individual creativity and freedom…extinguish the role of individual and personal responsibility in society, and would ultimately demystify human existence to the point that life might become meaningless” (Conger & Kanungo, 1994, p. 441). In fact, Weber describes modern society as soul-destroying, in much the same ways that Taylor describes the “malaise of modernity” (see Chapter 1). Weber foresaw the spread of detached rationality, bureaucracy and the constriction of individual creativity, by an ever more powerful “iron cage of objectivism” (Scaff, 1989). For Weber, “fleeing the iron cage” requires nurturing the forces of individual creativity and responsibility through positive charismatic leadership (Scaff, 1989). “Charisma, in essence, became Weber’s umbrella term for the forces of change and innovation in society” (Conger & Kanungo, 1994, p. 440). According to Weber, charismatic leaders were
revolutionary forces whose...appeal depended upon beliefs in heroism and revelation...a prophetic picture or vision of the future...a power to ‘heal’ the wrongs of the previous order whether it be traditional or rational-legal...[and who] operated informally through human relationships while both traditional and rational-legal authority were organized around permanent and formal structures. In this respect, the relational demands upon the leader were significantly higher and required, at the least, a perceived sensitivity on the leader’s part to ‘minister’ to the needs of followers. This in turn led to a powerful bond and commitment from followers to the leader instead of a commitment to a set of rules or hierarchical bodies under rational-legal and traditional authority (Conger & Kanungo, 1994, pp. 440-441).

Weber’s insights launched several decades of extensive research by political science, sociology, and organizational behavior researchers. Conceptualizations of “transformational leadership” began to appear as researchers turned to “charisma” as a basis “to understand change and innovation in what was seen as a largely unadaptive and bureaucratic corporate climate in North America” (Conger & Kanungo, 1994, p. 441). House’s (1976) theory of “charismatic leadership” is representative of this early thinking (Conger, 1999; Hunt & Conger, 1999). House used the term “charisma” to mean “special gifts” that select individuals possess, which are recognized and validated by others, and that enable them to do extraordinary things (Bryman, 1992). House suggested that charismatic leaders have personality traits, such as: being dominant; having strong desires to influence others; being self-confident; and having strong moral values. As well, they behave in unique ways, such as: being strong role models for the beliefs and values they want others to adopt; exuding exceptional competence; articulating ideological goals with moral overtones; communicating high expectations for others; exhibiting confidence in their abilities to meet these expectations; and arousing task-relevant motives in members, including affiliation, power, and self-esteem. House argued that charismatic leaders’ unique combinations of personality traits and behaviours enabled them to have special effects on others. These special effects include: trust in the leader's ideology; congruence between theirs' and the leader's beliefs and values; unquestioning acceptance of the leader; feelings of warmth toward the leader; identification with the leader; emotional involvement in the leader's goals; heightened goals for members; confidence in goal achievement, and forms of obedience. As well, he advised that these special effects are more likely, and intensified, in contexts where people feel distress and look to leaders for deliverance. House’s theory was extended by Shamir, House, and Arthur (1993), who observed that charismatic leaders, by emphasizing the
intrinsic and de-emphasizing the extrinsic rewards, influence others to follow them as forms of self-expression. In this process, members transform their individual identities, linking and aligning them more closely with the collective identity. In large part, charismatic leadership is influential because it integrates individual and collective identity.

Burns (1978) was the first to distinguish between “transactional” and “transforming” leadership. For Burns, leadership is not about wielding power, but about addressing the needs and motives of followers, to better reach mutual goals (Burns, 1978, p. 8). Burns’ transactional leadership refers to the bulk of management behaviours that emphasize exchanges between managers and followers, such as those who offer bonuses or promotions to employees who surpass their targets. Burns’ transforming leadership involves engagement with others, to raise the levels of mutual motivation, morality, service to others, and growth of followers, to reach their fullest potentials. Burns coined the term “transforming leader” to illustrate these two fundamentally different patterns of interaction that exist between leaders and others. Burns’ transforming leader engages “with others in such a way that leaders and followers raise one another to higher levels of motivation and morality…Their purposes which might have started out as separate but related…become fused…as mutual support for common purpose…transforming leadership ultimately becomes moral in that it raises the level of human conduct and ethical aspiration of both leader and led, and thus has a transforming effect on both” (Burns, 1978, p. 20). Burns identifies Gandhi as a classic example of transforming leadership. Transactional leadership, by contrast, is a mundane form that “occurs when one person takes the initiative…with others for the purpose of an exchange of valued things…Their purposes are related, at least to the extent that the purposes stand within the bargaining process and can be advanced by maintaining that process. But beyond this the relationship does not go…A leadership act took place, but it was not one that binds leader and follower together in a mutual and continuing pursuit of a higher purpose” (Burns, 1978, p. 20).

**Full Range Leadership**

Within this milieu, Bass (1985) developed his version of “transformational leadership”. Bass (1995) apologetically recounts how he started out unsuccessfully trying to force fit “leadership”
into the then-orthodox, stimulus-response psychological framework. However, he experienced an epiphany while reading Burns’ *Leadership* (1978). This inspiration led to the eventual development of his *Full Range Leadership* model, in which he integrates “non-leadership”, “transactional” and “transformational” leadership, along a single continuum, rather than conceptualizing them as mutually exclusive behaviours. Also, in this model, he describes “charisma” as a necessary component, but not a sufficient condition for, transformational leadership (Yammarino, 1993). Bass argued that transformational leaders motivate members to do more than expected by: raising their awareness of the importance and value of specific, idealized goals; getting them to transcend their own self-interest for the sake of the organization; and influencing them to address their higher-level needs. However, unlike Burns’ model, Bass leaves open and undefined the moral content of these goals (Bass & Steidlmeier, 1999, p. 186). Consequently, Bass maintained that the term “transformational” could even apply to those whose outcomes were not beneficial to others, such as Adolf Hitler.

In this respect, Burns’ definition of “transforming” is significantly different from Bass’s definition of “transformational” (Howell & Avolio, 1992; O’Connor & Mumford, et al., 1995). Burns defined “transforming leadership” as a process whereby the leader “looks for potential motives in the followers, seeks to satisfy higher needs, and engages the full person of the follower…[resulting] in a relationship of mutual stimulation and elevation” (Burns, 1978, p. 4). Burns employs Maslow’s hierarchy to specify the full range of human needs, from physiological, safety and security needs through to self-actualization, and self-transcendence. In addition, Kohlberg’s theory of cognitive-moral development is integrated into Burns’ definition of “transforming leadership”. The stipulation that a transforming leader produces change that satisfies both the members’ and the leaders’ full hierarchy of needs, simultaneously expands their moral scope, and elevates both the members and leaders to Kohlberg’s higher stages of cognitive-moral development. Therefore, Burns’ transforming leadership is inescapably, and primarily moral and developmental. Burns’ definition of transforming leadership implies positive psychological and moral developmental agency that moves upwards, as if along a widening spiral, as discussed in Chapter 5. Consequently, Burns’ transforming leadership excludes the exercise of coercive power, which Burns does not consider leadership at all, since it “objectifies its victims…literally turning them into objects” (Burns, 1978, p. 21). Therefore
Burns dismisses Hitler as a demagogue and a coercive dictator – not a “leader” at all.

The elements of Bass’s transformational and transactional leadership are elaborated in Full Range Leadership (Bass, 1985, 1990, 1998; Bass & Avolio, 1993, 1994). Appendix D.3 presents the Bass & Avolio (1994) model. This model of leadership incorporates many factors into Bass’s three groupings: non-leadership; transactional; and transformational. According to this model, laissez-faire represents the absence of leadership altogether. The addition of one other factor of nonleadership to this model, a “Burns amendment”, specifically, “Factor 8: CP = Coercive Power”, would bring Bass’s model into closer agreement with Burns. Via this proposed Burns amendment, “laissez-faire” becomes the passive pole, and “coercive power” becomes the active pole, of non-leadership, which then parallel Bass’s passive and active “management by exception” behaviours. This simple amendment goes a long way towards dispelling the myth: “leadership = power”. Nevertheless, Bass advises that transformational leadership produces greater change effects than transactional leadership, and of course, nonleadership. Transactional leaders exchange things of value with subordinates, or impose sanctions, to advance their mutual agendas (Kuhnert, 1994) and are influential because it is in the best interests of subordinates to do what the leader wants. At best they get compliance and motivation (Kuhnert & Lewis, 1987). However, whereas transactional leadership results in expected outcomes, transformational leadership results in performance that goes beyond expectations, because they get commitment and engagement. Lowe, Kroeck, and Sivasubramaniam (1996), in a meta-analysis of 39 studies, found that individuals who exhibited transformational leadership were perceived to be more effective leaders, with more positive outcomes, than were individuals who exhibited only transactional leadership. These findings were the same for leaders at all levels in the organization in both the public and private sectors. Transformational leadership can effectively engage others to transcend their own self-interests for the good of the whole, and thereby to accomplish more than expected – or in other words, positive deviance.

Bass’s and Avolio’s Full Range Leadership approach, subject to the Burns amendment, integrates important positive behaviours. Specifically, transforming leadership promises to raise
the consciousness of individuals to transcend their own self-interests for the sake of others - the team, organization, community and society (Howell & Avolio, 1992; Shamir et al., 1993). Also, *transforming* leadership has the potential to be morally uplifting (Avolio, 1999) setting it apart from many other approaches to leadership, via the deep spirit of cooperation that can develop between *transforming* leaders and organizational members who trust them, want to emulate them and internalize the beliefs and values for which they stand, thereby giving them a greater sense of moral identity and moral self-efficacy within the organization (Shamir et al., 1993). Finally, a great deal of research indicates that *transforming* leadership is effective and positively correlated with employee satisfaction, motivation and performance in a variety of different situations (Yukl, 1999). However, rather than *algorithmically* directing executives what to do, *transforming* leadership provides *heuristics* - generalizations and ways of thinking about leadership - that emphasize ideals, inspiration, and addressing individual needs and concerns, as captured by their philosophies and styles of leadership, as discussed in Chapter 7.

**Managerial Leadership**

Over the ensuing years an overwhelming number of leadership behaviour taxonomies have been developed that include the foregoing behaviours. Yukl analyzed innumerable models that had emerged (Yukl, 2002, p. 62), and discovered a series of problems, specifically: different disciplines had developed different taxonomies; taxonomies created for different purposes had different behavioural constructs; taxonomies developed for the same purpose described behaviours at different levels of generality; different terms were often used to describe the same behaviours; the same terms had been applied to different behaviours; and different classification methods, such as, judgmental, factor analysis or theoretical-deduction, resulted in different taxonomies (Yukl, 2002, pp.61-63). He concluded that an integrating framework was required. To begin, Yukl dispensed with the prevalent “management” versus “leadership” dichotomy, which viewed these as “mutually exclusive processes requiring different skills and personality traits” (Yukl, 1999, p. 35). Rather, he conceptualized this in terms of “managerial-leadership”, which uses “a mix of leading and (positive) managing behaviors” and requires an executive to be “skilled enough to understand the situation and flexible enough to adjust the mix of behaviors as the situation changes” (Yukl, 1999, p. 36). In order to capture the broad range of behaviours
within this “mix”, he developed two detailed taxonomies. The first, developed through a combination of factor analysis and theoretical deduction, yields fourteen specific behaviour categories that are “generic enough to be widely applicable to different kinds of managers, but specific enough to relate to unique situational demands and constraints” (Yukl, 2002, p. 63). These behaviours, which are listed in Appendix D.4, are very similar to Mintzberg’s (and Sayles’) observed management roles, as discussed in Chapter 1. Yukl’s second taxonomy is based upon research that indicates a three-dimensional taxonomy, as in Appendix D.5, which integrates task-oriented, relations-oriented and change-oriented behaviours, is an efficient, relatively complete, and useful way to organize the larger group of specific managerial-leadership behaviours. The purpose behind Yukl’s three-dimensions is to reflect the fact that effective “leaders determine which specific task, relations and change oriented behaviours are appropriate and mutually compatible for a given situation” (Yukl, 2002, p. 65) and thereby maintain a dynamic balance.

Transactional leadership primarily addresses the task and relations axes of Yukl’s three-dimensional taxonomy, whereas transformational leadership primarily addresses the relations and change axes. In both forms of leadership, organizational members and leaders are bound together in transactional and/or transformational processes and relationships, respectively. Yukl advises, that a “key situational variable determining the optimal mix of behaviors, is the external environment faced by the organization”, such that, change-oriented leadership “seems more appropriate in times of environmental turmoil when it is necessary to make strategic changes to deal with major threats and opportunities. A ‘managerial’ orientation seems more appropriate when the external environment is relatively stable, the organization is prospering, and it is essential to maintain efficient, reliable operations” (Yukl, 1999, p. 36). Yukl also observes a fundamental polarity at the heart of managerial-leadership: “Efficiency and adaptation are competing objectives…High levels of efficiency can be achieved…However, these actions reduce flexibility and make it more difficult to change...Adaptation to a changing environment can be achieved... However, these actions tend to reduce short term efficiency” (Yukl, 1999, p. 36). In fact, Managerial Leadership is a difficult balancing act between: task and relations orientations; management and leadership; and change/adaptation/effectiveness and maintenance/stability/efficiency orientations (Kaplan & Norton, 1992, 1996).
Full Range Managerial-Leadership

IEL pragmatically combines these sub-models into IEL Full Range Managerial-Leadership for middle and general management. This is predicated upon their: common grounding in widely accepted behavioural and charismatic leadership research; great deal of overlap and mutual-reinforcement; and complementary ability to cover the vast majority of the managerial-leadership demands that arise at the organizational level. Also, these IEL practices can be assessed via: (a) Bass’s Managerial Leadership Questionnaire (Bass, 1985); (b) Yukl’s Managerial Practices Survey (Kim & Yukl, 1995); (c) direct observation within the actual work context; (d) qualitative individual and group interviews; and (e) longitudinal case study methods. The discussion of the latter three methods, since they apply to all of the other forms of IEL executive behaviours and practices, will be deferred to the Conclusion. Bass’s and Yukl’s assessment instruments are discussed below.

Bass’s Managerial Leadership Questionnaire is a proprietary multi-rater instrument, designed for developmental purposes for managers at all levels in the organization (Leslie & Fleenor, 1998, pp. 235-245). The most recent version “MLQ-5X” (Antonakis, Avolio & Sivasubramaniam, 2003) assesses all of the managerial-leadership behaviour categories in the Full Range Leadership model, and three leadership outcome scales, “effectiveness”, “extra effort” and “satisfaction”. Most factor validation studies support the “transactional versus transformational” distinction, and indicate that transformational leadership is (a) positively associated with perceptions of leader effectiveness and member satisfaction, and (b) explains a part of extra effort and performance. In addition, these studies indicate that contingent reward explains a part of member satisfaction and extra effort and performance, but not leader effectiveness (Leslie & Fleenor, 1998; Rowold & Heinitz, 2007). Although validation research is ongoing for the newer MLQ-5X, “the current version of the MLQ (Form 5X) is a valid and reliable instrument that can adequately measure” the components of Full Range Leadership (Antonakis et al., 2003, p. 286). However, this model does not “include all possible contracts representing leadership”. Specifically, it “does not address the strategic leadership and follower work-facilitation functions of leaders” (Antonakis et al., 2003, p. 286). This is where Yukl’s multi-rater Managerial Practices Survey (“MPS”) plays an important complementary role. The
MPS is also a proprietary multi-rater, instrument, designed for developmental purposes, for managers at all levels in the organization. The MPS assesses all fourteen managerial-leadership behaviour categories in Yukl’s taxonomy. A series of validation studies, has demonstrated the MPS’s construct validity, internal consistency, inter-rater agreement, and test-retest reliability, and that the MPS scales are “moderately important, and usually very important, for effective performance (Leslie & Fleenor, 1998, pp. 77-88). The MLQ-5X and the MPS can be used simultaneously to assess IEL Full Range Managerial-Leadership as well as components of IEL Functional-Relational Facilitative Leadership at both the group-level and the organizational-level. Thereby the limitations of these stand-alone leadership models are minimized through IEL’s integration, and recommended joint use of the MLQ-5X and the MPS.

IEL Visionary-Strategic Leadership

IEL Visionary-Strategic Leadership extends the positive integrative executive leadership repertoire to address the strategic, visionary, and potentially charismatic dimensions of IEL to address the organizational to societal levels. Crossan, Vera, and Nanjad (2008) argue that this requires:

…a transcendent leader…who leads within and amongst the levels of self, others, and organization. Leadership of self includes the responsibility of being self-aware and proactive in developing personal strengths. Leadership of others involves the mechanisms of interpersonal influence a leader has upon followers. Leadership of organization comprises the alignment of three interrelated areas: environment, strategy and organization (Crossan, et al., 2008, p. 569)

Accordingly, IEL executives must take an integrative view of how an organization should fit within its environment, serve the needs and purposes of various stakeholder groups, integrate all of the organization’s functional areas across all levels, and coordinate activities to achieve the organization’s mission, vision, and strategic aims, goals and objectives (Dess, Lumpkin & Peridis, 2006, pp.7-10). This thesis posits that:

(P.24) IEL executives practice participative organizational strategic management, through ongoing processes of strategic analysis, strategy formulation and strategy implementation, as described by Crossan et al., (2008) and Dess et al., (2006).

(P.25) IEL executives demonstrate visionary, neo-charismatic leadership, as defined and measured by Conger’s et al.’s (1997) CKS.
Zaccaro (2001) argues that this kind of leadership integrates the administrative (lower), operational (middle), and systems (top) levels of business organizations via direction setting, operational coordination, and boundary spanning activities. This requires IEL executives to possess high levels of adaptability, conceptual and behavioural complexity – what Zaccaro calls “flexible integrative complexity” which “develops from an integrated constellation of cognitive, social and dispositional qualities” (2001, pp. 298-301). The following discussion addresses the strategic components of IEL Visionary - Strategic Leadership, followed by its visionary, and potentially neo-charismatic components.

Organizational Strategic Management

Organizational strategic management, (“OSM”) is the primary role of IEL executives. OSM is both a shared process and way of thinking, at the heart of which, the members of an organization, on an ongoing basis, understand, face and successfully meet the challenges that are constantly emerging within complex, turbulent, and uncertain, global environments (Crossan et al., 2008; Dess et al, 2006). Through OSM’s implicit DAC ontology (Drath et al., 2008), IEL executives nurture a shared and constant awareness of trends, threats and opportunities in the external environment, an accurate understanding of the firm's resources and limitations, strengths and weaknesses; collaboratively envision the organization’s future; and align, develop and resource their organizations to thrive within their environments, through engaged, concertive action. Four important attributes of OSM distinguish it from the management of other business functions. Specifically, OSM: (1) directs the organization toward overall goals and objectives; (2) includes multiple stakeholders in decision making; (3) incorporates short-term and long-term perspectives; and (4) recognizes trade-offs between efficiency and effectiveness (Dess et al, 2006, p. 9). OSM is focused upon what is best for the organization as a whole, not just a single functional area, through a perspective some call “organizational versus individual rationality” (Hrebreniak & Joyce, 1986). OSM includes multiple stakeholders in decision-making and addresses their needs when making decisions (Rondinelli & London, 2003). OSM also incorporates both short-term and long-term perspectives, through a process Senge (1990a, 1996) calls "creative tension" which maintains a positive vision for the future of the organization, along with an awareness of present operating realities. As one descends the
hierarchy of the organization from executive ranks, to general and middle management, and to front-line supervision, narrower and shorter-term perspectives tend to prevail (Zaccaro, 2001). Therefore, OSM cultivates, throughout all levels of the organization, a strategic management perspective, to ensure managers’ actions contribute to the attainment of broader, longer-term objectives through their sequences of shorter-term activities (Abell, 1999). Finally, OSM continually strives to ensure that the organization is both "doing the right thing" (effectiveness) and "doing things right" (efficiency) (Loeb, 1994).

OSM involves three ongoing processes: strategic analysis, decisions, and actions. Strategic analysis addresses the vision, mission, and strategic objectives of the organization, along with the external and internal environments of the organization. Based upon this analysis, IEL executives make strategic decisions, which broadly determine what industries the organization will compete in and how they will compete. Since decisions are of little use unless they are acted upon, strategic actions are essential to implement strategies, such as, designing and developing the organization and allocating the necessary resources to bring the intended strategies to reality (Dess et al, 2006, p.7). Mintzberg (1985) cautions that conceptualizing OSM as a process in which analysis is followed by optimal decisions and subsequent meticulous implementation, neither accurately describes the process, nor prescribes ideal practice. The external and internal environments of business are far too complex, dynamic and uncertain for such an algorithmic approach to work. These processes are highly interdependent and iterative, and do not take place, one after the other, in a linear, sequential fashion in most companies (Boal & Hoojberg, 2001; Crossan et al., 2008). Rather, Mintzberg describes the process as involving decisions derived from analysis that lead to an intended strategy of the firm, which for a variety of reasons, rarely survives in its original form. Unforeseen developments, unanticipated constraints, or changes in preferences, generally result in significant parts of the intended strategy remaining unrealized. In addition, effective executives often take the initiative to take advantage of new opportunities, even if this was not part of the original set of intentions, and thereby create what can be called an emergent strategy. Therefore, the final realized strategy of any firm is usually a combination of both deliberate and emergent strategies, (Boal & Hoojberg, 2001; Crossan et al., 2008; Mintzberg, 1985). A linear description of these three phases of this essentially non-linear process follows.
Strategic analysis consists of the "advance work" that is required to effectively formulate and implement strategies. This requires cultivating a shared understanding of the threats and opportunities in the external environment, and of the firm's internal strengths and weaknesses, resources and limitations. Strategic analysis of the external environment employs extensive use of concepts, frameworks and tools from a variety of disciplines such as; business management, economics, political science, history, law, anthropology, sociology, psychology, computer science, and a broad range of other natural sciences and humanities disciplines, to help IEL executives make sense of the world in which the organization is embedded. In addition to the external environment, strategic analysis focuses upon a firm's internal environment, to develop a holistic, systems-understanding of the strengths, weaknesses and relationships among the activities that constitute a firm's value chain, such as; marketing, operations, information technology, human resources administration, and financial management. Among the most important elements within an organization, are the knowledge and skills of its members, its intellectual assets such as technology, patents, and trademarks, and the organization’s networks and relationships among its stakeholders - employees, customers, suppliers and external partners (Dess et al, 2006, pp. 11-13). Strategic analysis also requires an appreciation of the organization's goals, as held by various stakeholders. This process involves reconciling divergent positions to formulate a clear and unambiguous vision, mission, and strategic objectives - a hierarchy of goals that channels and integrates the efforts of individuals throughout the organization, and provide guidelines for action and allocating resources.

Strategy formulation is based upon the results of strategic analyses, and involves decision-making about the strategies the organization will pursue, the bases for the competitive advantage it will build, and how to implement and integrate these. Business-level strategy specifies how specific business units will compete in their business environments, and how they must structure, resource, and operate to succeed. Today, executives must also develop digital business strategies in response to new technologies, which are changing the way business is conducted and are presenting new threats and opportunities for virtually all businesses. As well, business-level strategy specifies how the strategy must change through the normal stages of an industry’s life cycle - introduction, growth, maturity and decline. At a higher level, corporate-level strategy focuses on which businesses to compete in, and how a family of businesses can be
managed to achieve greater value by working *synergistically* together, rather than operating as stand-alone businesses. At this level, *IEL* executives consider the relative advantages and disadvantages of pursuing strategies of diversification and make choices regarding the various means they can employ to diversify, such as; internal development, mergers and acquisitions, joint ventures, and strategic alliances. Also, increasingly, executives develop *international strategies* as organizations venture beyond national boundaries (Dess et al, 2006, pp. 13-14).

*Strategy implementation* requires *IEL* executives to take action, guide and coordinate internal activities related to the implementation of the chosen strategies. *IEL* executives also align and integrate their firm's activities with those of their suppliers, customers, and alliance partners to achieve their intended outcomes. Strategy implementation encompasses the systems, structures, attitudes, and behaviours that make things happen within organizations. *IEL* executives develop organizational designs and structures that are conducive to their strategies, define how the various units within an organization relate and interact, integrate information flows across them, and establish appropriate organizational boundaries that are sufficiently flexible and permeable to capitalize on the capabilities of alliance partners and other organizations. An essential activity in this process includes putting in place an effective corporate governance structure that aligns and integrates the interests of executives with those of the owners and other stakeholders of the firm. This requires: developing an active and engaged board of directors; establishing proper managerial reward and incentive systems; and implementing strategic control mechanisms that provide the necessary boundaries for management. This also requires developing members’ strategic capacities, including: (1) *absorptive capacity* – learning, cognitive complexity & flexibility; (2) *wisdom capacity* - discernment, judgment, and good-timing; and, (3) *adaptive innovativeness* - creativity, behavioural complexity and flexibility, and openness to change (Crossan et al., 2008). Thereby *IEL* executives continuously find new ways to improve, renew and grow by instilling an entrepreneurial attitude, fostering learning, innovation and experimentation throughout the organization to enhance the firm's capacity.

These processes of *OSM* involve a balance of interconnected *differentiating* and *integrating* activities. Important forms of *differentiating* activities include determining who an organization
should serve, how it should serve its stakeholders, and how it should compete in order to survive and thrive. Also, formulating and implementing strategy requires differentiating tasks, roles, work groups and teams, functional units, divisions and subsidiaries, within an organization’s value chain to create the sustainable advantages without which the business enterprise would fail to survive. Porter (1980, 1985, 1996, 2008) also argues that these differentiating activities must aim for sustainable competitive advantage, which cannot be achieved through operational effectiveness and efficiency alone. He explains that effectiveness and efficiency are important, but do not themselves lead to sustainable competitive advantage, since everyone is also pursuing them.

Strategy is all about being different from everyone else. Sustainable competitive advantage is possible only through performing different activities from rivals or performing similar activities in different ways...A company with a good strategy must make clear choices about what it wants to accomplish. Trying to do everything that its rivals do eventually leads to mutually destructive price competition, not long-term advantage. (Dess et al, 2006, p.8)

Therefore, imitation is a sure route to eventual disintegration, while differentiation is a requirement for environmentally-adaptive integration. These important differentiating activities are intimately related to integrating activities in many ways. Sound, differentiated strategies are necessary to serve multiple stakeholders synergistically, integrate short-term and long-term perspectives, and specify the organization’s diverse activities to achieve its overall aims, goals and objectives. Accordingly, creativity, innovation, and leadership of change are essential for IEL executives (Morgan, 1988; Puccio, Murdock, & Mance, 2007). However, differentiated organizational structures and processes create associated needs for integrating activities to ensure everything works together effectively and efficiently, to accomplish the organization’s goals. IEL executives ensure that at all levels of the organization, the systems, structures, processes, technologies, people and cultural influences are appropriately designed, in place, aligned, and operating smoothly together to produce and promote the behaviours that make the desired things happen.

IEL Visionary-Strategic Leadership provides positive, integrative OSM that both inspires and ethically elevates others. This leadership is important at many levels; personal, group and team,
organizational, and societal. Through IEL Visionary-Strategic Leadership executives co-develop the shared “mental models” of the organization that determine how an organization should fit within its environment, serve the needs of various stakeholder groups synergistically, integrate all of the functional areas, and coordinate activities, to help the organization achieve its goals and objectives. Thereby IEL executives also ensure that everyone throughout the organization strives toward these shared aims, goals and objectives. To ensure coherence in direction, IEL executives express organizational priorities through a hierarchy of goals, comprised of a clear vision, mission, and strategic objectives. Visions lack specificity, but evoke powerful, compelling, positive images. The mission builds upon the vision in that it encompasses the purpose of the company, the bases of competitive advantage, as well as the multiple constituencies to whom the organization must be responsive and responsible in order to survive and prosper. Strategic objectives are more specific, direct and operationalize the means of achieving the organization’s broader, overall goals (Dess et al, 2006, p. 26). A positive effective hierarchy of goals is a powerful integrating tool (Lipton, 1996). This hierarchy helps to inspire and channel employees throughout the organization toward common goals, concentrate and conserve valuable resources. Challenging and worthwhile objectives motivate and inspire employees throughout the organization to higher levels of commitment and effort. Meaningful objectives also reduce the tendency of different functional areas to work at cross-purposes, and help to resolve conflicts when they arise. Finally, clear objectives provide a yardstick for rewards and incentives, which lead to higher levels of motivation by employees, and also help to ensure a greater sense of equity and fairness when rewards are allocated (Dess et al, 2006, pp. 22-27). The Integral Framework for Performance Measurement helps to ensure that IEL firms have strong integration among their visions, values, missions, strategies, operations, performance measurement and evaluation systems, and financial performance. By contrast, less successful firms focus almost exclusively on profits (Sexten & Van Aukun, 1985).

This perspective is rapidly gaining importance in an increasingly complex, dynamic, interconnected, global economy (Dess et al., 2006). Also, with the emergence of the knowledge economy, human capital has become the key to securing sustainable advantages in the marketplace. Therefore, developing and mobilizing people and leaders throughout the organization – across all functional areas and at all levels of the hierarchy, are critical to success. In effect,
everyone needs to be involved in the OSM process: general and middle managers, and local line leaders who have significant profit and loss responsibility; internal networkers who may have little formal authority, but have influence through the conviction and clarity of their ideas; and executive leaders who champion and guide strategic thinking, create a learning infrastructure, and establish a domain for taking action (Senge, 1990, pp. 7-23). Helgesen (1996) argues that cultures and processes in which leaders emerge at all levels, both up and down as well as across the organization, typify today's high-performing firms (Dess et al, 2006, p. 21). To accomplish this successful OSM requires extensive communications, training and development to strengthen the OSM perspective and team-work competencies throughout the firm (Dess et al., 2006).

Vision and Charisma

IEL Visionary-Strategic Leadership invariably involves leading departures from the status quo, which requires IEL executives who can lead and inspire others towards creating multi-stakeholder value, high achievement, growth, profitability, ethical behaviour, societal responsibility and responsiveness (Dess et al., 2006, pp. 322-350). Therefore, OSM involves varying degrees of vision and charisma, as well as, transforming-developmental influence. The final section of this chapter addresses transforming-developmental leadership. The remainder of this section addresses visionary-charismatic leadership. There are many different models of visionary-charismatic leadership, for instance, Bennis and Nanus (1985), Conger and Kanungo (1987, 1994), Kouzes and Posner (2001), and Tichy and DeVanna (1986, 1990). Given the strength of its empirical research validation, as discussed below, IEL Visionary-Strategic Leadership adopts Conger’s and Kanungo’s model.

Conger (1989), and Conger & Kanungo (1987, 1994) developed what has been called a “neo-charismatic” theory, inspired and informed by Max Weber’s work, which captures the nature of positive, visionary, strategic, transforming, charismatic influence (Antonakis & House, 2002). This positive form of leadership involves the articulation of a vision by the leader (Sashkin, 2004), and long-term attempts to change members’ attitudes, self-concepts (House & Shamir, 1993), values and motives (Burns, 1978), as rooted in commonly-held ethics and values (Bass & Steidlmeier, 1999). Essential to Conger’s and Kanungo's theory, is socialized as opposed to
personalized charisma (Howell & Avolio, 1992). Socialized charismatic leaders use their abilities to achieve benefits for all stakeholders, and not just themselves alone. In addition to the formulation of a vision, strong emotional ties between the leader and organizational members are necessary, in order to transform followers' belief systems, attitudes, and behaviours. This requires the leader to be trustworthy and to enact a morally acceptable or living code of conduct. As a consequence of these qualities and behaviours, members identify with the leader, and are more likely to adopt his or her values and performance standards. In this way, transforming and charismatic influence fosters performance beyond expectations.

Conger and Kanungo (1994) view charismatic leadership as a process that unfolds over time, in three distinct stages. In *Stage 1*, the leader displays *sensitivity to the environment* (SE) in assessing the environment for growth opportunities for the organization, and exhibits *sensitivity to members’ needs* (SMN) by carefully identifying and evaluating stakeholders’ needs. In *Stage 2*, the leader formulates a strategic vision which is constantly communicated in various inspiring ways, demonstrating important capacities for both *strategic vision and articulation* (SVA). In *Stage 3*, the leader serves as a role model who takes *personal risks* (PR) and exhibits *unconventional behavior* (UB) in order to accomplish this vision which serves members’ needs. These stages are aligned with the ongoing processes of organizational strategic management - strategic analysis, strategy formulation, and strategy implementation, respectively (Dess et al., 2006). It is primarily through these means, that *IEL Visionary-Strategic Leadership* builds others’ trust and commitment at the organizational to societal levels (Conger & Kanungo, 1994; Conger, Kanungo, Menon, & Mathur, 1997). Conger’s and Kanungo’s model focuses on these behavioral dimensions of visionary-charismatic leadership, and organization members’ attributions based on their perceptions of the leader’s behavior. Conger and Kanungo advise:

Charismatic leaders differ from other leaders by their ability to formulate and articulate an inspirational vision and by behaviors and actions that foster an impression that they and their mission are extraordinary. As such, individuals choose to follow such leaders in management settings not only because of formal authority but out of perceptions of extraordinariness (Conger & Kanungo, 1994, p. 442).
The behavioural dimensions, of Conger’s and Kanungo’s neo-charismatic leadership, are assessed by the 1997 *Conger and Kanungo Scale* (“CKS”) (Conger et al., 1997). The interrelated CKS dimensions, three stages of neo-charismatic leadership, and ongoing processes of strategic management, are outlined in Table 6.2. The factor structure, reliability, convergent and discriminate validity of the CKS, were demonstrated in Conger’s and Kanungo’s 1994 and 1997 studies, which employed the “charisma” factor in Bass’ (1985) *Full Range Leadership*, and three scales of managerial-leadership behavior (“task orientation”, “people orientation”, and “participative orientation”), adapted from the Ohio State leadership behavior scales (Halpin & Winer, 1957). The ability of the 1997 CKS to successfully discriminate between charismatic and non-charismatic leaders was also demonstrated in the 1997 studies (Conger et al, 1997). Rowold and Heinitz (2007) in their comparative analyses of the CKS and Bass’s *MLQ-5X*, demonstrate that “transformational and charismatic leadership share some attributes…and show a convergent validity” (2007, pp. 124-125), but are unique constructs (2007, p. 129). They also advise that the CKS is a superior measure of charismatic leadership, and demonstrate “that all subscales of the CKS have a significant impact on subjective performance indicators such as Extra Effort” (2007, p. 130). They conclude this underscores “the importance of analyzing a wide range of different leadership styles, as assessed by different leadership instruments” (Rowold & Heinitz, 2007, p. 130). For these reasons, this thesis treats charismatic influence and transforming leadership separately, and uses the CKS within a proposed assessment battery for *IEL* executives, along with Bass’s *MLQ-5X*, and Yukl’s *MPS*, as discussed in the Conclusion.

CKS’s five dimensions closely parallel Weber's (1925/1968) ideas (Conger et al., 1997, p. 300):

To Weber, the charismatic's power was vested in the exceptional nature of the individual's personal gifts and abilities. In the present formulation, followers perceive the exceptional nature of the leader through the leader's behaviour that corresponds to the dimensions of unconventional behaviour and personal risk. Second, according to Weber, charismatic leaders were individuals with a prophetic vision or vision of the future. In the five-factor formulation, this would correspond to the dimension of "strategic vision and articulation." Finally, Weber described the charismatic leader as an individual who would "minister" to the needs of the followers. This would require charismatic leaders to be aware of their environments as well as the needs of the followers. This aspect is captured by the dimensions of "sensitivity to the environment" and "sensitivity to members' needs" in the present formulation.
Also the CKS “has implications for management training, development, and selection”. Specifically, “assuming charismatic leadership is important for organizational reform, companies may wish to select managers for reform jobs on the basis of the behaviors identified” (Conger & Kanungo, 1994, p. 451). Also, they note that “it may be possible to train managers in some of these attributes” (1994, p. 451).

Table 6.2: Conger and Kanungo Neo-Charismatic Influence
(Source: Conger & Kanungo, 1994; Dess, Lumpkin, & Peridis, 2006; Rowold & Heinitz, 2007).

<table>
<thead>
<tr>
<th>CKS Factors</th>
<th>CKS Factor Descriptions</th>
<th>Charismatic Influence Stages</th>
<th>Strategic Management Processes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensitivity to the environment (SE)</td>
<td>The leader assesses the environment for positive growth opportunities for his/her organization, critiques the status quo and proposes radical changes in order to achieve positive organizational goals.</td>
<td>Stage 1</td>
<td>Strategic Analysis</td>
</tr>
<tr>
<td>Sensitivity to members' needs (SMN)</td>
<td>The leader carefully evaluates his/her co-members' needs.</td>
<td>Stage 1</td>
<td>Strategic Analysis &amp; Strategy Formulation</td>
</tr>
<tr>
<td>Strategic vision and articulation (SVA)</td>
<td>The leader formulates a positive strategic vision for the organization.</td>
<td>Stage 2</td>
<td>Strategy Formulation &amp; Strategy Implementation</td>
</tr>
<tr>
<td></td>
<td>It is constantly presented to followers in an inspiring way.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal risk (PR)</td>
<td>Leaders present self-confidence, and demonstrate belief in the potential positive outcomes of the vision.</td>
<td>Stage 3</td>
<td>Strategy Implementation</td>
</tr>
<tr>
<td>Unconventional behavior (UB)</td>
<td>Leaders build trust and commitment, and provide positive role models for co-members.</td>
<td>Stage 3</td>
<td>Strategy Implementation</td>
</tr>
</tbody>
</table>

Positive Visionary-Strategic Management

Although these espoused principles of IEL’s Visionary-Strategic Leadership, prescribe positive processes, all too often these prescriptions are not descriptive of actual practice:
strategy and leadership are not neutral descriptive terms expressive of certain patterns of action. In both discourse and practice, strategic leadership has power effects which benefit managers and organizations materially and symbolically in a variety of ways...[and] must be located within the particular social, economic, and political context within which it has developed...[OSM] discourse is a way of understanding complex organizational phenomena. As such it has particular power and truth effects which seek to draw our attention towards certain phenomena (especially leadership, strategy, culture, values and norms) and construct our understanding of them in a particular way. We are thus being persuaded to accept the discourse as ‘common sense’, as ‘real’... We are ‘seduced’ into its truth without seeing that the discourse and its process of seduction should indeed be the topic for analysis (Knights & Morgan, 1992, pp. 179-180).

OSM is a powerful organizational integrating process that shapes the culture (beliefs, values, norms, etc) of organizations to reinforce change and influence behaviours to achieve intended outcomes. However, the executives, whose primary responsibility it is to lead OSM, have much greater power to define these intended outcomes, the courses of action, shape the culture, and reap the rewards. Even though the foregoing espoused OSM principles ideally establish important checks and balances on executive power, for instance, through urging a multi-stakeholder approach, sound governance, participative processes, and concertive action, actual OSM practice, can and often does diverge. As discussed in Chapter 1, there are many, powerful, cumulative influences that can subtly lead astray executives and other organizational members, embedded within these environments. These influences express themselves within organizational settings through OSM, which manifests them concretely in robust and coherent systems of management control, as in the IFPM model discussed in Chapter 7. Central to this is a process of ‘cascading’ or delegating responsibility for the strategic plan to lower hierarchy staff...[OSM] distributes and disperses power in a capillary-like fashion so as to permeate a majority of relations throughout an organization. As Foucault (1980, p. 98) puts it, ‘the individual is an effect of power, and at the same time...the element of its articulation. The individual which power has constituted is at the same time its vehicle’... In this way, strategic leadership and the objectives it generates create a framework in which organizational subjects become “normalized”; that is, they conform to standards considered to be organizationally ‘normal’ or socially acceptable (Knights & Morgan, 1992, p. 185).

This cascading process of OSM, exercises both overt and covert power, to co-opt members into constructing and maintaining social and technical systems, processes, cultures and practices, as defined primarily by executive leaders. The very real danger, as discussed in Chapter 1, is that many of the business practices and outcomes within industrial societies are socially and morally
 unacceptable. People at all levels of the hierarchy - executives included - who need to work for their material requirements for survival and well-being, are easily trapped by these environments (Morgan, 2006, pp. 207-240), and become deformed, as opposed to transformed. Through processes by which people naturally seek material security, meaning, identity, and a sense of purpose in their work, they gradually attenuate their moral-cognitive dissonance by rationalizing, adopting and eventually identifying with the beliefs, values, and norms of ethically-challenged business cultures. Therefore, IEL’s positive integrative agency, its living codes of ethics, and IEL’s authentic, moral, spiritual, servant and wise philosophies and styles of leadership are critical to IEL Visionary-Strategic Leadership. Their positive, holistic influences ensure that executives exercise positive, integrative, multi-stakeholder professional stewardship at all levels within the organization, to keep these powerful OSM forces positive. Given its extended, processual, complex, and contextualized nature, the extent to which executives practice IEL Visionary-Strategic Leadership can only be adequately assessed by direct observation within the actual work context; qualitative individual and group interviews, and longitudinal case study methods. These methods will be addressed in the Conclusion as part of the path forward for future research.

IEL Transforming-Developmental Leadership

Business organizations face many problems and opportunities that require deep personal, group, and organizational transformation (Burns, 1978, 2003). Among the most significant of these is widening the moral scope and elevating the motivations and conduct of business itself. To do so, IEL executives must cultivate and harness deep processes of positive and mutual influence. Through IEL’s positive integrative agency, ordinary people can, with shared direction, alignment, commitment, and concertive action, accomplish the extraordinary - including large-scale organizational and societal transformations. This is the primary purpose of IEL’s Transforming-Developmental Leadership, which harnesses all of the IEL repertoires for both organizational and social development, for positively deviant performance and outcomes. This thesis posits:
(P.26) IEL executives exhibit the characteristic orientations of Integrative Partners or Holistic Leaders, as described by Beck and Cowan (1996/2006).


(P.28) IEL executives cultivate learning organizations, as designers, stewards, and teachers, as described by Senge (1990, 1999).

(P.29) IEL executives cultivate transformative workplace learning, as described by Mezirow (1977, 1981), via formal, informal, and incidental learning processes, as described by Garrick, (1998).

(P.30) IEL executives occasionally cultivate within the top-management and middle-management teams, co-creative group flow, as described by Armstrong (2008) and Sawyer (2003), Presence, as described by Senge (2004), and normative communitas, as described by Turner 1995.

Transformative Organization Development

Cacioppe and Edwards (2004) observe that over the past three decades, a large number of approaches have emerged to conceptualize how organizations grow and develop, via addressing such topics as organizational life cycles, phases of organizational change, transformational change, and the elements of learning and change for individuals, leaders, teams and the organization as a whole. They note that a central feature of OD, from which positive scholarship borrows many of its core features, is “a general qualitative shift or transformation in a core aspect of identity…transformative change that impacts on the entire…systems, culture and beliefs of the organization as a whole” (2004, p.87). However, Cacioppe and Edwards also observe that organizational development (“OD”) lacks an integrated framework that connects the approaches from OD literature with the findings “from other fields, such as systems theory, developmental psychology, cultural theory, spirituality and other relevant disciplines” (Cacioppe & Edwards, 2004, pp. 86-87). Consequently, they argue that the field currently requires “a big picture synthesis of transformative OD” (2004, p.88). Accordingly, they propose a model of “transformative OD” that embraces two innovative theories: Wilber’s Integralism, and Beck’s and Cowan’s Spiral Dynamics Integral (Cacioppe & Edwards, 2004, pp. 95-101).
Cacioppe and Edwards present Wilber’s Integralism as “an over-arching model of human and social development that attempts to incorporate as many approaches to development as possible into its explanatory framework” (Cacioppe & Edwards, 2004, p. 88). Arguing that “the development of an integrative overview of psychological and social theories is one of the most crucial tasks for the social sciences” Wilber advances Integralism as a unifying framework which extends various models of human development from the individual into the broader collective (Wilber, 2006b). Cacioppe and Edwards argue that Integralism “can be applied to a very wide range of social settings. It can be used at the macro-level in organisations systems, at the meso-level of group change and teamwork and at the micro-level of personal development” (Cacioppe & Edwards, 2004, p. 88). Wilber positions Integralism pragmatically, as simply a map or tool to help make sense of oneself and the world from an integrative perspective. Integralism is not intended to be a perfect representation of the territory, but rather, one representation among many possible, and an evolving work-in-process that should only be used with an open and flexible attitude. Integralism describes the territory of individual and collective human development in terms of: states of consciousness; quadrants; stages or levels of development; lines of development; and types. Each of these elements is integrated into Wilber’s “AQAL” map - his short form for “all quadrants, all levels, all states, all lines, all types” (Wilber, 2006b, p.21).

In order to obtain a full understanding of any human phenomenon, Wilber advises, we must view it holistically from the perspectives of: the “I” (how I personally experience/interpret the event); the “You” (how you experience/interpret the event); the “We” (how we collectively experience/interpret the event); and, the “It” or “Its” (the who, what, when, where, why, and how features of the event). These are familiar, accessible and natural perspectives. An “integrally-informed” approach simply requires one to take all of these into account. These perspectives represent: the “I” or individual consciousness (the inside of the individual); the “It” or individual behaviour (the outside of the individual); the “We” or communal culture (the inside of the collective); and the “Its” the socio-technical aspects (the outside of the collective (Wilber, 2006b, pp.21-24). Wilber organizes these into four quadrants in his AQAL framework.
Stages or levels of consciousness are relatively stable qualities that tend to come into being in a developmental sequence, as distinguished from states of consciousness, which come and go and are temporary (Wilber, 2006b, pp.5-6). Wilber advises that once one attains a stage or level of development, one can reliably and regularly access its capacities, such as, greater awareness, intelligence, creativity, intrinsic morality, and wisdom, etc. Since there are many ways to conceptualize human development, Integralism is pragmatically open to adopting many valid models, such as: the stages of ego development articulated by Loevinger (1976), Kegan (1982, 1994), and Cook-Greuter (1999); the stages of cognitive-moral development conceptualized by Kohlberg (1984) and Gilligan (1982); Fowler’s (1981, 1996) stages of faith/spiritual development; and the levels of individual and collective psycho-social development by the anthropologist Jean Gebser (1949, 1986). Lines of development are conceptualized in terms of Gardner’s “multiple intelligences” (Gardner, 1993), such as kinesthetic, cognitive, emotional, social, moral and spiritual intelligence, etc. Wilber advises that generally people are not equally well developed along all lines of development. Types, the final element of Wilber’s AQAL map, simply refer to a wide variety of qualities or traits that can moderate any stage of development or state of consciousness (Wilber, 2006, p.13). Gender is an important type, as are the Five Factor Model traits (Hogan, Curphy, & Hogan, 1994), and the sixteen Myers-Briggs Type Indicator personality types (Myers & McCaulley, 1985). Integralism is pragmatically open to adopting many well-established theories and models, suited to specific purposes. Wilber’s four quadrants, his AQAL framework, a simplified version of his stage model, and important lines of development for business executives are depicted in Appendix D.6.

Cacioppe and Edwards adopt Wilber’s Integralism as an organizing framework for transformative OD because it “includes the full range of human development potentials that consciousness is capable of, ranging from those of the neonatal period…all the way to advanced maturity and wisdom” (Cacioppe and Edwards, 2004, p. 89). Also, the interactions among Wilber’s quadrants suggest important interrelationships between inner and outer, individual and collective development. They advise:

There are many lines of development… For the individual, these include the moral, cognitive, spiritual and affective lines. Organizations also possess lines of development that can be seen as corresponding to those of the individual… [including] internal culture, goals, customer and community relations, ethics and corporate morals,
marketing, governance and leadership. Each of these lines will develop through the spectrum of levels in each of these quadrants. (2004, pp. 89-90).

Since these quadrants are inextricably inter-connected, “a healthy organization [and society] will always show a balance between its interior cultural life and its exterior functional life at both the personal and communal levels” (Cacioppe & Edwards, 2004, p. 89). Thus, transformative OD “always results in a dramatic shift in organisational culture and/or behaviour”, viewing “internal change as needing to reflect and address the contingent demands of environmental factors” and also stressing “the importance of internal dynamics” (Cacioppe & Edwards, 2004, p.91). Therefore, integral theory “places emphasis not only on external contingencies and the need for functional fit, but also on the need for the organisation to give expression to its own developmental dynamics. People and organisations often develop in spite of environmental conditions” (2004, p.91).

Cacioppe and Edwards advise that the underlying developmental dynamics of “an integral approach to organisational health requires a balance between growth and integrative processes in all aspects of OD…not only…quantitative growth in such areas as profit, sales, productivity and financial assets, but also the qualitative growth” (2004, pp.91-92). Figure 6.6 illustrates these important transforming processes. They commence with growth processes that involve differentiating (outward) from lower-level orders in which the self “dis-identifies with its present structure and begins to identify with the next higher-order emergent structure”. Working synergistically with these growth processes, are integration processes, in which the “higher order becomes more organised and regular in consciousness and eventually the self identifies with that emergent structure” which is “more complex and therefore more integrated and unified” (2004, pp. 91-92). Shifting identity to a higher-order means practically that the “centre of gravity has moved up”, for example, being transformed from aggressive, competitive and ego-centric to being authentically cooperative, empathetic, “connected…and treating…[others] better without any expectation of reward” (2004, p. 92). In this manner, the “integrally-informed” concept of transformative OD reveals processes of transformative change by which each “successive higher order level is more complex, more organised, and more unified - and development continues until there is total unity” (2004, p. 92). For these reasons, transformative OD “allows for a very detailed analysis of the complex phenomena that
contribute towards development...quadrants, levels, lines and dynamics of development are the means by which Integral theory describes that complexity” (2004, p. 92).

**Figure 6.6: AQAL Growth and Integrative Dynamics**
Source: (Cacioppe & Edwards, 2004, p. 91)

![Diagram of AQAL Growth and Integrative Dynamics](image)

**Transformative OD and Spiral Dynamics Integral**

*Spiral Dynamics Integral*, is the second innovative theory incorporated by Cacioppe and Edwards into their framework of *transformative OD* (Beck & Cowan, 1996/2006). *Spiral Dynamics Integral* is based on the original work of psychologist Clare W. Graves who observed that different ways of thinking and living, individually and collectively, are powerfully affected by stages of psycho-social development (Graves, 1981; Lee, 2002). Grave’s research was distilled and organized by Beck and Cowan into a spiral model of psycho-social development. They explain that as individuals and collectives develop upwards along this spiral, they move to greater complexity, where each of the turns of the spiral represents greater *horizontal expansion and integration*, and higher *vertical elevation and integration* towards increasingly holistic ways of understanding reality. These correspond closely to positive and integrative *IEL* executive agency’s widening of moral scope, and elevation of motivation, as discussed in Chapter 5. These “value system memes”, Beck and Cowan advise, are basically different core models of
human adaptation, individual and collective, to contexts of increasing complexity. There are three components that are essential to understanding these stages of psycho-social development: the life conditions, the adaptive systems, and the way these adaptive codes are expressed in real life - politics, law, economics, business, education, culture, religion, philosophy, and so forth. The life conditions are the problems of existence that people encounter and which varies over time. The memetic code is the ways that people, individually and collectively, come to adapt to the life conditions in which they find themselves. Over time, memetic codes can become increasingly adaptive by evolving into more complex forms capable of sustaining more complex living conditions, or become increasingly maladaptive by degenerating into conditions incapable of sustaining even the simplest living conditions. There are no simple, one-to-one deterministic relationships between specific life conditions and particular memetic codes. Graves observed patterns which are reflected in the Spiral Dynamics Integral model (Graves, 1981; Lee, 2002).

The Spiral Dynamics Integral model, depicted in Appendix D.7 incorporates Wilber’s AQAL framework. The associated colours simply facilitate discussion of the different psycho-social stages. Wilber’s AQAL framework, the cross-sectional slice, ensures a holistic view of all the quadrants at each respective memetic level. The Spiral Dynamics Integral model represents growth and integration along both the vertical and horizontal axes. Along the vertical axis, each of the successively higher tiers represents an evolutionary advance from, and subsumes within it, the adaptive memes of the preceding tier. Also, from the “higher” vertical perspective of the “2nd Tier” (integrative and holistic), each of the “1st Tier” memes are important and necessary stages of human development. Along the horizontal axis, each of the successive rings represents an expansion in diameter from the simpler and more restrictive individual modes of psycho-social focus, development, behaviour and organization, to the more complex and encompassing collective modes of psycho-social focus, development, behaviour and organization. Beck and Cowan (1996, pp.35-103) summarize the key features of each of the successive tiers of the Spiral Dynamics Integral model.

1. The first level “beige” is a basic instinctive, individual survivalist system, where the primary life challenges involves making it through one day at a time. The life conditions in this circumstance present the challenge of physical survival.
2. The second level “purple” emerges, when people, in response to basic challenges to physical survival begin to form and interact within more complex social systems, like tribes and clans. These life conditions present challenges to develop more psycho-socially complex and intelligent means to adapt to these intra/inter realities of clans and tribes.

3. The third level “red” emerges when people adapt through the use of strong, egocentric, assertion of power to satisfy their needs in society. These memes are expressed in the “terrible two’s”, in adults’ expressions of machismo, in corporations’ exclusive and aggressive focus on the bottom line, and in nations whose foreign policy is primarily to assert power and dominance.

4. The fourth level “blue” emerges from the chaos and enmity that ensues in the third level “red”, where the aggressive pursuit of individual interests, fosters recognition of a need for order. This recognition triggers a search for meaning and purpose and a willingness to conform to rules, plan, or code for life that introduces an element of self-sacrifice to obtain a greater reward later.

5. The fifth level “orange” emerges in reaction to the restrictions of the fourth level. Orange celebrates the individual self. Martin Luther ushered in the notion of natural individual freedoms when he asserted that each individual could interpret the Bible on his or her own and create a good life here and now. Although orange is an expansive value system, the focus is on the individual self versus the collective. Beck & Cowan suggest that the orange value system meme is the dominant force today in western industrial society.

6. The sixth level “green” expresses more humanistic, self-actualizing and collective concerns often by people within societies that have achieved a degree of material well-being and security. The green meme involves the awareness that, in the quest for material success, people can lose their souls and what it means to be human. People become satiated with material pursuits and affluence, and begin to ask, “What is it all worth?” and question business, government, and other institutions that divide or bring harm to people. A key preoccupation of the green meme is to eliminate what is detrimental to human growth and self-expression, in the preceding memes.

All of the levels one through six, are part of what Beck & Cowan call the “1st Tier Memes” that revolve around “subsistence values”. The remaining levels, seven and eight, are what they call “2nd Tier Memes”, that revolve around “being values” (Maslow, 1970, 1971).
7. The **seventh level “yellow”** involves a substantial leap to a “second-tier” system. Graves (1981) found that the people he was studying who exhibited these capacities had the ability to make decisions far beyond what any of the other subjects were able to accomplish, and were not so obsessively driven. They tend to have strong internalized moral compasses, are very comfortable with paradox, and understand reality in terms of natural flows. Typically these individuals look at *1st Tier* systems and see there is serious trouble. They wish everyone to live in a world where people can peacefully pursue both individual and collective interests. A key feature of adaptation in the yellow meme is people working together in partnership to help each other evolve along the psycho-social development spiral to clean up and repair the damages produced by the *1st Tier* systems.

8. The **eighth level “turquoise”** integrates the “I-me-mine” perspective with the “we-us-our” perspective. Just as yellow's task is to repair the *1st Tier* systems and heal a wounded world, the turquoise perspective represents the human dialectical ability to embrace all life, and to achieve freedom from the gravitational tug of the *1st Tier* systems, and their various polarities.

In some depictions of the *Spiral Dynamics Integral* model, Beck & Cowan also include a ninth level “coral” to signify that the model is not closed ended and that there may be more stages of development. Table 6.3 illustrates how these *Spiral Dynamics Integral* memes align with Wilber’s stages of development. Appendix D.8 summarizes the forms of organization and leadership Beck & Cowan observed to be associated with each level.

**Table 6.3: Spiral Dynamics Integral Memes and Wilber’s Stages of Development**

<table>
<thead>
<tr>
<th>Memes</th>
<th>Stages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Beige</td>
<td>Pre-conventional</td>
</tr>
<tr>
<td>2. Purple</td>
<td></td>
</tr>
<tr>
<td>3. Red</td>
<td></td>
</tr>
<tr>
<td>4. Blue</td>
<td>Conventional</td>
</tr>
<tr>
<td>5. Orange</td>
<td></td>
</tr>
<tr>
<td>6. Green</td>
<td>Post-conventional</td>
</tr>
<tr>
<td>7. Yellow</td>
<td></td>
</tr>
<tr>
<td>8. Turquoise</td>
<td></td>
</tr>
</tbody>
</table>

**Transformative OD and IEL**

The *Spiral Dynamics Integral* framework elucidates important additional features of transformative OD and its inter-relationships with IEL. Ethically-challenged and teleopathic
business leadership flows inexorably from the conventional 5th level orange memes that predominate in industrial business culture. The more extreme cases of executive moral misconduct are manifestations of preconventional 3rd level red memes. Einstein’s famous dictum “No problem can be solved from the level of consciousness that created it” suggests that these 1st Tier societal challenges require transformative developmental interventions from the 2nd Tier. Therefore, this thesis proposes that IEL transformative OD represents primarily a 2nd Tier perspective – yellow integrative and/or turquoise holistic leadership. Although IEL exercises positive integrative agency in its transforming-developmental interventions at each contextual level, this does not imply a blanket prescription of immediately cultivating 2nd Tier memes in each and every situation. Rather, as Cacioppe and Edwards advise: “[t]he purpose is to match a cognitive mindset with a particular array of life conditions that face an individual or group. Hence it is never the goal…to aim for or promote the highest or even higher worldview structures when life circumstances are not appropriate….While the overall direction of development is for greater integration and tolerance for complexity…each worldview has its own advantages and disadvantages” which must be adapted to suit the specific circumstances (2004, p. 93). Appendix D.9 provides Cacioppe and Edwards’ hypothesized relationships among leader consciousness, organizational behaviour, culture and systems, and suggests potential positive integrative developmental steps for various circumstances. However, they advise that “there have been no empirical studies using integral theory in the OD field to date”. Further research is required “to clarify and establish the validity of the four quadrants, the lines and levels of development in regard to teams and organizations…to establish a clearer understanding of development of teams and organizations…[and] to clarify which interventions affect which quadrants and which levels” (Cacioppe & Edwards, 2004, p.102).

**IEL Transforming-Developmental Leadership**

IEL Transforming-Developmental Leadership adopts this framework of transformative OD, to complete the repertoires within the IEL Tent to articulate how IEL positive integrative agency can promote individual and collective upward progress along the Spiral Dynamics Integral path towards more integrative and holistic adaptive memes. This requires harnessing all of the repertoires within the IEL Tent to generate mutually reinforcing, multi-level, positive
integrative agency. There is substantial research support for three approaches that generate these developmental synergies: (1) cultivating constructive organizational cultures; (2) nurturing learning organizations; and (3) promoting transformative workplace learning. These are not the only possible transformative OD interventions available. Cacioppe and Edwards point out that this is an emerging area which requires further investigation - especially action research. The remainder of this section will discuss these promising components of IEL Transforming-Developmental Leadership.

(1) Cultivating Constructive Organizational Culture

“Organizational culture” has been defined in various ways:

1. patterns of beliefs and expectations shared by members that produce norms which shape behavior (Swartz & Jordon, 1980);
2. shared values (what is important), and beliefs (how things work), that interact with an organization’s structures and control systems to produce behavioral norms (the way we do things around here) (Uttal, 1983);
3. set of symbols, ceremonies and myths that communicate the underlying values and beliefs of the organization to its employees (Ouchi, 1981);
4. glue that holds together an organization through shared patterns of meaning, including: (1) content or core values, (2) forms and processes of communication, and (3) strategies to reinforce the content (Martin & Siehl, 1983).

These concepts can be integrated and operationalized in terms of the shared values, basic assumptions and beliefs that guide the way organizational members behave toward each other and approach their work (Cooke & Rousseau, 1988, p. 252). Organizational culture, conceived this way, is a socially constructed reality, a shared cognitive environment that tells organizational members what is to be believed and valued, how they should behave given these shared beliefs and values, which behaviours will be effective and acceptable in attaining desired outcomes, and what they must do to fit in with the organization. Within organizations these patterns of values and beliefs also become crystallized into shared “mental models” of business practices, management, and leadership which direct the members’ behaviours. These shared cognitions are what Weick (1979) calls the “enacted environment”, within which people
develop an organized view of the world to reduce the equivocality and uncertainty of events...by constructing meanings for events through identifying patterns...The process of interpreting and attaching meanings to these patterns typically involves the efforts of two or more people,...These social constructions, often focusing on the behaviors and interpersonal styles that are expected and rewarded by the organization, exist prior to the entry of a new member into the system. Thus culture provides a premade and socially shared enacted environment to which the individual must accommodate in order to fit in and, in certain cases, to survive (Cooke & Rousseau, 1988, pp. 247-248).

The culture of an organization is shaped by many factors. Environmental factors are for the most part outside of the organization’s control. Of special interest are those culture shaping factors that are within the organization’s control such as; leadership styles, management practices and culture bearing mechanisms (Cooke & Burack, 1987). These culture influencing factors can be directly influenced by IEL executives, which enables them to shape the culture, norms and behaviours of the members of the organization. At the level of the individual these impacts tend to be direct and clearly identifiable. A process involving; admission, socialization or attrition is the primary mechanism. Basically, competent people who fit in gain influence and succeed. Those who do not fit in do not gain influence and fail. Usually those who do not fit in leave the organization because the price of remaining is enduring considerable stress resulting from tensions between personal predispositions and the demands of the culture. This socialization-attrition process is a powerful integrating mechanism which, over time, results in higher concentrations within the organization of people exhibiting similar values, beliefs and personal styles, and increases the intensity and consistency of values, thinking and behavioral styles through the mutually influencing relationships among those who gain admittance and remain members. Over time, a dominant culture emerges with a dynamic consistency in the integrated value and belief systems of its members and subcultures (Cooke & Burack, 1987).

It is important to note that organizations are not monolithic, but rather are characterized by dominant cultures, subcultures and even countercultures. Organizations are in fact forests of cultures. They are strongly sub-cultured as a natural byproduct of the tendencies of organizations to differentiate their operations by geography, functional specialty and hierarchical level, etc. Subcultures by definition overlap with the dominant culture. However, in
the areas in which subcultures do not overlap with the dominant culture, differences in values and beliefs can lead to disagreement and friction among different units in the same organization, for example human resources versus finance, head office versus field sites. In extreme cases, these sub-cultural differences can give rise to insular subcultures, which are isolated by boundary producing factors such as, geography, function, hierarchical level, allegiances to powerful leaders, etc., and even produce countercultures, which do not overlap at all with the dominant culture, but rather are in direct conflict. Conflicts can result in beneficially adaptive cultural shifts, or dysfunction, paralysis and potential destruction of the organization (Cooke & Rousseau, 1988, pp. 248-250).

a) Organizational Culture Styles

The motivations and behaviors promoted by organizational norms can be categorized in various ways. Lafferty (1973) distinguishes between “security seeking” behavior and “satisfaction seeking” behavior. Security seeking behaviours are associated with the fulfillment of Maslow’s lower order needs, particularly basic needs for physical and psychological security and basic needs for social acceptance. Satisfaction seeking behaviours are associated with the fulfillment of Maslow’s higher order needs, such as; basic needs for personal worth, needs for achievement and needs for self actualization. In addition, Lafferty distinguishes between “task oriented” and “people oriented” behaviours. Cooke and Lafferty isolated twelve distinct, but interrelated norm and behavioural styles that reflect the operation of Maslow’s security versus satisfaction orientations, and task versus people orientations (Cooke & Lafferty, 1987; Cooke & Rousseau, 1983; Lafferty, 1973). These twelve styles are grouped into three categories:

(1) Constructive Cultures are those in which behavioral norms and expectations encourage members to exhibit a healthy balance between people and task orientations, and to interact with others and approach their tasks in ways that help them meet their higher order needs. In these cultures, groups and individual members tend to exhibit humanistic, affiliative, achievement, and self-actualizing behaviors.

(2) Passive-Defensive Cultures are those in which behavioral norms and expectations reflect an excessive emphasis on people at the expense of task orientations, and encourage groups and individual members to believe that they must interact with others in non threatening or subservient ways so as not to jeopardize their own
precarious positions in the organization. In these cultures, members tend to exhibit approval seeking, conventional, dependent and avoidance behaviors.

(3) Aggressive-Defensive Cultures, behavioral norms and expectations reflect an excessive emphasis on task at the expense of people orientations, and encourage groups and individual members to approach their work forcefully to protect their status and position. In these cultures, member behaviors tend to be oppositional, power-oriented, competitive and perfectionistic.

Different configurations of these cultural styles may be exhibited simultaneously by the same organization, to varying degrees. Also, since “culture is always a collective phenomenon, which at the same time consists of values held by individuals”, these fundamental orientations are exhibited at the organizational, group and individual levels (Hofstede, 1997; Husted & Allen, 2008, p. 296). Therefore, closely associated with these organizational culture styles, are corresponding group styles (Cooke & Szumal, 1994), and individual styles (Cooke & Rousseau, 1983). These group styles and individual styles are likewise the result of particular combinations of the same task versus person orientations, security versus satisfaction orientations (Cooke & Burack, 1987). Cooke and Burack (1987) have demonstrated that these different organizational culture styles are positively associated with specific organizational outcomes. “Constructive” cultural styles are positively correlated with positive outcomes such as high motivation, high satisfaction, positive human interaction, personal learning and growth and effective teamwork. “Defensive” cultural styles, both “passive-defensive” and “aggressive defensive” styles, are unrelated or negatively correlated with these same positive outcomes. Insofar as constructive cultural styles are instrumental to these valued ends, they are ideal forms of organizational culture (Cooke & Burack, 1987).

b) Cultivating Constructive Cultures

Cooke and Burack (1987) have also demonstrated that different leadership styles and management practices are associated with these various cultural styles. There are many practices that are positively correlated with constructive styles. Praise, task feedback and flexible job design provide extrinsic and intrinsic rewards for achievement-oriented behaviors including; working to attain goals, taking reasonable risks, and pursuing standards of excellence. Autonomy, skill variety, and low risk of negative criticism provide a context within which
members’ higher order needs for achievement and self actualization can manifest and guide their behavior. Members who believe that they are expected to think and behave in constructive ways report that they feel norms are relatively clear, fit in easily, work better together, feel more satisfied and view the quality of their output and services as high. Where members report constructive norms, their superiors report that their motivation and their level of cooperation are high and their tendency to avoid work is low. Also, when members and leaders from various organizations are asked to characterize the ideal organizational culture, they consistently identify profiles of constructive cultural styles. In organizations where the actual cultural style and this ideal are consistent, factors such as satisfaction, motivation and role consistency tend to be high. However, in organizations that differ significantly from this ideal, negative outcomes on these dimensions are reported. Finally, Cooke’s and Burack’s (1987) research suggests that constructive organizational culture styles can be proactively developed and nurtured. In cultivating constructive cultural styles, IEL executives would emphasize rewards and avoid negative sanctions wherever possible, since punishment inhibits the sharing of ideas, trying new ways of doing things, and being spontaneous and optimistic. When problems or mistakes occur, IEL executives would encourage members to figure out what went wrong, generate solutions, and do things better the next time. IEL executives would also spontaneously exhibit non-punitive developmental orientations because they are inherently respectful, and do not put members on the defensive when they err. Psycho-social safety is critical to learning and development, and to preventing members from slipping into maladaptive aggressive-defensive or passive-defensive styles, at the individual, group, and organizational levels (Cooke and Hartmann, 1987).

c) Assessing Organizational Culture

There are three, mutually reinforcing, well-validated instruments that can be employed to assess the extent to which organizations, groups and individuals exhibit constructive styles. Intended for use in organization, leadership, and self-development, respectively, these instruments include: the Organizational Culture Inventory (“OCI”) (Cooke & Rousseau, 1988; Cooke & Szumal, 1993); the Group Styles Inventory (“GSI”) (Cooke & Szumal, 1994); and the Lifestyles Inventory (“LSI”) (Cooke & Rousseau, 1983; Lafferty, 1973). These multi-rater instruments are
especially useful for the purposes of IEL theory, because they integrate findings from the research literature that are consistent with, and mutually reinforce, the leadership behavioural research discussed in the previous sections of this chapter. In addition to being mutually corroborative, the OCI, GSI and LSI assessment instruments are well-validated and are used around the world to assess organizational culture styles and the associated group and individual behavioural norms and styles (Cooke & Burack, 1987; Cooke & Hartmann, 1987; Cooke & Lafferty, 1987; Cooke & Rousseau, 1988; Cooke, Rousseau, & Lafferty, 1987; Lafferty, 1973; Leslie & Fleenor, 1998).

d) Assessing Leadership Impact on Culture

An additional instrument, the Leadership/Impact (“L/I”) assesses the ways and the extent to which leaders cultivate these organizational culture styles, as well as their impacts on effectiveness (Szumal, 2002). The L/I is a multi-rater instrument also intended for use in self-development, leadership development, and organization development initiatives, that provides “executives, managers and others in leadership positions with information regarding their impact on others, as well as the strategies and techniques that account for their impact” (Szumal, 2002, p. 5). Specifically, the L/I provides information regarding the leader’s:

1. leadership strategies, in terms of the extent to which they employ primarily “prescriptive” versus “restrictive” managerial-leadership practices (Yukl, 2002);
2. impacts on others, in terms of the extent to which they motivate others to behave in “constructive” versus “passive-defensive” versus “aggressive-defensive ways”; and
3. leadership effectiveness, in terms of both “personal effectiveness”, “organizational effectiveness”, and “balance” (Szumal, 2002, p. 5).

For a group-level assessment of a leader’s impact, the L/I, together with the GSI, can be administered to a specific group or team. For an organizational-level assessment, the L/I together with the OSI can be administered to departments, functions, divisions, or the entire organization. The L/I’s construct validity, internal consistency, and inter-rater reliability have been well-established (Cooke, 1996; Leslie & Fleenor, 1998, pp. 168-183; Szumal, 2002). These studies have demonstrated significant positive correlations between: prescriptive managerial-leadership behaviours and constructive cultures; restrictive managerial-leadership behaviours and both passive-defensive and aggressive-defensive cultures; and, constructive
cultures and both organizational and personal effectiveness. As well, these studies have demonstrated significant negative correlations between: restrictive managerial-leadership behaviours and constructive cultures; passive-defensive cultures and both organizational and personal effectiveness; and, aggressive-defensive cultures, and both organizational and personal effectiveness. As well, Szumal’s (2002) large scale study provides strong corroborating evidence for the OCI and the GSI, and for significantly positive relationships between Yukl’s managerial-leadership behaviours (MPS), constructive organizational culture styles, and both organizational and personal effectiveness.

(2) Nurturing Learning Organizations

A great deal of management research suggests that organizational effectiveness, efficiency, transformation and ultimately survival, is critically dependent upon learning within organizations. For instance, the ability to learn “faster” than competitors (Dixon, 1992), to identify problems and opportunities and craft solutions to problems through non-traditional methods (Hiltrop, 1998), and to improve organizational performance through leadership and learning (Savolainen, 2000) are considered by many experts to be the primary sources of sustainable competitive advantages in knowledge-based economies. Creating intellectual capital requires a solid foundation of human capital. Consequently attracting, developing and keeping knowledge workers are strategic imperatives (Bratton & Gold, 1999; Dess et al, 2006; Hiltrop, 1998; Marsick & Watkins, 1994). Dess et al. (2006) reflect this conventional wisdom:

Today, more than 50 percent of the gross domestic product (GDP) in developed countries is knowledge-based; that is, it is based on intellectual assets and intangible people skills. Intellectual and information processes create most of the value for firms in large service industries...[and in] the manufacturing sector, [where] intellectual activities like R&D, process design, product design, logistics, marketing or technological innovation produce the preponderance of value added...In the knowledge economy, wealth is increasingly created through the effective management of intellectual assets and knowledge workers instead of by the efficient control of physical and financial assets (Dess et al, 2006, p.101).

The fundamental importance of human and intellectual capital requires executives who can foster learning organizations (Boud & Garrick, 1999; Garrick, 1998; Watkins & Cervero, 2000).
There are many descriptions of the learning organization, the key features of which are summarized below (Yeo, 2005):

1. *Theory in action*: In a learning organization all of the knowledge has to be generalized and crafted in ways that make it actionable. (Argyris, 1993)

2. *Renewal*: Organizational learning renews the connection between employees and their work, which will spur the organization to create its future. (Braham, 1996)

3. *Organizational change*: Organizational learning is the ability to adapt and utilize knowledge as a source of competitive advantage. Learning must result in changes in the organization’s behavior and action patterns. (Denton, 1998)

4. *Action learning*: A learning organization is linked to action learning processes where it releases the energy and learning of the people in the hour-to-hour, day-to-day operational cycles of business. (Garratt, 1995)

5. *Technological Capacity*: A learning organization has the powerful capacity to collect, store and transfer knowledge and thereby continuously transform itself for corporate success. It empowers people within and outside the company to learn as they work. A critical component is the utilization of technology to optimize both learning and productivity. (Marquardt & Kearsley, 1999)

6. *Cultural Evolution*: The key to organizational learning is helping executives and employees learn how to learn, how to analyze their own cultures, and how to evolve those cultures around their strengths. (Schein, 1996)

7. *Systems Thinking*: Organizational learning involves developing people who learn to see as systems thinkers see, who develop their own personal mastery, and who learn how to surface and restructure mental models collaboratively. (Senge, 1990a)

8. *Team-building*: A learning organization is one that learns continuously and transforms itself where the organizational capacity for innovation and growth is constantly enhanced. (Watkins & Marsick, 1993)

These authors are in general agreement as to the ability of the members of a learning organization to learn and successfully modify their behaviours to adjust to new or changing realities. In order to nurture learning organizations, *IEL* executives must value people highly, invest to continually develop their competencies to continually make valuable contributions to the organization, and support learning at the individual, group and organizational levels to ensure that employees continue to do the right things well throughout their careers (Kofman & Senge, 1993; Marsick, 1988; Senge, 1990a, 1999).
From Senge’s perspective, the **IEL** executive must also build learning organizations through three primary roles, namely; “designer”, “steward”, and “teacher” (Senge, 1990a; Senge, 1990b). As *designers*, **IEL** executives must build into the socio-technical systems and culture of the organization, the conditions for effective learning. As *stewards* they must “naturally see their organizations as vehicles for bringing learning and change into society” (Senge, 1990a, p. 346). Instrumental to this, the **IEL** executive must shape and share a personal vision or “purpose story” which supports the organization’s strategic, moral and societal aims, goals and objectives, but also encompasses the purposes of human evolution through learning. Through the implementation of this broader purpose story, the **IEL** executive leader becomes the *steward* of that vision. Finally, as a *teacher* facilitating this evolution, the **IEL** executive must “influence people to view reality at four distinct levels”, events, patterns of behaviour, systemic structures, and the purpose story (Senge, 1990a, p. 353). Also, from Senge’s perspective, the **IEL** executive must support this kind of deeper, transforming learning through role modeling self-leadership and the “five disciplines”. Senge’s five inter-related disciplines: personal mastery, mental models, shared vision, team learning and systems thinking, form an ensemble of capacities that provides vital energy to build and continually enhance capacities for self-renewal, and upward progress along the *Spiral Dynamics Integral* path.

(3) Promoting Transformative Workplace Learning

**IEL**’s *transformative OD* perspective necessitates a paradigm shift in conventional forms of workplace development. Conventional learning at work involves the acquisition of knowledge and skills that are developed over the span of an individual’s career. This is important, but transformative workplace learning also encompasses the acquisition of new cognitive processes and maps, as well as higher levels of ego, cognitive-moral, and spiritual and wisdom development. From both a conceptual as well as an operational perspective, transformative workplace learning requires people to learn how to *be* different, to *think* differently, and to *behave* differently (Kim, 1993). This kind of workplace learning is deep, context-specific, and involves processes of “formal”, “informal” and “incidental” learning. Many of these definitions are debated. For the present purposes, *formal learning* refers to intentionally constructed learning activities, in which control is usually exercised by people other than the learners, and is
less self-directed (Garrick, 1998). *Informal learning* refers to unplanned, unintentional or independent learning acquired from daily life experience, including *incidental learning*, which is typically a by-product of some other activity, such as trial and error (Marsick and Watkins, 1990). With informal and incidental learning, control is usually in the hands of the learner and is more self-directed (Garrick, 1998). Many research studies suggest that the majority of workplace learning is informal and incidental, in which learners use a number of processes including: independent reading, learning from experience, and learning from others (Bennis and Nanus, 1985). Especially important forms of learning are associated with challenging assignments, social relationships, and handling crises (McCall et al., 1988). In addition there are important forms of team-based learning, described by Schon (1983) and Mezirow (1991) as dynamic processes and synergistic modes of learning. Experimentation, boundary crossing, challenging established practices, and intensive learner participation, are among the learning processes associated with synergistic team-based learning (Dess et al, 2006, pp. 304-314). Zemke (1985) suggests that over 80% of workplace learning comes from experiences such as these. Matthew and Candy (1999), suggests that as much as 90% of learning at work actually occurs incidentally. The greatest informal learning of this kind occurs in contexts characterized by structures which allow latitude for decision-making, critical reflection and individual experience (Finestone et al., 1986). Constructive organizational cultures provide the ideal contexts.

Mezirow (1977, 1981), emphasizes the importance of transforming existing perspectives and mental paradigms in transforming-developmental workplace learning. He explains that perspective transformation is the “emancipatory process of becoming critically aware of how and why the structure of psycho-cultural assumptions has come to constrain the way we see ourselves and our relationships, reconstituting this structure to permit a more inclusive and discriminating integration of experience and acting upon these new understandings” (Mezirow, 1981, p. 6). In Mezirow’s view, perspective transformation is achieved through a kind of philosophical reflection – a deliberate assessment of the justification of beliefs, ideas, values, and feelings. Participants unearth and reflect upon existing paradigms, so that they might be challenged and where appropriate, modified. By using critical reflection as a tool for learning from prior experience, they experience “double loop learning” to produce significant
transformations. Brookfield observes: “[w]hen criticism of prevailing workplace norms is encouraged in some form of collective forum ... leaps of imagination that take companies beyond currently accepted modes of production are more likely to take place. Critical thinking, then, can be seen as the central element in improving organizational performance” (1987, p.139). Transformative workplace learning, conceived in this way, is central to liberating executives and organizational members from the *disintegrative* influences of business culture.

Garrison observes that in the real world, these paradigms are unconscious and murky, the problems are messy and ill-defined, and the process of rethinking tacit knowledge, or “reflection-in-action”, is a very difficult skill to cultivate (Garrison, 1991, p. 295). Even finding the time and energy to reflect is difficult for double-booked, overworked and chronically sleep-deprived business people. Similar constraints apply to coaches and gatherings with peers for team-based learning. These helpful processes can easily devolve into “just thinking”, unless members are given the training and skills for reflecting-in-action productively, and the time for individual reflection, with a coach or with peers (Daudelin, 1996). Therefore, *IEL* executives must work to attenuate or remove barriers to learning, which include: dynamic complexity, limited information, misperceptions about feedback, flawed cognitive maps, mistaken conceptions of causal relations, unscientific reasoning, erroneous conclusions, defensive routines, and failures in implementation (Sterman, 1994). They must also devote substantial time and effort to overcome resistance to learning that is caused by: jealousy, machismo, paternalism, groupthink, fear of upsetting others, and the obsession with short-term operating results (Snell, 1990). These are very significant challenges. However, the payoff is that the most powerful forms of transformative workplace learning occur as people struggle to make sense of the problems and challenges in their turbulent worlds, and work out ways to do something positive about them. The processes of *IEL Transforming-Developmental Leadership* must provide rich learning opportunities of this very kind.

*Presence*

Senge et al. (2004) advises that it is relatively easy to go through a *single-loop* learning cycle which involves *incremental* change that reinforces existing beliefs and values. This is the stuff
of transactional management which changes primarily what people do. Going through a double loop learning cycle is more difficult. Transformational leadership changes existing mental models and motivations – essentially changing what people think, value and do. However, transformative workplace learning also enables people to cultivate transforming developmental influences that fundamentally change human “being” and “willing”, which in turn, change what people experience, think, value and do (Skowlimowski, 1996, p. 82). Like Miller (1994), Senge et al. advise that this requires appreciating the nature of wholes, and how parts and wholes are inter-related.

Our normal way of thinking cheats us. It leads us to think of wholes as made up of many parts, the way a car is made up of wheels, a chassis, and a drive train. In this way of thinking, the whole is assembled from the parts and depends upon them to work effectively. If a part is broken, it must be repaired or replaced…Unlike machines, living systems, such as your body or a tree, create themselves. They are not mere assemblages of their parts but are continually growing and changing along with their elements…. A part…[is] a manifestation of the whole, rather than just a component of it. Neither exists without the other. The whole exists through continually manifesting in the parts, and the parts exist as embodiments of the whole (2004, pp. 5-6).

They point out that the collective experience of Presence promotes a type of team-based learning, which differs in the depth of awareness and the source of belief, values and action. Senge et al. explain that if awareness never reaches beyond superficial events and current circumstances, then actions become simple reactions. However, if people penetrate more deeply to the larger whole, then their degrees of social integration and positivity increase dramatically. Senge et al. describe collective Presence, in terms very similar to individual contemplation by Miller (1994), integrative consciousness by Maslow (1971), and flow by Csikszentmihalyi (1990). Collective Presence is an inward-bound journey that leads people to experience what Jonas Salk described as tapping into the continually unfolding “dynamism” of the universe, and experiencing evolution as “an active process that…I can guide by the choices I make”. They note that Salk felt that this ability had enabled him to reject conventional wisdom and develop the polio vaccine that eventually saved millions of lives (2004, pp. 10-11) – a classic example of positive deviance.
Group Flow and Co-Creativity

Moreover, Senge et al. advise that Presence “lies at the heart of all creativity, whether in the arts, in business, or in science” (2004, p. 13). Armstrong concurs, pointing out that for the same reason “the individual can order the normally scattered self to produce a momentarily well-ordered consciousness”, what Csikszentmihalyi calls flow, “the same process could happen on a larger scale within a group of people” (2008, p. 102). Sawyer notes that individual flow and group flow are related emergent phenomena, but with a few important differences. Individual flow is the individual’s state of consciousness, and group flow is a property of the entire group that “cannot be reduced to psychological studies of the mental states or the subjective experiences of the individual members of the group” (Sawyer, 2003, p. 46). Sawyer conceptualizes this phenomenon of group flow as: “a collective state that occurs when a group is performing at the peak of its abilities” (Sawyer, 2003, p. 167; 2006). Collective Presence facilitates group flow of various forms that generates what Nakumura and Csikszentmihalyi (2001) call catalytic co-creativity, which results in highly creative team output.

For instance, Sawyer describes some groups, like jazz bands, that experience more process-oriented forms of group flow, and others, such as engineering design teams that experience more product-oriented forms of group flow. Sawyer explains this in terms of a model in which “group flow is more likely to occur when the degree to which the group must attain an extrinsic collective goal is matched by the number of pre-existing structures shared and used by the performers” (2003, p. 167). These structures include: (1) an outline of the performance that all participants know in advance; (2) a shared repertory of cultural symbols, knowledge and information, with a shared understanding of how they are to be used; (3) defined roles for each of the performers, depending on the nature of the group; and (4) common agreement on the conventions and tacit practices governing interactions within the group (Sawyer, 2003, 2006). “The greater the number of shared structures there are, the more restrained and predictable the performance of the group will be. If there are too few shared structures, there will not be enough to direct group members and the results will be uncontrolled, random, and ineffective (Armstrong, 2008, p. 103). An improvisational jazz band does not know ahead of time what its performance will be (an unknown extrinsic goal), although it still has the intrinsic goal of being entertaining as it experiences group flow through the process. An engineering design team usually has a known extrinsic goal, and is thus performing creative problem solving in its group
flow (Kratzer, Leenders, & Van Engelen, 2008; West, 2002). Armstrong advises that “[a]chieving group flow involves finding a balance in the relationship between the number of shared structures and the nature of the collective goal (extrinsic or intrinsic). The more extrinsic the goal, the more shared structures are required to ensure that the group is able to achieve this goal in an effective manner. When there is no extrinsic goal…then fewer shared structures are required, and the group’s performance can be more exploratory and improvisational (Armstrong, 2008, p. 103).

**Communitas**

The culmination of, or attendant with, collective *Presence*, group flow and catalytic co-creativity are states of profound social integration. There is a growing body of social anthropology research (Olaveson, 2001) into this social phenomenon, called “collective effervescence” by Emile Durkheim (Fields trans, 1995) and “communitas” by Victor Turner (1995). Within *communitas*, participants dialogue with each other in a deeply authentic manner, as opposed to through their artificial, socially-constructed organizational roles and positions of status (Turner, 1995, pp. 131-132). This *communitas* or “deep community” both requires and reinforces loosely structured and undifferentiated relationships, which contrast with hierarchical, well-defined relationships. Forms of highly egalitarian and participative relational leadership emerge that are essential to this group dynamic. According to Turner, two types of *communitas* can emerge – “spontaneous” and “normative”. *Spontaneous communitas*, or what hippies used to call a “happening”, is the basis for many utopian movements both past and present. By contrast, *normative communitas* takes longer and more conscious direction to develop, because of the need to mobilize resources and develop socio-technical structures and systems that help members of the group successfully achieve individual and collective goals. *Transformative OD* within business organizations would focus exclusively on cultivating the positive integrative outcomes of normative *communitas*. In this regard, Turner observes that in many contemporary efforts to nurture and build *communitas*, the intrinsically pleasurable experience becomes an end in itself. Therefore, a key leadership challenge in *transformative OD* is to help unfold and then channel these group energies away from momentary, spontaneous *communitas*, in order to face the necessary hardships of *normative communitas* in which “decisions have to be made,
inclinations sacrificed to the wishes and needs of the group, and physical and social obstacles overcome at some personal cost” (Turner, 1995, p. 139). The various positive and integrative IEL leadership repertoires are ideally suited to addressing these challenges of transitioning from spontaneous communitas into normative communitas.

**Summation of IEL Behaviours and Practices**

Working synergistically together, the full IEL “repertoire of repertoires” promotes upward progress along the Spiral Dynamics Integral path towards positive integrative adaptive memes. These repertoires have many mutually reinforcing interconnections, as outlined in Appendix D.10. The entire IEL “repertoire of repertoires” is summarized down the left-hand column of Appendix D.10. The separate IEL repertoires are identified across the horizontal axis. The specific references within each column are drawn from Appendix D.1. These positive interconnections are of various kinds: identical, similar or related features, common topics or foci, etc. Reading across each row identifies what each IEL sub-repertoire contributes to our understanding of the whole IEL repertoire of repertoires. For instance, the row labeled (2) SuperLeadership reveals that in addition to IEL Contemplative Self Leadership, each of the other IEL repertoires emphasizes the importance of role-modeling self-leadership, and of cultivating this capacity within others. In effect, each of these interconnections is a conjunction, transition zone, or potential bridge that unites these various leadership theories (Lewis & Grimes, 1999, pp. 673-676). It is clear from Appendix D.10 that Yukl is quite correct in his observation that “[w]hen the different approaches are viewed as part of a larger network of interacting variables they appear to be interrelated in a meaningful way” (Yukl, 2006, p. 445). In this thesis, the integrating lens is positive and integrative executive agency.

Since these sub-repertoires of IEL have unique histories, theoretical and empirical foundations, and nuances, etc., they have not been distilled and further reduced. Therefore, IEL is essentially a metatheoretical integration of positive theories of leadership. In this respect, the synergies between IEL Contemplative Self-Leadership and IEL Transforming-Developmental Leadership are especially important. Whereas, Contemplative Self-Leadership practices self-leadership and develops integrative consciousness and flow to unfold the individual’s positive creative
capacities and personal leadership from the *inner-whole-out*, *Transforming-Developmental Leadership* practices *transformative OD* and develops collective *Presence*, co-creative group flow and *normative communitas* to unfold the collective’s positive creative capacities and relational leadership from the *outer-whole-in*. Thus, *Contemplative Self-Leadership* radiates positive integrative influence outward from the individual to the collective levels, while *Transforming-Developmental Leadership* cascades positive integrative influence inward from the collective to the individual level. Thereby, these two repertoires reciprocally *integrate* deep individual positive growth processes with deep collective positive growth processes. In the process they positively unify the individual and the collective. All of *IEL*’s other repertoires, are bounded, inspired, integrated, synergized, and energized by *Contemplative Self-Leadership* and *Transforming-Developmental Leadership*, which harness the power of the farther reaches of human nature (Maslow, 1971) for the individual and the collective good.
CHAPTER 7

IEL Philosophies and Styles

Everyone “enacts” tacit and/or conscious philosophies. These philosophies include basic metaphysical assumptions and beliefs about material and psycho-social reality, the world of things and people, such as: what is “real”; how things “work”; how people behave; how to accomplish things; and how to effectively interact with people. These philosophies also include basic ethical judgments about: moral scope – whom we ought to serve, and for what ends; moral conduct - what means to these ends are ethically acceptable, which rights must be respected and duties observed, and what is fair and just; and moral character – which virtues are important and why they must be cultivated. These philosophies also include epistemological assumptions and beliefs about how to formulate, justify, apply, and trust our “mental models”. Their philosophies, for better or for worse, shape executives’ assumptions, attitudes, perceptions, reasoning, beliefs, purposes, expectations, norms, decisions, and conduct – and consequently their leadership. The IEL “repertoire of repertoires” is reinforced and safeguarded within the IEL Tent by positive and integrative philosophies and styles of leadership. These include authentic, moral, spiritual, servant and wise leadership. This chapter will argue that: (1) they promote forms of positive and integrative leadership; (2) they play important inhibiting roles against conduct that is antithetical to IEL, such as, despotism and Machiavellianism; (3) they act as powerful safeguards against morally ignorant, ethically mute, amoral, immoral, and teleopathic executive conduct; and, (4) their influence is synergistic and ranges across all of the contextual levels.

At the heart of IEL’s Contemplative Self Leadership is: “constructive thought self-leadership”, personal mastery, contemplative practice, integrative consciousness, psychological complexity, and flow. Together they cultivate positive mental models and leadership from the inside out that powerfully shape IEL executives’ SuperLeadership or role-modeling, and practices of shared visioning, team learning and systems thinking. These philosophies significantly influence the ways IEL executives and organizational members approach tasks, people and change in handling the challenges of functional, relational, and facilitative leadership, and their
full range of managerial-leadership responsibilities. As well, they powerfully shape **IEL** organizational strategic management, visionary neo-charismatic, and transforming-developmental leadership. At the heart of **IEL’s Transforming Developmental Leadership**, **IEL** executives’ philosophies determine whether and how they promote evolution towards integrative adaptive memes. Also, to the extent that **IEL** philosophies are influential and enduring shared mental models, they are embedded within organizational cultures as central components of collective meaning-making within business organizations. Through these avenues, authentic, moral, spiritual, servant, and wise leadership, powerfully *shape IEL* positive integrative executive agency. These philosophies are not simply repertoires of behaviours and practices and are not merely constellations of traits. They are influential, enduring systems of shared symbols, beliefs, and values that are essentially “relational”. Consequently, they cannot be fully and adequately addressed within the traditional tripod ontology of “leader-followers-goals”, nor can they be adequately accounted for in strictly behavioural or trait terms. Therefore they cannot be adequately “modeled” by current orthodox social-scientific methods. **IEL** authentic, moral, spiritual, servant, and wise leadership are *not* amenable to definition, exclusively in terms of their behavioural and trait correlates, via reductive, deterministic, factor-analysis.

To a degree, the *moral conduct* component of **IEL** moral leadership, and the *service conduct* component of **IEL** servant leadership, can be usefully operationalized as behavioural repertoires, to provide valuable guidance for **IEL** moral and servant managerial-leadership. However, shopping lists and models of moral and servant behaviours do not fully define **IEL** moral leadership and **IEL** servant leadership. It is another story altogether with **IEL** authentic, spiritual, and wise leadership. Despite their best endeavours to factor-analyze “authenticity”, “spirituality” and “wisdom”, in behavioural and/or trait terms, functionalist social-scientific methods come up seriously short. This is especially true for **IEL** spiritual leadership, which clearly exposes the limits of reductive, deterministic, “objectivist” approaches. Accordingly, this chapter takes a balanced *functionalist* and *interpretivist* approach to appreciating the natures and roles of **IEL** authentic, moral, spiritual, servant, and wise leadership. Appendix E.1 outlines their essential elements. These *prescriptions* are derived directly from the research and sources discussed in detail in this chapter.
Authentic Leadership

This thesis posits that:

\( P.31 \) IEL executives enact authentic leadership, as described by: Avolio & Gardner, (2005); Gardner et al, (2005); Ilies et al., (2005); May et al., (2003); Sparrowe (2005); and, Shamir and Eilam, (2005).

The specifics of this conceptualization of IEL Authentic Leadership are discussed below.

Authenticity

Central to authentic leadership, is what Aristotle called “eudaimonic” character (Avolio & Gardner, 2005), which is captured in the Greek expression “to thine own self be true”. Rogers (1959, 1963) and Maslow (1968, 1971) employed this concept of eudaimonia to describe the functioning of individuals who:

1. are very self-aware and in-tune with their actual natures;
2. clearly understand and accept their constructed identities and life histories;
3. are truthful with themselves;
4. take responsibility for their strengths and weaknesses;
5. hold strong moral convictions;
6. make decisions and behave in accordance with their genuine thoughts and values;
7. are honest and sincere about themselves with others;
8. are not unreasonably encumbered by others’ expectations of them; and
9. manifest integrated, self-actualizing personalities.

(Avolio & Gardner, 2005, pp. 319-322)

Although “authenticity” and “sincerity” are closely related, they are distinct. Sincerity involves honestly and accurately representing oneself to others, and therefore consists in the alignment of one’s reported thoughts and feelings with one’s actual experienced realities (Salmela, 2005). Authenticity involves owning oneself and acting “in accord with the true self, expressing oneself in ways that are consistent with inner thoughts and feelings” (Harter, 2002, p. 382), and therefore consists in alignment within oneself. Authenticity involves a “eudaimonic unity of character”, the integration of a full range of well-developed virtues (Peterson & Seligman, 2004), which generate eudaimonic outcomes - personal expressiveness, self-actualization, flow, self-efficacy, self esteem, excellence, high levels of well-being, and flourishing (Avolio & Gardner, 2005; Ilies, Morgeson, & Nahrgang, 2005; Park, Peterson & Seligman, 2004). This
authentic, integrated, *eudaimonic character* is also evident in self-transcendent, universalized, altruistic values, such as: social justice, equality, broad-mindedness, honesty, loyalty, a sense of responsibility; and positive, “other-directed” emotions, including, gratitude, goodwill, appreciation of, and concern for others (Avolio & Gardner, 2005; Michie & Gooty, 2005).

In an early study, Henderson and Brookhart (1996) showed that “collective authenticity” fosters positive organizational climate and organizational health (Bass & Bass, 2008, pp. 223-224; Henderson & Brookhart, 1996). Using their *Organizational Leader Authenticity Scale* (*“OLAS”*) to define and measure “authenticity”, they demonstrated significant positive correlations, between: (a) leader authenticity and staff authenticity; (b) leader authenticity and both organizational health and positive climate; and, (c) staff authenticity and both organizational health and positive climate. The *OLAS* defines “authenticity” as:

- the extent to which organizational constituents viewed their leader as matching the leader’s words with the leader’s actions in three areas...[1] salience of self over role (i.e., that a real person occupied the...role, instead of a two-dimensional person who relied on the narrow prescriptions of role to justify personal action) ...[2] not manipulating followers (e.g., that constituents in the organization were treated with respect, rather than as objects)...[3] a willingness to accept corporate and personal responsibility for the leader’s own actions and all the activities of the organization (Henderson & Brookhart, 1996, p.4).

This 1996 study provided evidence of acceptable construct validity and internal consistency, and these findings are significant. However, Kernis (2003) advanced the field with his study of “optimal self-esteem” which showed that “optimal and high self-esteem are different from each other” and better conceptualized “authenticity” (Kernis, 2003, p.1). Specifically, Kernis notes:

High self-esteem can be fragile or secure depending upon the extent to which it is defensive or genuine, contingent or true, unstable or stable, and discrepant or congruent with implicit (nonconscious) feelings of self-worth. Optimal self-esteem is characterized by qualities associated with genuine, true, stable, and congruent (with implicit self-esteem) high self-esteem (Kernis, 2003, p.1).

Kernis also found that authenticity is “particularly important in delineating the adaptive features of optimal self-esteem. Authenticity can be characterized as the unobstructed operation of one's true, or core self in one's daily enterprise” (2003, p.1). He advises that
authenticity results in “optimal high esteem”, as opposed to potentially unfounded “high self-esteem”. This is the result of the synergistic operation of its four components:

(1) self-awareness – the awareness and acceptance of one’s own thoughts, feelings, motives, desires, etc.;

(2) unbiased processing of self-relevant information – the undistorted and non-ego-defensive acknowledgement of one’s strengths, weaknesses, and polarities, etc.;

(3) authentic action – behaving in accordance with one’s true beliefs, values, preferences and needs, etc.; and

(4) authentic relations – the valuing and striving to achieve open and honest relationships with others.

Kernis’ conceptualization of authenticity informs Avolio’s and Gardners’s (2005) construct of “authentic leadership”. Although there are slight differences, their ideas are essentially the same. Avolio and Gardner (2005) prefer the term “balanced processing” to “unbiased processing”, arguing that the latter is unattainable because humans are inherently flawed information processors (Fiske & Taylor, 1991; Tice & Wallace, 2003). Rather, authentic individuals consider many sides of issues in a balanced fashion. As well, Avolio and Gardner (2005) feel that the term “relational transparency” better describes “open and honest relationships”. Operating holistically, these four dimensions reflect the unobstructed operation of one’s true self in all spheres of living, both intra-personally and inter-personally.

**Authentic Leadership and Morality**

Avolio and Gardner (2005) developed their concept of authenticity into a theory of authentic leadership, which they propose is a root cause of all positive forms of leadership. Through high levels of self-awareness, positive behaviours, and role-modeling of authenticity, authentic leaders foster other members’ authenticity, which contributes to members’ well-being and high performance (Luthans & Avolio, 2003). Therefore, authenticity is a powerful, positive social force in its own right. Authentic leaders positively impact and morally uplift other people at all levels, individual, team, organizational, and societal (Yammarino, Dionne, Schriesheim, & Dansereau, 2008). Authentic leaders demonstrate:
(a) high self-awareness – of their lives in context, self-identity, values, beliefs, motives, and emotions, etc (Gardner, Avolio, Luthans, May, and Walumba, 2005);

(b) positive psychological capital - confidence, optimism, hope and resiliency (Luthans & Avolio, 2003);

(c) positive moral perspective - high stages of cognitive moral development, ethical and transparent decision-making, moral efficacy and courage (May, Chan, Hodges, & Avolio, 2003);

(d) self-regulation and self-awareness, balanced information processing; open and transparent relations and information sharing; and, integrity and consistency in word and deed, congruent with a strong self-narrative (Deci & Ryan, 1995, 2000); and,

(e) positive behaviours - role modeling, supporting self-determination, positive social exchanges and emotional contagion, and both personal and social identification (Avolio & Gardner, 2005, p. 323; Avolio, Gardner, Walumba, Luthans, and May, 2004; Avolio, Luthans & Walumba, 2004; Gardner et al., 2005).

Ilies et al. (2005), depict these eudaimonic character influences in Figure 7.1. Through positive exchanges with authentic leaders, other members show greater personal expressiveness and self-development, and learn to become more authentic. By developing higher self-awareness, self-regulation, and positive psychological capital, moral perspective, and authentic behaviours, they too experience greater self-efficacy, self-esteem, and flow, and report greater well-being and flourishing (Avolio & Gardner, 2005; Ilies, Morgeson, & Nahrgang, 2005). Avolio and Gardner qualify these influence relationships, observing that a leader’s personal authenticity does not always lead to relational authenticity. This can occur when a leader’s beliefs and values do not fit with other members’ beliefs and values, who therefore do not grant the leader legitimacy (Avolio & Gardner, 2005; Eagly, 2005). Leaders from outside a group, even though they have high personal authenticity, often find it difficult to achieve high relational authenticity. Misattributions related to implicit leadership theories and group social identity present significant hurdles to achieving the requisite acceptance and legitimization. However, over time, participative and transformational leadership can help bring about greater convergence and eventual legitimization (Avolio & Gardner, 2005; Eagly, 2005).
Figure 7.1: Authentic Leadership Eudaimonic Developmental Influences
(Source: Ilies, Morgeson, & Nahrgang, 2005, p. 377)

Figure 7.2: The Moral Components of Authentic Leadership
(Source: May, Chan, Hodges, & Avolio, 2003, p. 250)
May, Chan, Hodges, and Avolio (2003), argue that morality and authenticity are essential to each other, and describe complex relationships between morality and authenticity, in authentic leadership, as in Figure 7.2 above. This model focuses upon developing “positive ethical virtues and principles that can be fostered in leaders, employees, departments, and entire organizations” (May et al., 2003, p. 250). They advise that authentic leaders create ethical, just and caring cultures and climates that: recognize and celebrate the intrinsic worth of all stakeholders; support ethical reasoning; and emphasize firm, core moral principles in making difficult decisions. As a consequence, members view decision making within the organization as ethical, just and fair. Also members can safely exercise their “voice” to make sure leaders are aware of problems. Rather than being punished as “whistleblowers”, members who take a stand become heroes and role models. Their authentic moral behaviors, in turn, are emulated by others and they become the catalysts by which authentic cultures and climates develop and thrive. Over time, an ethical reputation develops that attracts authentic people to work for these organizations, who build further momentum for upward progress (May et al., 2003, pp. 249-250). Within these organizational contexts, leaders have the freedom to choose how to act upon moral issues, and to make decisions that are in accordance with their moral beliefs and values, while being fully cognizant of how their actions will impact others. This enables them to better address, as they arise, moral issues of varying intensity. Moral intensity depends upon the likelihood, proximity, scope, distribution, and severity of the consequences for others. Authentic leaders are sensitive to and accurately assess these dimensions in judging the intensity of the moral issues with which they are regularly faced (May et al., 2003, pp. 251-252).

Authentic decision-making involves three steps that are dependent upon cognitive-moral capacity: recognizing moral dilemmas; transparently evaluating the alternatives; and developing intentions to act authentically (May et al., 2003, pp. 252-253). Authentic leaders draw upon their cognitive-moral capacity, core values and principles, and moral experience to detect moral problems and determine what is right and wrong. In a sense, they are “open ethical systems” - constantly updating what they have, to deal with difficult moral problems (May et al., 2003, pp. 252-253). Upon framing a moral problem, authentic leaders transparently evaluate the available alternatives. These deliberations are kept open, and the process accessible, to the greatest extent possible. Authentic leaders are likely to focus on both the outcomes and the
obligations or duties they have, and the rights of the stakeholders, in order to do what is fair, just and mutually beneficial. Authentic leaders do not hide their moral reasoning from stakeholders, but make it transparent, because they trust their own moral judgment (May et al., 2003, p. 254). Authentic leaders intend to act in ways that are aligned with their moral evaluations and their genuine beliefs about what is the “right thing to do”, and act accordingly (May et al., 2003, p. 254). Authentic behaviour involves authentic moral action, sustained over time, which requires moral efficacy (May et al., 2003, p. 255). Once an authentic leader has chosen a moral course of action, he or she acts on these intentions. Authentic organizational culture and climate combine to support ethical action - not discourage it (May et al., 2003, p. 255). To be known for integrity, organizations, their leaders, and their members must genuinely commit to sustained authentic moral action. The entire integrated system of authentic moral leadership provides the requisite reinforcement for doing the right things over the long haul (May et al., 2003, p. 256).

Authentic leadership development is “arguably the most important portion of the model”. The main components are (1) moral capacity, (2) moral courage, (3) moral resiliency, (4) moral efficacy, and (5) self-awareness and reflection. They advise: “Based on previous research, each of these can be developed and can influence the moral actions of leaders and, ultimately, the actions of others in the organization”. However, they stress the importance of selecting leaders who are already highly authentic, providing strong support for their authentic moral leadership, and ensuring that they are rewarded for developing longer-term orientations and for taking authentic moral actions in the face of pressures to do otherwise (May et al., 2003, p. 255).

(1) Authentic leaders possess the cognitive-moral capacity to recognize ethical problems. This capacity depends upon: how he or she views the leadership role; his or her perspective-taking ability; and his or her experience with moral problems. Authentic leaders view their roles as being responsible for acting ethically in the best interests of stakeholders. They can effectively take many different perspectives in investigating moral problems, and place themselves in the shoes of others, to understand the consequences of their decisions before they act. This capacity enables them to view the world in complex terms, think with great depth, resolve paradoxes, and grasp the moral implications of different situations. Their learning from previous moral experiences and their “moral mental models” facilitate both their moral recognition, and their ethical problem solving (May et al., 2003, pp. 253-254). (2) Moral courage is one outcome of
moral efficacy and involves the fortitude to act in accordance with one’s authentically ethical intentions, despite strong pressure from outside influences to the contrary. Moral courage is often the only difference between authentic and inauthentic action (May et al., 2003, p. 255). (3) Moral resiliency is a second outcome of moral efficacy. A morally resilient person can positively adapt in the face of significant adversity or risk. Whereas the morally courageous leader has the fortitude to initially act authentically, the morally resilient leader can continually adapt and cope with threatening situations and changing circumstances. Consequently, moral resiliency influences whether authentic moral actions are sustained over time (May et al., 2003, p. 256). (4) May et al. (2003) do not fully discuss moral efficacy, other than to say that it is manifested in moral courage and moral resilience. However, the conceptualization of “efficacy” by Hannah, Avolio, Luthans, and Harms (2008) is directly applicable. They advise that “Bandura (1997) states that efficacy is the most pervasive among the mechanisms of agency and provides a foundation for all other facets of agency to operate” (Hannah, et al., 2008, p. 669). Efficacy affects “whether individuals’ think in self-enhancing or self-debilitating ways, how well they motivate themselves and persevere in the face of difficulties, the quality of their well-being and their vulnerability to stress and depression, and the choices they make at important decision points” (Bandura & Locke, 2003, p. 87; Hannah, et al., 2008, p. 669). Extending this to moral efficacy implies self-enhancing ethical thought patterns, as in ethical self-leadership processes (VanSandt & Neck, 2003). Within a supportive culture, this would cultivate moral leadership efficacy among all members, through processes akin to SuperLeadership (Manz & Sims, 1991). (5) Ultimately, “authentic people are at the center of authentic leadership” which includes “authentic followers, authentic team leadership, and at the organizational level, authentic cultures” (May et al., 2003, p. 249). This requires every member to be a self-aware and reflective individual “who is an integrated and balanced person who treats ethical behavior as part of his/her personal life, and his/her organizational life” (May et al., 2003, pp. 249-250).

**Authentic Leadership General Framework**

Gardner, Avolio, Luthans, May, and Walumba, (2005) present a general framework that integrates all of the foregoing elements of authentic leadership in Figure 7.3. They advise that authentic leaders and members alike bring to the table, their personal authenticity cultivated
through attainments, dispositions and competencies developed throughout their lives. From this foundation, role-modeling of personal authenticity, self-awareness, and self-regulation generates relational authenticity and mutual influence that develops reciprocally-supportive cultures that are inclusive, ethical, and positive-strength-oriented. Within such contexts, leaders and members continue to develop high self-awareness and self-regulation, positive moral perspective, positive psychological capital, and positive behaviours (Avolio & Gardner, 2005; Luthans & Avolio, 2003). These in turn produce member trust, engagement, and work-place well-being, and verifiable, sustainable superior performance (Gardner et al., 2005).

**Figure 7.3: Authentic Leadership General Framework**

(Source: Gardner, Avolio, Luthans, May, and Walumba, 2005, p. 346)
Verifying Authentic Leadership

Authentic leadership is a relatively new conceptualization, and further research is required (Cooper, Scandura, & Schriesheim, 2005). Also, “empirical research on authentic leadership has been limited”, possibly due to “the inherent difficulty involved in measuring authentic leadership” (Cooper et al., 2005). However, Walumba, Avolio, Gardner, Wernsing, and Peterson (2008) recently developed and tested a measure of authentic leadership based upon the foregoing theories. Their Authentic Leadership Questionnaire ("ALQ") defines authentic leadership in terms of “leader self-awareness, relational transparency, internalized moral perspective, and balanced processing” and demonstrates “predictive validity…for important work-related attitudes and behaviours, beyond…ethical and transformational leadership” (Walumba et al., 2008, p. 89). The purposes of their validation study were: “(a) to develop and test a higher order authentic leadership measure, (b) to demonstrate the utility of authentic leadership as a construct by documenting its ability to explain additional variance in key organizational outcomes beyond ethical and transformational leadership, and (c) to provide insight into the relationship between authentic leadership and follower job satisfaction and performance”. Their results provided “initial evidence to support…reliability and validity”, but this study only represents “a first step, providing initial evidence of construct validity…additional research is necessary to further assess the discriminant, convergent, and predictive validity of these component scales with a much broader range of samples and contexts…[and] other variables in the construct’s nomological network, including…servant leadership and spiritual leadership” (Walumba et al., 2008, p. 118).

Moreover, there is an ongoing controversy around the issue: “Does authenticity entail morality?” All of the theories discussed so far presume that authenticity and morality go hand-in-hand. However, there are many who challenge this. Shamir and Eilam (2005) deliberately omit “consideration of the leader’s values and convictions from their conceptualization of authentic leadership, reasoning that a leader can be ‘true to self’ without attaining a high level of moral development or complying with high standards of ethical conduct. Indeed, they and others…question whether authenticity is a good thing among leaders with narcissistic or otherwise dysfunctional personalities” (Walumba et al., 2008. pp. 93-95). Walumba et al.
advance theoretical and definitional arguments (2008, pp. 94-95), to refute these challenges, but their counter-arguments ultimately dissolve when they admit that empirical studies cannot rule-out the possibilities Shamir, Eilam and Sparrowe identify. This is not a trivial issue for IEL theory. For instance, Bass argues that authenticity is required to address a serious problem with his transformational leadership. He argues that authenticity differentiates between “authentic transformational” leaders like Gandhi, and “pseudo-transformational leaders” like Adolf Hitler (Bass & Bass, 2008, pp. 203-207; Bass & Steidlmeier, 1999). However, Price (2003) argues that authenticity alone is not enough “to ground a sufficient response to ethical concerns about transformational leadership” (Price, 2003, p. 67). He advises that “leaders sometimes behave immorally precisely because they are blinded by their own values…and, in some cases, encourage transformational leaders to believe that they are justified in making exceptions of themselves on the grounds that their leadership behavior is authentic” (Price, 2003, p. 67).

IEL theory does not leave this important substantive issue to chance. Rather, IEL requires strong, independent, ethical safeguards against the egoistic and delusional “ethics” to which charismatic business executives (Beyer, 1999; Yukl, 2006, pp. 258-262), political leaders (Friedrich, 1961) and religious leaders (Oakes, 1997) are especially prone. For this reason, IEL Visionary-Strategic Leadership incorporates Conger’s and Kanungo’s (1987, 1994) definition of “neo-charismatic” leadership, and IEL Transforming-Developmental Leadership incorporates Burns’ (1978, 2003) definition of “transforming” leadership. Both neo-charismatic influence and transforming leadership enable IEL’s positive integrative agency to counteract the egoism, narcissism, and “personalized charisma” to which transformational leadership (Bass) is susceptible. Therefore, the IEL Tent treats authentic and moral leadership as interrelated, but separate philosophies and styles of leadership, both of which are of primary importance to IEL - especially within a culture of narcissism, as discussed in Chapter 1. IEL theory also employs a variety of ways and means to “triangulate” this assessment as discussed in Chapter 8.

From a different perspective, Sparrowe (2005) advises that a leader’s life story provides important insights into his or her authentic leadership. Shamir’s and Eilam’s (2005) definition of “authentic leaders…is based on the leader’s self-concept: his or her self-knowledge, self-
concept clarity, self-concordance, and person-role merger, and on the extent to which the leader’s self-concept is expressed in his or her behavior” (Shamir & Eilam, 2005, p. 395). Authentic leaders’ actions are based on their values and convictions (2005, pp. 396-398). A leader’s life story influences members’ attributions about the leader, who assess authenticity via his or her apparent degrees of self-knowledge, self-concept clarity, and the integration between the leader and his or her roles and actions. Shamir and Eilam advise that thereby authentic leadership encourages authentic followership. They note that others follow authentic leaders:

because they share the leader’s, beliefs, values and convictions… rather than because of coercion, normative pressures or the expectation of personal rewards…[They] do not have illusions or delusions about the leader and do not follow the leader because such illusions provide them with a false sense of safety…[Rather, they] authenticate the leader…judge the leader’s claim for leadership as based on personally held deep values and convictions…[and] judge the leader’s behaviors as consistent with his or her beliefs, values and convictions (2005, pp. 400-401).

The role of this deep philosophical and values resonance in the emergence and legitimization of authentic leaders indicates that interpretivist approaches are essential for conceptualizing and verifying IEL Authentic Leadership. In large part, a leader’s authenticity can be conceived as, and verified by, the degrees of self-knowledge, self-concept clarity, and the integration between the leader and his or her roles and actions as revealed within his or her life story (Shamir & Eilam, 2005, p. 395). For this reason, Chapter 9 distills Parameshwar’s (2005, 2006) analyses of the life narratives of ten extraordinary world leaders, to ascertain from their “meaning-making” and “self-concepts”, what contributed to their extraordinary leadership. Similarly, Chapter 10 presents the rich case study of Dr. P. Roy Vagelos’ life story and executive leadership, as told from his perspective. His “meaning-making” and “self-concept” reveal important features of his authenticity, morality, and exemplary leadership that survey instruments cannot possibly tap. These narratives demonstrate that a full understanding of “authentic” leadership, demands balanced functionalist and interpretivist paradigms (Burrell & Morgan, 1979; Morgan, 1984; Morgan & Smircich, 1980). The same holds true for IEL moral, spiritual, servant and wise leadership.
Moral Leadership

As discussed in Chapter 1, western industrial culture is “at the end of a 300-year trend in decoupling the physical world of science, technology, and business from the moral landscape…that leaves people working in an amoral context…[that] produces dissociation from the community” (Reeves-Ellington, 1995, cited in Bass & Bass, 2008, p.206). Therefore, it should come as no surprise, that following “recent ethics scandals in business, government, sports, non-profits, and even religious organizations, people are asking, what is wrong with our leaders?” (Brown & Treviño, 2006a, p. 595). Whereas research into authentic leadership has been dominated by psychologists and needs greater involvement from the humanities to supply needed balance, the situation is the reverse with moral leadership. The study of ethics has been dominated by philosophers. Only recently have social-scientists begun to investigate ethics. Much has been written about ethics from a normative, philosophical perspective, suggesting what leaders ought to do. However, “a more descriptive and predictive social scientific approach to ethics and leadership has remained underdeveloped and fragmented leaving scholars and practitioners with few answers to even the most fundamental questions” such as, “what do ethical leaders actually do?”, and “what is ethical leadership?” (Brown & Treviño, 2006a, p. 595). IEL Moral Leadership integrates IEL moral scope, as discussed in Chapter 5, with IEL moral conduct, as discussed in this chapter, with IEL moral virtue, as discussed in Chapter 8. This thesis posits:

(P.32) IEL executives demonstrate ethical and fair/just managerial conduct, as described by Singer (2000).

(P.33) IEL executives demonstrate ethical leadership, as described by Brown and Treviño (2005, 2006a).

The research by Singer (2000), and Brown and Treviño (2006a) are at the intersection of business leadership, normative ethics, and empirical ethics. Thus, they are leading-edge examples of an integrated empirical ethics approach, as discussed in Chapter 2, and therefore are adopted by IEL theory for its holistic conceptualization of IEL moral conduct. Singer’s (2000) study of “ethical” and “fair/just” managerial conduct, will be discussed first, since it provides essential background for Brown’s and Treviño’s (2006a) model of ethical leadership.
Normative and Empirical Ethics of Leadership

Moral philosophers aim primarily at prescribing abstract standards of behaviour - a normative task that involves evaluation of the “goodness” of behaviour through reflective deliberation (Singer, 2000, pp. 187-188). Moral philosophy justifies what moral behaviour “ought-to-be” (Waterman, 1988). By contrast, moral psychologists seek to discover what moral behaviours “typically are” – an empirical task that requires the observation of behaviours in specific contexts, and the analysis of data by scientific methods. Moral psychology shows “actual” moral behaviour. An integrated empirical ethics approach, combines the normative task of providing justification for moral standards, with the practical task of applying these standards to actual conduct, in this case, to managerial business ethics (Velasquez, 1996). Ideally ethical enquiry would be a unified field, but insular academic disciplines have traditionally enforced an artificial separation of the study of “values” and the study of “facts”. However, recent philosophy of science literature has rejected the “value/fact” dichotomy and asserted that science, especially the social and psychological sciences, cannot be value-free (Kurtines et al., 1990). Also, recent business ethics literature has challenged the separation of these normative and empirical endeavours (Goodpaster, 1983). These theorists have “in general argued against the traditional separatist position in favour of combining these two efforts in ethical enquiry” (Singer, 2000, p. 188; Velasquez, 1996; Weaver & Treviño, 1994; Werhane, 1994). However, this integration “makes the formidable demand on researchers to acquire an extra but necessary expertise in either normative philosophy or empirical psychology …[for] an ongoing exchange of research expertise: normative theories of ethics serve as a sound epistemological basis for generating empirically ascertainable hypotheses and positive theories; results of such empirical efforts are useful in the normative endeavour of prescribing standards of behaviour” (Singer, 2000, p. 188; Velasquez, 1996; Waterman, 1988; Weaver & Treviño, 1994).

Normative and Empirical Theories of Ethics

Classical philosophers, such as Plato and Aristotle, viewed morality as grounded in “natural law”, which presupposes the existence of the absolute “Idea of the Good” (Plato), or the natural “Final Cause” of human life and action (Aristotle). “What is ‘good’ exists either as immutable forms or as the natural purpose of human existence in actualising one’s innate “potentials”
through the exercise of virtues...a natural manifestation of an individual’s inalienable character” (Singer, 2000, p. 188). In modern ethics, two main schools prevail. Deontological ethics is based on moral obligations and asserts the existence of a universal morality which obeys the principles of rights, duties, and justice (e.g., Kant, 1964; Rawls, 1971). Teleological ethics is based upon consequences, which assert that morality consists in acts or policies that produce the best net consequences (e.g., Bentham in Kelly, 1990; Mill in Roger, 1997). What is “good” is defined by rules of utility, such as, “the greatest good for the greatest number”. Postmodern perspectives deny the existence of any universal truths, moral rules, or categorical imperatives. Instead, the postmodern conception of morality is “casuistic”, accepting diverse viewpoints and the co-existence of pluralistic moral judgments on a case-by-case basis (e.g., Habermas, 1983; Rorty, 1979, 1982). However, “both the classical (virtue ethics) and the modern (deontological and teleological) theories of ethics are still the core focus of the ethics literature...the moral rules...in these normative theories are...the ‘should’s’ or ‘ought-to-be’s’ in moral conduct” (Singer, 2000, p. 189).

The major psychological empirical theories of morality have their foundations in normative ethics (Kurtines et al., 1990; Waterman, 1988). Taxonomic approaches (e.g., Forsyth, 1980, 1992) concern individual differences in deontological and teleological moral orientations. Cognitive-stage approaches view morality as having a justice-focus based on deontology (Kohlberg, 1981, 1984), or as having a care-focus (Gilligan, 1982). Behaviour-learning theories (e.g., Liebert, 1984) have postmodern, relativistic, teleological orientations, and conceptualize morality as relative to the individual or the socio-cultural context. Socio-analytic or dialectical theories (e.g., Hogan, 1974; Hogan et al., 1978) have their normative foundations in personal conscience, and social responsibility. Interactional approaches (e.g., Haan, 1982; Roussow, 1994) consider morality as an ongoing social dialogue that resolves moral conflict as it arises.

**Normative and Empirical Theories of Justice**

In Classical ethics, “justice” was considered the most essential of the absolute “Moral Ideas” by Plato and the “Sum of all Virtues by Aristotle (Solomon, 1992). Justice referred “to a state of harmonious balance within each individual and with the social community” (Singer, 2000, p.
positive and integrative agency explicitly pursues the classical “state of harmonious balance within each individual and with the social community”. As will be seen, this classical sense of justice does not explicitly factor into Singer’s (2000) definition of “fair/just”, which adopts the modern sense of “fair/just”. Therefore, IEL also adopts Brown’s and Treviño’s (2006) model of ethical leadership, which does not leave this to chance. In modern ethics, “justice” refers primarily to fairness in allocations, involving both due process and due outcome. In Kantian deontological ethics, “justice” involves a balance between moral entitlements and moral obligations, as determined by “pure reason”. Rawls’ approach to “justice” fits very well with IEL agency since it balances individual liberty with the common good, and crystallizes key differences in how an “ethical” versus a “just” executive might address the individualism-collectivism polarity via two rules:

1. Each person is to have an equal right to the most extensive total system of basic liberties compatible with a system of liberty for all.

2. Where they exist, social and economic inequalities are to be arranged so that they are both: (a) to the greatest benefit of the least advantaged, and (b) attached to offices and positions open to all under conditions of fair equality of opportunity.

Consequently, Rawlsian “justice” has different and more egalitarian consequences than utilitarian “ethics”, and thereby better balances what is good for the one with what is good for the many (Boatright, 2006, pp. 79-83; Rawls, 1971). Therefore, IEL also adopts the Rawlsian theory of “justice”. As well, in the psychological models, positive theories of justice are concerned with either the fairness of the final allocation, “outcome justice”, or the fairness of the allocation procedures, “procedural justice” (Singer, 1993; Singer, 1997). Empirical research suggests that “people are typically more concerned with the fairness of the procedure than that of the outcome of an allocation” (Lind and Tyler, 1988; Singer, 2000, p. 190). Accordingly, IEL integrates a classical and Rawlsian orientation to justice, with the practices of both procedural and outcome justice.

Normative and Empirical Dialogue: Ethics and Fairness/Justice at Work

“duty/principle” (Boatright, 2003; Weiss, 2003). These normative criteria provide the basis for an *integrative empirical ethics* dialogue between normative and empirical ethics. Singer’s (2000) study first sought managers’ beliefs about what “ethical and just” work behaviour “ought” to be. These “ought” beliefs were then checked against moral philosophers’ respective normative criteria of ethics and justice in order to ascertain the extent to which managers’ “ought” beliefs reflect the normative rules prescribed by moral philosophers. The study then explored the extent to which the actual work behaviours typically displayed by these managers, as judged by themselves and other non-managerial respondents, is consistent with their *ought* beliefs. This enabled comparisons between peoples’ “ought” beliefs and “is” judgments, for three sample groups: managerial professionals (N = 215: 47% female), the general public (N = 221: 53% female) and university students (N = 211: 71% female). For this study Singer developed two separate questionnaires. The first questionnaire contained items that assess *ethical work behaviour*. The second questionnaire contained items that assess *fair/just work behaviour*. These two questionnaires were administered to the three sample groups. Respondents were asked to complete each questionnaire twice, to provide two ratings:

1. **Ought-rating** - All Sample Groups: “the extent to which you think that, in general, all business professionals should act in a manner consistent with each factor”, and

2. **Is-rating** – (i) Manager Sample Group: “the extent to which you think that, you yourself have acted in a manner consistent with each factor”. (ii) Non-manager Sample Groups: “the extent to which you think that, in general, business professionals have acted in a manner consistent with each factor”.

Singer conducted principal components factor analyses for the three separate samples, and had the items for each questionnaire further analyzed and categorized by expert judges, applying the normative-philosophical criteria of *ethics* and *fairness/justice* discussed above. The respondents’ “ought” ratings exhibited a strong consensus across all of the samples for both the “ethics” and “fairness/justice” factors. The final validated *ethics* and *fairness/justice* work conduct categorizations are contained in Appendix E.2, which provides a comprehensive, normatively and empirically well-validated list of *prescriptions* for ethical and “fair/just” (modern sense) managerial conduct. These prescriptions would form the core of an *IEL* living code of ethics. Also, the respondents’ “is” ratings reveal a predictable pattern. The managers
believe that there are no gaps between how they “ought to” conduct themselves, and how frequently they “actually do” conduct themselves, according to these shared prescriptions of ethics and fairness/justice. However, there is a consensus among the non-managerial samples, that managers far less frequently “actually do” conduct themselves the way everyone agreed they “ought to”. Anand, Ashforth and Joshi (2004) decry such managerial blind spots, advising that despite “laws, regulations, and codes, and the punishments for violation …executives engage in unethical and illegal behavior…[because] they have logic-tight compartments – dishonesty in business and loving care for the family at home. Newcomers to the organization are socialized into corruption” (Anand, Ashforth & Joshi, 2004; Bass & Bass, 2008, p. 209).

**Ethical Leadership**

Brown and Treviño take Singer’s work a step further towards to an integrated model of “ethical leadership” that reflects her prescribed ethical business conduct. Their “social scientific approach to the topic is focused more on describing ethical leadership and identifying its antecedents and consequences” (Brown & Treviño, 2006, p. 596). It also reinforces important features of May’s et al.’s (2003) model of authentic moral leadership. Like self-leadership theory (VanSandt & Neck, 2003), Brown’s and Treviño’s ethical leadership model is grounded in Bandura’s (1977, 1986) social learning theory which “sheds light on why some individual characteristics of the leader and situational influences are related to followers' perceptions of a leader as an ethical leader” (Brown & Treviño, 2006, p. 597). From the perspective of social learning theory, for leaders to be seen as ethical leaders, “they must be attractive and credible role models”, and there are “a number of situational influences and individual characteristics that enhance model attractiveness and credibility” (2006, p. 597). In addition, social learning theory suggests that “individuals learn by paying attention to and emulating the attitudes, values and behaviors of attractive and credible models…[and] look outside themselves to other individuals for ethical guidance” (Brown & Treviño, 2006, p. 597; Kohlberg, 1984; Treviño, 1986). Therefore ethical executives are likely sources of guidance because their power and status enhance their attractiveness and credibility as role models (Bandura, 1986), and draw attention to their modeled behavior, thus making it more likely that others will pay attention to their ethical behaviour. Ethical executives are especially credible “because they are trustworthy
and practice what they preach” (Brown & Treviño, 2006, p. 597). Bandura noted, “…if models do not abide by what they preach, why should others do so?” (Bandura, 1986, p. 344).

Brown’s and Treviño’s ethical leadership model involved exploratory work employing structured interviews with twenty senior executives and twenty ethics compliance officers in a variety of industries (Treviño et al., 2000, 2003). Two important dimensions emerged:

1. “a moral person aspect of ethical leadership, representing…the leader's personal traits, character, and altruistic motivation”, perceiving ethical leaders as “honest and trustworthy…fair and principled decision-makers who care about people and the broader society, and who behave ethically in their personal and professional lives” (Brown & Treviño, 2006, pp. 596-597); and

2. “a moral manager dimension…[that] represents the leader's proactive efforts to influence followers' ethical and unethical behavior…make ethics an explicit part of their leadership agenda by communicating an ethics and values message, by visibly and intentionally role modeling ethical behavior, and by using the reward system (rewards and discipline) to hold followers accountable for ethical conduct…[which] helps the ethical leader to make ethics a leadership message that gets followers' attention by standing…against an organizational backdrop that is often ethically neutral at best” (Brown & Treviño, 2006, p. 597).

Building on these earlier results, and those in the current literature, Brown et al., (2005) conducted seven formal construct development and validation studies, employing the Ethical Leadership Scale (“ELS”). Based upon these studies, Brown et al., (2005) concluded that:

1. ethical leadership is positively associated with, yet empirically distinct from leader consideration, interactional fairness, leader honesty, as well as the idealized influence dimension of transformational leadership;

2. ethical leadership is positively related to affective trust in the leader and negatively related to abusive supervision;

3. ethical leadership is unrelated to either rater demographics or perceived demographic similarity between leader and subordinate;

4. subordinates' perceptions of ethical leadership predict satisfaction with the leader, perceived leader effectiveness, willingness to exert extra effort on the job, and willingness to report problems to management; and,
all of these effects operate beyond the effect of the idealized influence dimension of transformational leadership (Brown & Treviño, 2006, p. 597).

Consequently, Brown and Treviño formulated the following working definition:

ethical leaders are characterized as honest, caring, and principled individuals who make fair and balanced decisions. Ethical leaders also frequently communicate with their followers about ethics, set clear ethical standards and use rewards and punishments to see that those standards are followed. Finally, ethical leaders do not just talk a good game - they practice what they preach and are proactive role models for ethical conduct (Brown & Treviño, 2006, p. 596).

Brown’s and Treviño’s *Ethical Leadership* model is presented in Figure 7.4. The subsequent discussion explains this model, its propositions and implications for *IEL moral conduct*.

**Figure 7.4: Theoretical Framework for Moral Conduct**

(Source: adapted from Brown & Treviño, 2006, p. 596)
1. Situational Influences on Ethical Leadership

Being able to identify a proximate, ethical role model (P1) during one's career is positively related to ethical leadership. Leaders learn from role models by observing ethical behavior as and its consequences. Leaders identify with the role model, internalize the values and attitudes, and emulate the modeled behavior (Bandura, 1986; Brown & Treviño, 2006a, pp. 601-602). An ethical context that supports ethical conduct (P2) is positively related to ethical leadership. The organization's “ethical climate” and “ethical culture” strongly influence ethical leadership (Brown & Treviño, 2006a, pp. 601-602). Ethical climate refers to “the prevailing perceptions of typical organizational practices and procedures…that determine what constitutes ethical behavior at work” (Victor & Cullen, 1988, p. 101). Ethical climate can positively influence managers' ethical decision-making intentions (Flannery & May, 2000; Ross & Robertson, 2000). Ethical culture is a complex matrix of elements in the organization that affect members’ moral reasoning level and ethical behavior (Treviño, 1986). This includes: leadership, authority structures, reward systems, conduct codes and policies, decision-making processes, ethical norms, and peer behavior, etc. Ethical climate and culture are significantly correlated, but have different consequences for behavior (Treviño et al., 1998). Culture elements such as; an ethics code, reinforced by leadership support for ethical behavior, and reward systems that support ethical conduct, have the largest inhibiting effect on unethical conduct (Treviño et al., 1998). These same culture factors, along with; fair treatment of employees, ethics incorporated into daily organizational decision-making, and a focus on employees’ well-being, all promote positive ethics-related attitudes and behaviors (Treviño, et al., 1999). In non-ethics-code settings, a climate focused on self-interest is strongly associated with unethical behavior (Treviño et al., 1998). Accordingly ethical executives cultivate strong ethical contexts to support the development and maintenance of distributed ethical leadership in organizations.

Such organizations provide more models of ethical leadership, formal policies and informal norms that support ethical conduct, and reinforcement of ethical behavior …In such environments, leaders “learn” that ethical leadership is desirable, and they have more opportunities to emulate models of ethical leadership…[I]n an organization that lacks a strong ethical context…leaders who choose to remain in the organization will have to match their style to fit their environment (i.e. adopt a weak ethical or unethical leadership style). Those who are strong ethical leaders will be more likely to leave the organization because of misfit with the organization's climate and culture (Brown & Treviño, 2006a, pp. 601-602).
However, at Kohlberg’s higher levels of moral reasoning, individuals are less susceptible to organizational corrupting influences (Treviño, 1990; Treviño & Nelson, 2007).

2. Moderators of Situational Influences on Ethical Leadership

The moral intensity (P3) enhances the relationship between ethical context and ethical leadership. Moral awareness is the first step in the ethical decision-making process (Brown & Treviño, 2006a, p.602; Rest, 1986). Two dimensions of moral intensity strongly influence moral awareness and ethical intentions: the magnitude of consequences, and social consensus around strong ethical norms (Butterfield, Treviño, & Weaver, 2000; Flannery & May, 2000; Singhapakdi, Vitell, & Kraft, 1996). When the potential for great harm exists, ethical executives consider the consequences of their potential actions and organizational members pay close attention to how they handle these situations. When executives handle these situations in “ethically appropriate” ways, they are seen as ethical leaders. Therefore morally intense situations are “proving grounds for ethical leadership” (Brown & Treviño, 2006a, p.602).

Self-monitoring (P12) also moderates the relationship between social context and ethical leadership. Self-monitoring “reflects individuals' attentiveness to and control of how they present themselves to others. High self-monitors have been likened to chameleons, regulating their self-presentations in order to blend into their social environments. Low self-monitors are less concerned about fitting in, and thus are more likely to behave consistently across social settings” (Brown & Treviño, 2006a, p. 606). The relationship between ethical leadership and self-monitoring is complex. Compared to high self-monitors, who adapt their behavior in order to satisfy the expectations of others, low self-monitors are likely to behave consistently with their core values and principles. However, principled behavior is not necessarily ethically good behavior, because principles can be unethical (e.g., Machiavellianism). Also, adjusting behavior to conform to high expectations for ethical conduct of others is beneficial. Since high self-monitors are more sensitive to social expectations for ethical behaviour coming from the context, they demonstrate more ethical conduct in strong ethical contexts. Low self-monitors are more consistent and true to themselves (ethical or unethical), and less dependent on support from the context (Bedeian & Day, 2004; Brown & Treviño, 2006a, p. 606). Thus, ethical executives establish strong social expectations for ethical behaviour for high self-monitors, and
cultivate ethical principles within low self-monitors. *SuperLeadership* and living codes of ethics are important for both.

3. Individual Influences on Ethical Leadership

There are a many significant individual influences on ethical leadership. Three of *The Five Factor Model* personality traits (Hogan, Curphy, & Hogan, 1994) are especially influential: *agreeableness* (P4) is positively related, *conscientiousness* (P5) is positively related, and *neuroticism* (P6) is negatively related to ethical leadership. Brown and Treviño advise:

1. *Agreeableness*, which reflects the tendency to be trusting, altruistic and cooperative, is the personality trait with the strongest influence on ethical leadership – “by definition, ethical leaders are altruistically motivated, caring, and concerned about their followers and others in society” (Brown & Treviño, 2006a, p. 604; Treviño et al., 2003).

2. *Conscientiousness* reflects the tendency to be responsible and dependable, exercise self-control, carefully plan, and be well organized. “These qualities are consistent with credibility…Leaders who set clear principles and standards must be exact in applying them to themselves and others in order to be seen as ethical leaders. Otherwise, they run the risk of being seen as hypocritical” (Brown & Treviño, 2006a, p. 604). By contrast, those who are less conscientiousness, “are not necessarily lacking in moral principles, but they are less exacting in applying them” (Costa & McCrae, 1992, p. 16).

3. *Neuroticism* reflects the tendency to experience negative emotions such as anger, fear, and anxiety. “Neurotic leaders are thin-skinned and hostile toward others…hardly the qualities that one associates with attractive and credible models. By contrast, ethical leaders are exemplary models who care about and maintain positive relationships” In effect, they are very well-adjusted individuals (Brown & Treviño, 2006a, p. 604).

This is strongly supported by recent meta-analytic studies into *The Big Five* and leadership traits (Bono & Judge, 2004; Judge & Bono, 2000; Judge, Bono, Ilies, & Gerhardt, 2002) as discussed in Chapter 8. Also, *Machiavellianism* (P8), defined as “the use of guile, deceit, and opportunism in interpersonal relations” is negatively related to ethical leadership. These leaders “manipulate others in order to accomplish their own goals…have little trust in people and in turn, tend not to be trusted by others” (Brown & Treviño, 2006a, p. 604). *Machiavellianism* in general has negative ethical effects (Hegarty & Sims, 1978; Ross & Robertson, 2000).
As well, moral reasoning level (P9) is positively related to ethical leadership. Brown and Treviño advise that “leaders who have the capacity for higher level reasoning are more likely to be viewed as ethical leaders” (2006a, pp. 604-605), and they cite Kohlberg's (1984) theory of cognitive-moral development (“CMD”). Specifically: “leaders with more complex moral reasoning will be able to draw on more sophisticated conceptualizations of interpersonal situations, are more likely to think about problems in different ways, and are cognizant of a larger number of behavioral options” (Turner, Barling, Epitropaki, Butcher, & Milner, 2002, p. 305). Also, those who reason at principled levels are more likely to behave ethically in order to achieve consistency between their thoughts, and to avoid uncomfortable cognitive dissonance (Blasi, 1980). Accordingly, “[i]ndividuals who operate at higher levels of moral reasoning are more likely to make principled decisions, demonstrate concern for the rights of others, and value fairness as the foundation upon which relationships are built” (Brown & Treviño, 2006a, p. 605). From a social learning perspective this attracts other organizational members’ attention and enhances their desires to emulate the modeled ethical behavior. Also, leaders with an internal locus of control (P11) tend to exhibit more ethical behavior and demonstrate stronger ethical leadership compared to leaders with an external locus of control (Treviño & Youngblood, 1990). Locus of control (“LC”) is the perceived control that one has over the events in one’s life. People with an internal LC perceive greater control, while people with an external LC perceive that fate or powerful others exert greater influence (Brown & Treviño, 2006a, pp. 605-606). Therefore, internal LC is positively related to ethical conduct since these individuals are likely to “take more responsibility for the outcomes of their actions…and are more likely to make ethical decisions” (Brown & Treviño, 2006a, pp. 605-606). These individuals are also “more action oriented because they believe that outcomes are influenced by their own behavior”. Consequently they “are more likely to stand out and be salient in the social environment”, and experience “more frequent opportunities for others to observe their proactive leader behavior” (Brown & Treviño, 2006a, p. 605).

4. Moderators of Individual Influences on Ethical Leadership

Power inhibition (P7) enhances the relationship between need for power and ethical leadership. Some individuals use power for self-aggrandizement (personalized power), while others use
power with greater inhibition and for the benefit of others (socialized power) (Brown & Treviño, 2006a, p. 604). Brown and Treviño advise that “leaders with high power inhibition who are oriented toward using power for others' benefit will be more attractive than those whose need for power is self-serving” (2006a, p. 604). There are a number of reasons for this. Leaders with higher power inhibition are more effective (McClelland & Boyatzis, 1982; McClelland & Burnham, 1976). Power inhibition is positively related to respect for institutional authority, discipline and self-control, caring for others, and concern for just reward (McClelland, 1975, 1985). Also, from a social learning standpoint “observers are drawn to models who demonstrate care and concern”. In addition, moral utilization (P10) enhances the relationship between moral reasoning and ethical leadership. Having the cognitive-moral capacity to make ethical judgments “does not ensure that one will be seen as an attractive model…that capacity must be utilized so that observers can see this moral reasoning put into action and learn from it” (Brown & Treviño, 2006a, p. 605). Thus, ethical executives demonstrate utilization of this capacity through principled ethical decision-making. Consequently, “the relationship between moral reasoning and ethical leadership will be particularly strong for individuals who are high in moral utilization” (2006a, p. 605). Schminke, Ambrose, and Neubaum (2005), employed the Defining Issues Test (Rest, 1979; Schlaefi, Rest, and Thoma, 1985; Thoma, Rest, & Davison, 1991) to demonstrate that “moral utilization strengthened the relationship between the leader's cognitive moral development and moral climate in the organization” (Brown & Treviño, 2006a, p. 605).

5. Ethical Leadership Outcomes

There are many positive organizational outcomes from ethical leadership. Ethical leadership is positively related to follower ethical decision-making (P13). Ethical executives can influence others’ ethical thinking and decisions, “particularly when the leader is not physically present”, by shaping in advance their ethical learning, thinking, and decision-making. There are several important means: (1) as attractive role models and sources of ethical guidance; (2) via exemplary decisions; (3) through ethical standards; and (4) knowing that the leader will be holding them accountable for their decisions (Brown & Treviño, 2006a, pp. 606-607). These same influences apply to moral reasoning and decisions in work groups (Dukerich, Nichols, Elm, & Vollrath, 1990). Also, ethical leadership is positively related to prosocial,
organizational citizenship behaviour (P14). Ethical executives influence employees' prosocial, organizational citizenship behavior through social learning, as well as through social exchange processes (Brown & Treviño, 2006a, p. 607). Social exchange relationships depend upon trust and norms of reciprocity. Consequently, ethical leadership’s fair and caring treatment contribute to high LMX relationships (Graen & Uhl-Bien, 1995). Therefore, organizational members are more likely to go above and beyond the call of duty for these leaders in contributing to the greater good (Dirks & Ferrin, 2002; Konovsky & Pugh, 1994; Podsakoff, MacKenzie, Paine, & Bachrach, 2000). As well, ethical leadership is positively related to follower satisfaction, motivation, organizational commitment (P16). Ethical leadership is also associated with a number of positive follower attitudes because of its strong positive associations with transformational leadership (Brown, Treviño, & Harrison, 2005), and socialized charismatic influence (Brown & Treviño, 2006b). Meta-analytic studies of transformational leadership research have found that it is associated with members' satisfaction, commitment, and motivation (e.g. Lowe, Kroeck, & Sivasubramaniam, 1996). These relationships are attributed largely to shared values, the care of members through individualized consideration, and the extent to which members identify with these leaders. Brown, Treviño, and Harrison (2005) also found ethical leadership to be associated with satisfaction with the leader and with job dedication (Brown & Treviño, 2006a, p. 608). In addition, ethical leadership is negatively related to counterproductive behaviour (P15). Counterproductive behaviours include; negative social deviance, antisocial behavior, organizational misbehavior, etc. that are harmful to the organization or other stakeholders. Ethical executives’ fair treatment of employees (Greenberg, 1990), socialized charismatic leadership (Brown & Treviño, 2006b), and ethical leadership conduct (Brown & Treviño, 2006a, p. 607) reduce counterproductive employee behavior.

Verifying Ethical and Fair/Just Conduct and Ethical Leadership

Singer’s (2000) practices of ethical and fair/just managerial conduct, and Brown’s and Treviño’s’ (2006a) Ethical Leadership articulate the core requirements of IEL moral conduct. However, obtaining meaningful assessments of ethical and fair/just conduct, and ethical leadership remains challenging. Karren and Zacharias (2007) explain how highly susceptible to “false positives” are direct survey measures of ethics. Alliger and Dwight (2000) also note that
direct survey measures of ethics are highly vulnerable to faking and coaching. Consequently, quantitative survey approaches often include indirect measures of business ethics (Bass & Bass, 2008, pp. 220-226). For instance, business negotiation is inherently unethical and prone to “unethical misrepresentation, false threats, false promises, falsely demeaning the opponent’s best alternative…making a high opening demand and pretending” (Tenbrusnel & Messick, 2001). Therefore, the **Self-Reported Inappropriate Negotiation Strategies Scale** (“SINS”) leverages this fact to assess integrity indirectly by determining the extent to which managers adopt unethical negotiating strategies (Robinson, Lewicki, & Donahue, 2000). However, there are no self-report instruments currently that are capable of assessing forms of intelligent ethical reasoning and conduct in the complicated and nuanced moral issues identified by Hoffmaster and Hooker (2009). Crane (1999) explains in, *Are You Ethical? Please Tick Yes [ ] or No [ ],* “positivist, and highly quantitative approaches…may be at the root of these epistemological problems”. He advises that “more interpretive approaches may offer…stronger and more theory rich” assessment of business ethics”. Consequently he argues “for greater plurality and diversity in empirical research methodologies in the business ethics field” (Crane, 1999, p. 237).

In sum, Singer’s (2000) findings are important for a number of reasons. First, she provides an excellent distillation of the normative and empirical criteria of ethics and fairness/justice to conceptualize *IEL moral conduct*. Second, Singer found that peoples’ subjective “ought” beliefs in business ethics are in close agreement with the normative standards of ethics and fairness/justice, as traditionally prescribed by moral philosophers. Third, she found that there are significant discrepancies between business managers’ perceived conduct and the general consensus regarding how they “ought” to conduct themselves. Fourth, Singer provides further corroborating evidence of executives’ comparative lack of cognitive-moral development, as discussed in Chapter 5. These findings emphasize the importance of *IEL moral character*, as discussed in Chapter 8, which argues that classical virtues inoculate *IEL* executives against the anti-ethical influences discussed in Chapter 1. Singer also demonstrates the possibility of fruitful collaboration between normative and empirical ethics that can serve as the foundations for further *integrated empirical ethics* research into *IEL moral conduct* (Singer, 2000, p. 187). Finally, Singer’s is an effective means to determine the degree of “wide reflective equilibrium” in support of the prescriptions for *IEL moral conduct* (Singer 1997a, 1997b, 1998, 2000).
Brown’s and Treviño’s (2006a) model of Ethical Leadership, which builds upon Singer’s findings, is also a sound, general, model of ethical leadership. This theory does not leave entirely to chance, the classical requirements for “justice”. Positively associated with achieving classical justice, are the individual influences and the situational influences of ethical leadership. The discussion in Chapter 8 investigates this “state of harmonious balance within each individual and with the social community” (Singer, 2000, p. 189). Brown and Treviño (2006a, p. 596) also identify important relationships between IEL ethical and authentic leadership. Whereas some argue that morality is contained within authentic leadership, Brown’s and Treviño’s work implies that authenticity is contained within ethical leadership. The answer to this conundrum is immaterial to IEL since both are construed as independent, interrelated requirements. Brown and Treviño (2006a, pp. 599-600) also observe that authentic leadership, ethical leadership, transformational and spiritual leadership are closely interrelated. Citing Fry (2003), they state that spiritual leadership is comprised of “the values, attitudes, and behaviors that are necessary to intrinsically motivate one's self and others so that they have a sense of spiritual survival through calling and membership” which implies: creating a vision wherein members experience a sense of calling, meaning and making a difference; establishing a culture based on altruism, genuine care, concern, and appreciation for self and others; and, thereby nurturing a sense of membership, of being understood and appreciated (Fry, 2003, p. 711). Citing Reave (2005), they describe spiritual leadership as embodying spiritual values such as integrity, honesty, humility, and trustworthiness, as demonstrated through reflective practice, and the ethical, compassionate, and respectful treatment of others (Reave, 2005, p. 663). They also identify three dimensions of “spiritual leadership articulated by Fry, Vitucci, & Cedillo (2005): vision, which describes an organization's vision and identity; the hope/fatih, and confidence that the vision will be realized; and altruistic love which results from the caring work environment. Finally, they advise that “spiritual leadership's emphasis on integrity, altruism and a consideration leadership style is consistent with…the ethical dimension of leadership, as well as…with transformational and authentic leadership” (2006a, p. 600).
Benefiel observes that “spiritual leadership” is a relatively new concept in business leadership. She applauds the pioneering work being done by leadership theorists, but observes that the “limitations of these studies…lie in their articulation of the ‘spiritual’ aspect of ‘spiritual leadership’” (Benefiel, 2005, p. 726). “In stark contrast” to their treatment of leadership:

the “spiritual” aspect of…their “spiritual leadership” theories wobbles on a shaky foundation. Trained as leadership scholars, these authors know well the scholarly literature on leadership. However their knowledge of the scholarly literature on spirituality (a literature almost exactly the same age as the scholarly literature on leadership) is thin, and so they easily fall into various traps: they inadvertently draw upon outdated, discredited, or shallow approaches to spirituality; they re-invent the wheel; they dip into credible theories of spirituality but then don’t fully develop them or resolve the conflicts among them. While these theories are comprehensive and creative in the context of leadership studies, a more robust, up-to-date, and sophisticated understanding of spirituality is needed if theories of spiritual leadership are to stand up under scrutiny and be taken seriously (Benefiel, 2005, p. 727).

Benefiel singles out for criticism, Fry (2003), cited above by Brown and Treviño, who “draws on Horton (1950), Smith (1992), and …the Christian New Testament for his understanding of spirituality” (2005, p. 727). The consensus among scholars is that “Horton’s continuum of God as Higher Power…[and] Smith’s understanding of the commonality of all religions”, the foundations for Fry’s conceptualization of spirituality, “are naive and have been superseded by half a century of discussion in the academy” (2005, p. 727). Benefiel cites Katz (1978, 1983, 1992), Price (1987), Ruffing (2001), and Wilber (2000b), as contemporary spiritual-thought leaders, whose work is not reflected in Fry’s understanding of spirituality. As well, Fry’s particular New Testament Christian interpretation does not sit well with Christians from many denominations, let alone with people from other faith traditions, or with the growing ranks of spiritually-oriented religious agnostics (Bibby, 2002). In today’s diverse workplace, practicing spiritual leadership from a narrow perspective is playing with fire. Accordingly, this thesis posits:

(P.34) IEL executives enact forms of spiritual leadership, as described by Mitroff and Denton (1999), and Sendjaya, Sarros, and Santora (2008).
The Complexity of Spirituality

Katz (1978, pp. 1-74), describes the depth, breadth, diversity and complexity of human spirituality in general, which is unavoidably shaped by history, and diverse cultural and faith traditions. This complexity renders it virtually impossible to generalize about the nature of spirituality with simplistic formulae. Ferrer (2002) also advises that the data from transpersonal psychology research suggests a complex picture of human spirituality that cannot be accommodated by any reductionistic formulations, without unjustifiably privileging certain human potentials, spiritual paths, and spiritual practices, etc. over others - and doing harm in the process. Fowler (1981, 1996) captures important dimensions of spirituality in his theory of the stages of faith/spiritual development. Parker (2006), states that Fowler’s theory of faith/spiritual development “is one of the most significant models of religious/spiritual development to emerge in the last thirty years; it has influenced religious education, pastoral care, and developmental psychology…has inspired over 200 research projects…and continues to generate debate and appeal” (Parker, 2006, p.337). Fowler conceptualized stages of faith/spiritual development with reference to the work of Piaget and Kohlberg. These stages do not deal with the content of faith/spiritual beliefs, but rather with the structures or “ways of knowing”, or making sense of, and relating to, one’s “ultimate environment” (Fowler, 1981). Fowler conceived of spirituality as a “universal human activity of meaning-making…rooted in certain ‘structures’ (inherent in human interaction) that give shape to how humans construe and relate to self and world” (Parker, 2006, p.337). For Fowler, spirituality is "a dynamic and holistic construction of relations that include self to others, self to world, and self to self, construed as all related to an ultimate environment” (1981, p. 21). It is a human meaning-making process, different from religion, and is rather “a person's or group's way of moving into the force field of life. It is our way of finding coherence in and giving meaning to the multiple forces and relations that make up our lives. Spirituality is a person's way of seeing him - or herself in relation to others against a background of shared meaning and purpose” (Fowler, 1981, p.4). As a gestalt of deeply integrative meaning, it serves as a centre of beliefs, values, and inspiration that impacts all human relations – including leadership. Fowler describes spirituality as “an integral centering process, underlying the formation of beliefs, and values, and meanings, that (1) gives coherence and direction to persons' lives, (2) links them in shared trusts and loyalties with others,
(3) grounds their personal stances and communal loyalties in a sense of relatedness to a larger frame of reference, and (4) enables them to face and deal with the limit conditions of human life, relying upon that which has the quality of ultimacy in their lives” (Fowler, 1996, p. 56).

The manner in which people symbolize this transcendent integrative centre involves theologies, stories, myths, rituals, and philosophies, etc. that are shared with others and that serve to bring people together as members in communities of faith. Fowler’s seven stages of development are summarized by Parker in Table 7.1.

**Table 7.1: Fowler’s Stages of Faith/Spiritual Development**

(Source: adapted from Parker, 2006, p.339)

*Fowler’s Faith Stages*

Beginning with childhood, Fowler (1981) charted a seven stage progression of construing and relating to the "ultimate environment":

**Stage 0: Primal Faith.** Actually a "pre-stage" since the various structures of the subsequent stages are not available for the same empirical verification as the remaining stages. Fowler sees the mutual interaction between infant and primary caregiver during the first, pre-verbal year of life as providing a foundation for faith in the emergence of basic trust vs. mistrust (Erikson 1968).

**Stage 1: Intuitive-Projective Faith.** The acquisition of language marks the emergence of the first true stage which is characterized by the abundant imagination of the pre-school child. This emotional and idiosyncratic faith involves powerful images and a fluidity of thought not bound by the logic of later cognitive structures (cf. Piaget 1970). "God" is a powerful creature of the imagination, not unlike Superman or Santa Claus.

**Stage 2: Mythic-Literal Faith.** Maturation evokes a new way of knowing and engaging the world. The child acquires what Piaget (1970) called concrete operational thought. This new way of seeing and interacting with the world and others allows the child to infer intentions and to perceive continuity to actions; justice is concrete and reciprocal. These abilities, held together by means of a narrative, give rise to a faith in which the ultimate environment is inhabited by a cosmic judge ("God") who guarantees a kind of simple, reciprocal fairness.

**Stage 3: Synthetic-Conventional Faith.** The emergence of formal operational thought brings other possibilities for construing and relating to the ultimate environment. In this stage, meaning-making and committing to values takes on a more interpersonal dimension not previously available. Self-identity and faith are closely tied to valued others, and thought deeply felt, is unexamined. "God" takes on the interpersonal qualities of a good friend.

**Stage 4: Individuative-Reflective Faith.** This stage of faith is characterized by intentional reflection on one's faith and its influence on the self. This intense, critical reflection on one's faith (one's way of making meaning) requires that inconsistencies and paradoxes are vanquished, which may leave one estranged from previously valued faith groups. "God" is the embodiment of principles of truth, justice, love, etc.

**Stage 5: Conjunctive Faith.** Midlife sometimes brings a recognition that the consistencies of one's more reflective faith have come with a price; one may have dismissed other (unconscious) dimensions of knowing. A yearning for a way to bring together the seeming paradoxes of faith may emerge, along with a desire to enlarge the bounds of social inclusiveness. Although one does not naively or uncritically accept contradictions, "God" is seen to include mystery and paradox.

**Stage 6: Universalizing Faith.** Finally, Fowler posits a movement toward a style of "universalizing faith" that seeks inclusiveness while still maintaining firm and clear commitments to values of universal justice and love.
These stages of development constitute a structure that interacts in complementary ways with cognitive, affective, social, moral and wisdom development, but that cannot be reduced to any one of these dimensions. Spiritual development exhibits a structural integrity or wholeness that acknowledges these complex dimensions and “stage progression, when it occurs, involves movement toward greater complexity and comprehensiveness in each of these structural aspects” (Parker, 2006, p. 337). Accordingly, there is a close correspondence between Fowler’s stages of spiritual development, and Kohlberg’s (1984) and Gilligan’s (1982) stages of cognitive-moral development, as discussed in Chapter 8. Unfortunately, “the field of moral psychology has…generally disregarded the significance of religion and spirituality in morality…either by a blanket denial of their importance in the daily lives of the vast majority of people or by a univocal focus on their negative manifestations” (Walker, 2003, p.374).

**Spirituality and Ethics**

However, Walker cites research that provides empirical support for “the validity of James’ notions regarding…the potential significance of religion and spirituality in moral functioning” (Walker, 2003, pp.374-375). In his *Varieties of Religious Experience*, William James (1902/1961) argued that among the criteria of the *authenticity* of religious experience is “moral helpfulness” (James, 1902/1961, p.18), and alluded to the biblical admonition “By their fruits ye shall know them” (Matthew 7:20). James “stated unequivocally that the authenticity of religious life should be judged on the basis of its results – moral helpfulness” (Walker, 2003, pp.373-374). Although James neither confused morality with religion, nor religiosity with spirituality, and acknowledged the maladaptive aspects of certain forms of religiosity, he believed “saintliness…to be evident universally among those with a mature spirituality, including: the conviction of the existence of a higher power, a sense in one’s own life of connection with that ideal power, an abandonment of self (freedom), and the shifting of one’s emotional centre to love and compassion” (James, 1902/1961, pp. 271–274; Walker, 2003, p.374). Walker agrees with James’ contention that mature spirituality “should be evidenced in a range of moral virtues” (Walker, 2003, p.364). He cites Colby and Damon (1992), who performed detailed case study analyses of people who were pre-identified “as leading lives of
extraordinary moral commitment and action” (Walker, 2003, p. 375). Their study yielded several interesting findings:

almost 80% of their sample of exemplars attributed the value commitments underlying their moral action to their religious faith. This finding was particularly surprising in that the nominating criteria reflected nothing that was overtly religious or spiritual in nature. [Also it]…is important to clarify that the religious affiliations of these exemplars and the substance of their faith both were quite varied, but…among their exemplars there was a common “intimation of transcendence: a faith in something above and beyond the self” (Walker, 2003, p.375)

Matsuba and Walker (2004) also examined the psychological functioning of young-adult moral exemplars, as compared to a group closely matched in several demographic variables (gender, ethnicity, age and education level). Matsuba and Walker found that the moral exemplars had attained significantly higher levels of faith development than did the carefully matched individuals in the comparison group. Also “no significant differences in faith development were found between exemplars who identified with a religious tradition and those who did not, consistent with Fowler’s claim that his model taps meaning-making but transcends religion” (Walker, 2003. p. 376). Walker argues that, although further empirical research is required, these studies indicate that “a compelling conceptual case can be made for the relevance of…these constructs for moral action…clearly consistent with James’s claim that the validity of religious experience is evidenced in moral behaviour” (Walker, 2003. p.376).

Epistemic Requirements for the Understanding of Spirituality

The root causes of the lack of a deep and accurate understanding of spiritual leadership are current social-scientific conceptualizations (Benefiel, 2005, pp. 725-726). She notes that most empirical studies of spirituality in organizations have been quantitative (Forniciari & Lund Dean, 2004). Krahnke, Giacalone, and Jurkiewicz (2003) argue that this research offers:

the dispassionate objectivism afforded by the scientific method...Organizations need conclusive evidence connecting workplace spirituality with bottom line performance; anything less would bring into question their fiduciary responsibility to stockholders and their moral responsibility to stakeholders. For workplace spirituality to be a viable construct in improving organizations and the people in them, it requires a degree of confidence we can only attain through scientific measurement (2003, pp. 397–398).
However, “others argue that such studies are not only insufficient for the subject at hand, but may actually be harmful” (Benefiel, 2005, p. 725). Gibbons (2000) warns, that many of these quantitative studies “are highly ‘extrinsic’ in stance, extolling the benefits of Spirituality at Work to productivity”. This is discouraging because it suggests that “Spirituality at Work becomes a ‘project of the ego,’ or is harnessed for secular outcomes (profit)” Gibbons (2000). Lips-Wiersma (2000) articulates this dilemma: “Does spirituality at work only warrant our attention if it contributes to organisational output?...On the one hand spirituality, in its very essence, seeks to go beyond materialistic conceptions of meaning. On the other hand…within the spirit at work field there is a concern that if spirituality is not linked to materialistic outcomes for the organisation, it may never be taken seriously within the world of work” (Lips-Wiersma, 2000, pp. 13-15).

Many scholars “question whether conventional social science as it is now constituted can even adequately measure spirituality” (Benefiel, 2005, p. 726). Lund Dean, Forniciari and McGee (2003), argue that “the positivist, empiricist methodological model is not only insufficient…but may actually harm the discipline by inauthentically measuring and analyzing crucial...variables such as spirit, soul, faith, God, and cosmos” (2003, p. 379). Many scholars advocate alternative research methods based on non-positivist ways of knowing (Benefiel, 2005, p. 726). Benefiel argues that an attentive, intelligent, reasonable, and responsible conceptualization of spiritual leadership can only be achieved by harnessing the epistemic power of paradigm diversity with all the operations of human consciousness. She advises that this requires a fruitful balance between functionalist and interpretive paradigms, as discussed in Chapter 2. The way to achieve this balance is suggested by Lonergan (1957/1972, 1985) who “addresses and moves beyond the subject–object split” by “exploding the common assumption that subjectivity and objectivity are mutually exclusive”. Lonergan focuses upon “the operations of consciousness”, namely “experiencing, understanding, judging, and deciding”, through which human beings “come to know what they know and do what they do” (2005, pp. 729-730). Rather than distinguishing between “subjectivity” and “objectivity”, Lonergan distinguishes between “authentic subjectivity” and “inauthentic subjectivity”. Authentic subjectivity involves developing knowledge by “heeding the inherent norms…which correspond to each of the operations of consciousness”. Operations of consciousness can be usefully described in Jungian
terms (Briggs Myers, 1980; Briggs Myers & McCaulley, 1985; Storr, 1983). “Objectivity”, defined as “authentic subjectivity”, requires the “knower” to heed the norms in Table 7.2.

**Table 7.2: Knowledge Creation and Integrated Authentic Subjectivity**

<table>
<thead>
<tr>
<th>Lonergan’s Inherent Norms</th>
<th>Lonergan’s Operations of Consciousness</th>
<th>Jung’s Integrated Consciousness</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Be attentive”</td>
<td>Experiencing</td>
<td>Extroversion (outer) &amp; Introversion (inner)</td>
</tr>
<tr>
<td>“Be intelligent”</td>
<td>Understanding</td>
<td>Sensing (data) &amp; Intuiting (meaning)</td>
</tr>
<tr>
<td>“Be reasonable”</td>
<td>Judging</td>
<td>Thinking (logic) &amp; Feeling (values)</td>
</tr>
<tr>
<td>“Be responsible”</td>
<td>Deciding &amp; Acting</td>
<td>All of the above</td>
</tr>
</tbody>
</table>

By Lonergan’s account, “objectivity…[is the] fruit of authentic subjectivity” which essentially “transcends the subject/object split” (Benefiel, 2005, p. 730). By Jung’s account, “authentic subjectivity” is the result of the effective operation of the conscious mind, which requires an integrated and balanced commerce between the inner and outer worlds, via extraversion and introversion, as well as the integrated, competent, and versatile exercise of the conscious functions of sensing and intuition, thinking and feeling. This concept: “objectivity = integrated authentic subjectivity”, applies equally to “knowledge” of inner realities, individual and collective, and outer realities, individual and collective. This approach informs the AQAL quadrants of Wilber’s Integralism (2006b), as discussed in IEL Transforming-Developmental Leadership. Integralism holds that no single perspective or paradigm can claim pre-eminence, and that all are required for authentic knowledge. These epistemic principles are also the heart of Anderson’s and Braud’s (1998) Integrative Research paradigm, discussed in Chapter 2, as well as the foundations of the metaparadigm theory-building process employed in this thesis. Viewed from this perspective, integrated authentic subjectivity has profound positive connections with IEL Spiritual Leadership. In order to authentically understand the breadth and depth of spiritual leadership, researchers must relax the grip of functionalism and enter into meaningful dialogue with other paradigms, especially with interpretive methodologies which are essential to appreciating spirituality (Anderson & Braud, 1998). An attentive, intelligent, reasonable, and responsible appreciation of spiritual leadership requires nothing less, than “paradigm diversity” pursued with “integrated authentic subjectivity”.
Sendjaya, Sarros, and Santora (2008) advise that authentic, moral, spiritual and servant, leadership are all value-laden, substantially over-lapping, and complementary philosophies and styles, and that spiritual leadership and servant leadership are especially tightly interconnected (2008, pp. 402-403). They observe (2008, pp. 404-405):

one could argue that servant leadership is embedded in spiritual leadership, in that servant leadership is a manifestation of altruistic love in the action of pursuing transcendent vision and being driven to satisfy needs for calling and membership. However, it would be equally valid to argue the contrary, whereby spirituality is the motivational basis for servant leaders to engage others in authentic and profound ways that transform them to be what they are capable of becoming.

Many authorities confirm that spiritual leadership and servant leadership share common core features, as summarized in Appendix E.3. Both spiritual and servant leaders “are driven by a sense of inner calling and meaning before assisting others” and the “leader’s aspiration to foster leader-follower relationships characterized by shared values, open-ended commitment, mutual trust, and concern for the welfare of the other party…made possible by…unconditional acceptance of others” (2008, p. 405). Sendjaya, et al. advise they are both characterized by:

1. Appeals to virtuous leadership practices and intrinsic motivating factors to cultivate a sense of meaning, purpose, and interconnectedness in the workplace.

2. Attempts to cultivate a holistic, integrated workplace where individuals engage in meaningful and intrinsically motivating work.

3. Finding expression through service, which at the same time becomes a source from which leaders derive meaning and purpose in life.

4. Emphasizing the importance of vision, sensing the unknowable, and foreseeing the unforeseeable.

5. Holding as central, values related to altruistic love, hope and faith, trust, acceptance, humility, compassion, and perseverance.

6. Acknowledging the vital importance of the virtues of authenticity and integrity.
What Forms of IEL Spiritual Leadership Might Work?

Given this understanding, two **pragmatic** questions arise for *IEL Spiritual Leadership*:

(1) Would decision makers within Canadian and American business organizations welcome workplace spirituality and spiritual leadership? (2) What forms of spirituality and spiritual leadership would work in the workplace? Mitroff and Denton (1999) provide detailed answers to both questions. In their study of spiritual beliefs and practices in the workplace, they conducted qualitative in-depth interviews and quantitative surveys with 90 high-level business managers and executives. The unique combination of Mitroff’s perspective and expertise as a professor of management, and Denton’s perspective and expertise as a professor and counseling psychologist, along with their balanced qualitative *and* quantitative methodology, were invaluable to these tasks. With respect to question (1), Mitroff’s and Denton’s study found:

1. “Contrary to conventional wisdom”, the executives who participated in their study, “did not have widely varying definitions of spirituality”. There was nearly unanimous agreement on both the definition and the role of spirituality in peoples’ lives, specifically: “spirituality is the basic desire to find ultimate meaning and purpose in one’s life and to live an integrated life” (Mitroff & Denton, 1999, p. xv).

2. “People do not want to compartmentalize or fragment their lives”. In effect, these executives feel that confining one’s spirituality to outside of the workplace “violates peoples’ basic sense of integrity” and that “the soul is not something one leaves at home”. They especially want “to be acknowledged as whole persons in the workplace, where they spend the majority of their waking time” (1999, pp. xv-xvi).

3. Generally the participants “differentiated between religion and spirituality”. Specifically, religion is viewed as being formal, organized, dogmatic, intolerant and too often divisive and therefore “as a highly inappropriate topic and form of expression in the workplace”. On the contrary, spirituality is viewed as being “informal and personal…universal, non-denominational, broadly inclusive, and tolerant, and as the basic feeling of being connected with one’s complete self, others and the entire universe” and therefore, as “highly appropriate” in the workplace (1999, p. xvi).

4. “People are hungry for models of practicing spirituality in the workplace without offending their coworkers or causing acrimony”. Specifically, these executives are searching for “nondenominational ways of fostering spirituality…to harness the whole person and the immense spiritual energy that is at the core of each person…not only to express their souls, but also to further the development of their innermost selves” (1999, p. xvi).
5. Many “are terribly afraid to even use the words spirituality and soul” and instead use dilute, neutral terms such as “values”. However, a greater number feel that this is a moral cop-out. “Call it like it is and deal with it directly’ was a common sentiment, expressed again and again” (1999, pp. xvi-xvii).

6. There are few models for “practicing spirituality responsibly in the workplace” and these are largely unknown, and not well understood (1999, p. xvii).

7. These executives did not “see spirituality as a ‘soft phenomenon’, or if they did, its softness did not matter”. Rather, many believe that “spirituality is one of the most important determinants of organizational performance…[and] may well be the ultimate competitive advantage”. One senior executive summed it up: “‘This so-called soft stuff is the hardest stuff I’ve ever had to deal with’”. In particular, perhaps the deepest challenge is dealing with “a fundamental paradox: those who practice spirituality in order to achieve better corporate results undermine both its practice and its ultimate benefits. To reap the positive benefits of spirituality, it must be practiced for its own sake…then greater profits can result” (1999, p. xviii).

8. “Ambivalence and fear are two of the most important components of spirituality”. These executives observed that contrary to conventional wisdom, spirituality “does not merely provide peace and settlement: it also profoundly unsettles…to spur us on to constantly improve the human condition”. In short, the executive “who does not fear the tremendous power that is unleashed by spirituality is not on the proper path to its attainment” (1999, p. xviii).

Mitroff’s and Denton’s observations suggest that there are executives within corporations, who are receptive to, and recognize the importance of workplace spirituality and spiritual leadership. Bass and Bass (2008, pp. 213-214) also advise there are many indications of this receptivity, including various forms of contemplative practice that are being introduced into the workplace, that cultivate spirituality which “transcends the physical and the material… providing an ability to experience heightened states of consciousness as well as to sanctify everyday experiences and solve problems” (Emmons, 1999). For many organizational members, this represents “a striving to integrate one’s life and a desire for wholeness in the midst of fragmentation, for community in the face of isolation and loneliness, for meaning and for enduring values” (Pielstick, 2000). Also, Benefiel (2005, p. 725) advises that there is a growing awareness of many veritable, positive, organizational outcomes, specifically: “Trott (1996) discovered a high correlation between spiritual well-being and organizational openness, self-efficacy, and organizational commitment”; Beazley (1997) discovered a positive “correlation between a high level of spirituality and honesty, humility, and service to others”; and, Milliman, Czaplewski, and
Ferguson, (2003) “found that there is a positive correlation between workplace spirituality and such employee attitudes as commitment to the organization, intrinsic work satisfaction, and job involvement”. Accordingly, there appears to be a growing recognition that what is good for the soul is good for business.

In order to address their second question, Mitroff and Denton studied many organizations that were experimenting with workplace spirituality, and identified five common configurations including organizations that are: (1) “religion-based”, (2) “evolutionary”, (3) “recovering”, (4) “socially-responsible”, and (5) “value-based” (1999, pp. 167-185). They proposed a “best-practices model” (1999, pp.177-185), that adopts beneficial features of these five configurations, while striving to avoid their pitfalls. For “most organizations, we expect that none of the pure models will be appropriate…a hybrid model, will undoubtedly be more fitting” (1999, p. 177). They argue that, given the infancy of workplace spirituality, the best bet is “a strategy that is least likely to incur an intense counter reaction by stakeholders” (1999, p. 177). Their “tread lightly” approach emphasizes elements of the values-based model. Although it courts criticism as a “moral cop-out”, this has many advantages. It is “the least controversial, and consequently the least threatening”; it “clearly and succinctly expresses the philosophy that an organization is not to be aligned with any particular religion”; it pursues “spirituality in the workplace in the least offensive language possible”; also, it is the “most inclusive” of the five models (1999, pp.178-179). Their best practices approach also treats “people as ‘whole persons’…[not] fragmented beings whose souls can be cut up and bartered” (1999, p. 182), and therefore adopts the religion-based model’s principle that “spirituality adds a vital dimension to life that is not supplied by any other human agency or activity”, as well “hope and optimism”, and appreciation of the “need for deepening one’s relationship with…one’s higher power” (1999, pp.179-180). Also, from the recovering organization model they adopt the principle that “responsibility must be broadened to include all stakeholders” (1999, p. 181), and its practice of regularly taking stock “to ascertain whether it is living up to its proclaimed ideals of managing in a more spiritual manner without forcing ideas down peoples’ throats” (1999, p. 180). From the evolutionary model, they borrow the practices of: introducing members to “broader philosophical texts”; to “bringing in outside speakers who are knowledgeable about philosophy and spirituality in…nondenominational terms”; to “running regular workshops for the
development of everyone connected with the organization”; and to encouraging “as many daily ‘acts of kindness’ as possible” (1999, p.181). Finally, from the socially responsible model they adopt the principle “set the standard low and start acting responsibly from day one of an organization’s existence” (1999, p.181), and over time, gradually elevate all of the standards.

Through adopting Mitroff’s and Denton’s integrated tread lightly best practices approach, IEL Spiritual Leadership can cultivate spiritual workplaces in ways that are acceptable to business organizations, and are synergistic with authentic, moral, and servant leadership, as described by Sendjaya, Sarros, and Santora (2008). Thereby, IEL spiritual workplaces are not churches, temples or ashrams, nor are IEL executives mystics, prophets, sages, saints, or priests. Rather, IEL executives are committed agents of the kinds of workplace spirituality advocated by Mitroff and Denton, and Sendjaya, Sarros, and Santora, who advise (2008, p. 402), that this kind of leadership is sorely needed in today’s business organizations, which are:

- plagued by systemic problems such as bullying leadership (Einarsen, 1999), abuse of power (Sankowsky, 1995), unethical practices (Currall and Epstein, 2003), toxic emotions (Frost, 2003), social isolation and alienation in the workplace (Sarros et al., 2002), and the violation of employees’ psychological well-being and work-life balance (De Cieri et al., 2005; Thornthwaite, 2004; Wright and Cropanzano, 2004).

**Servant Leadership**

Greenleaf (1970, 1977, 2003), was the first to articulate a theory of servant leadership. He wrote that servant leaders have deep and wide conscious awareness, which nurtures serenity, acceptance, patience and perseverance. This consciousness also produces profound psychological insight, understanding, foresight, empathy and inner resourcefulness (Greenleaf, 2003, pp. 128-129). However, this awareness “is not a giver of solace – it is just the opposite. It is a disturber and an awakener. Able leaders are usually sharply awake and reasonably disturbed” (2003, p. 129) by what is happening in the world. Consequently, authentic, altruistic desires arise to help alleviate these conditions, which in turn, produce a genuine aspiration to lead (2003, pp. 128-129). Therefore, Greenleaf advised, a servant leader is a servant first and foremost (2003, p. 117). As well, servant leaders are highly moral and resourceful, harbour a
profound faith in the nobility of serving the common good, and possess the psychological capital to help those served to “become healthier, wiser, freer, more autonomous, more likely themselves to become servants” (2003, pp. 117-118). In summary, a servant leader, “is sharply different from one who is a leader first, perhaps because of the need to assuage an unusual power drive or to acquire material possessions” (Greenleaf, 2003, p. 117). Accordingly, this thesis posits:

(P.35) IEL executives enact servant leadership, as described by Sendjaya, Sarros, and Santora (2008), and Barbuto and Wheeler (2006).

Inspired by Greenleaf, Spears (1995) investigated the characteristics of servant leaders. Although Spears did not conceptualize this constellation of characteristics as a separate form of leadership, “it did provide the closest representation of an articulated framework for what characterizes servant leadership” (Barbuto & Wheeler, 2006, p. 300). These characteristics are also capacities of authentic, moral, and spiritual leadership, namely:

1. Awareness  6. Healing  
2. Listening  7. Persuasion  
3. Conceptualization  8. Stewardship  
4. Foresight  9. Commitment to the Growth of People  
5. Empathy  10. Community Building

Also, over the past decade, a number of theorists have investigated servant leadership, including: Barbuto & Wheeler, 2006; Farling, Stone, and Winston, (1999); Liden, Wayne, Zhao, and Henderson, (2008); and, Sendjaya, Sarros, and Santora (2008). Sendjaya’s et al.’s conceptual framework reveals strong interconnections among authentic leadership, ethical leadership, spiritual leadership, and servant leadership. Barbuto’s and Wheeler’s (2006) model draws primarily from Greenleaf’s and Spears’ prior work, and also demonstrates strong interconnections among servant leadership, leader-member exchange relationships, transformational leadership, and the leader’s wisdom. In addition, Barbuto and Wheeler have developed and validated a multi-rater instrument for the purposes of verifying the extent to which a leader demonstrates servant leadership behaviours. This servant leadership research provides further confirmation that IEL’s authentic, ethical, and spiritual, servant and wise
philosophies and styles of leadership are distinct, mutually reinforcing, and positively associated with IEL’s positive integrative agency.

**Authentic, Ethical, Spiritual and Servant Leadership**

Sendjaya, Sarros and Santora (2008) have developed a conceptual model of servant leadership that fits well with Brown’s and Treviño’s (2006a) ethical leadership and with Mitroff’s and Denton’s “best practices approach to spiritual leadership. Agreeing with the many authorities who confirm that spiritual leadership and servant leadership share common core features, (see Appendix E.3), Sendjaya, et al. ultimately decided “that spirituality is one of the many dimensions of servant leadership” (2008, pp. 404-405). Pragmatically it does not matter whether their model is positioned as spiritual leadership or servant leadership if the results of its application are the same - it helps IEL executives to cultivate a best practices spiritual leadership and servant leadership orientation. Their model features the centrality of spirituality, and reciprocal relationships between spirituality and service. In addition it has much in common with authentic and moral leadership. Servant leaders combine authenticity, virtuous character, intrinsic morality, spontaneous service motivations, compassion, hope, faith, trust, and an ability to know the “unknowable”. Servant leaders’ spirituality manifests through their service and leadership. Servant leaders are driven by an inner calling to create holistic workplaces where members engage in meaningful and motivating work, experience interconnectedness, and find moral purpose and meaning in life (2008, pp. 403-406).

Sendjaya, et al. (2008) identified these qualities through a 4 step process (2008, pp. 409-418). Step (1) involved an extensive review of the relevant literature (e.g. Appendix E.2). Step (2) involved semi-structured, “snowball” interviews with senior executives, to generate themes and obtain substantive insights into (spiritual) servant leadership. This process yielded 22 sub-dimensions. In Step (3) 101 items were developed and organized into six core dimensions to capture these 22 sub-dimensions. These 101 items were reduced to 88 by a panel of fifteen expert judges. In Step (4) the 88 items were further reduced to 35 items by confirmatory factor analysis and structural equation modeling, which confirmed the unidimensionality of the construct. Although they are currently validating an assessment instrument, their 2008 study
found that the dimensions and sub-scales show acceptable reliability and validity for conceptualizing servant leadership. Their core dimensions of servant leadership are:

1. **Voluntary Subordination** involves a willingness to perform the role of servant, and render service to others whenever there is a legitimate need (2008, pp. 406-407).

2. **Authentic Self** is reflected in service and leadership, integrity, accountability, inner security, humility, and vulnerability, which flow from inner “being” (2008, p. 407).

3. **Covenantal Relationship** is a consequence of authenticity shaping their relationships with others, leading them to: engage with and accept others for who they are; treat everyone with radical equality; enable others to collaborate and safely experiment, create and grow. These relationships, are intensely personal, and foster shared values, open-ended commitment, mutual trust, and ongoing concern for mutual welfare. They are not easily threatened by disagreement or conflict (2008, p. 407).

4. **Responsible Morality** requires that spiritual-servant leaders pursue moral ends via ethical means, serve higher-order needs and appeal to higher ideals, through practicing dialogue and post-conventional moral reasoning, which promote reflective, ethical organizational cultures (2008, pp. 407-408).

5. **Transcendental Spirituality** integrates their covenantal and moral relationships, authenticity, morality, wisdom, and spirituality, in response to an inner calling, to restore interconnections within and between the inner and outer worlds. This nurtures the sense of a holistic/integrated life for colleagues, many of whom suffer from fragmentation, disconnection, and alienation in today’s workplace (2008, p. 408).

6. **Transforming Influence** is manifested by contagious positive transformations (emotional, intellectual, social, moral and spiritual, etc.) by which members become spiritual-servant leaders themselves, who leave positive legacies, individually and collectively, as they transform the lives of others through visioning, role modeling, mentoring, trust and empowerment (2008, p. 408).

**Servant Leadership, Leader-Member Exchange and Transformational Leadership**

Barbuto and Wheeler (2006), investigated servant leadership primarily from Greenleaf’s (1970, 1977, 2003), and Spears’ (1995) initial perspectives, reasoning that theirs “are the most accepted views driving the field” (2006, p. 304). They developed an integrated construct of servant leadership, initially with eleven potential dimensions: “calling, listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, growth, and community building” (2006, p. 300). The extra dimension “calling” – the natural desire to serve” was added
to Spears’ list of ten, because this was prominent in Greenleaf’s original work (2006, p. 304). A 54-item, multi-rater questionnaire was developed and administered to 80 leaders and their 388 multi-raters, along with Graen’s and Uhl-Bien’s LMX-7, and Bass’s and Avolio’s MLQ-5X. Results were used to test the survey’s internal consistency, confirm its factor structure, and assess its convergent, divergent, and predictive validity. This process “produced five servant leadership factors - altruistic calling, emotional healing, persuasive mapping, wisdom, and organizational stewardship - with significant relations to transformational leadership (MLQ-5X), leader-member exchange relationships (LMX-7), extra effort, satisfaction, and organizational effectiveness.” (2006, p. 300). These five “conceptually and empirically distinct” factors are:

1. **Altruistic Calling** describes a leader’s deep-rooted desire to make a positive difference in others’ lives. It is a generosity of the spirit consistent with a philanthropic purpose in life. Because the ultimate goal is to serve, leaders high in altruistic calling will put others’ interests ahead of their own and will diligently work to meet followers’ needs.

2. **Emotional Healing** describes a leader’s commitment to and skill in fostering spiritual recovery from hardship or trauma. Leaders using emotional healing are highly empathetic and great listeners, making them adept at facilitating the healing process. Leaders create environments that are safe for employees to voice personal and professional issues. Followers that experience personal traumas will turn to leaders high in emotional healing.

3. **Wisdom** can be understood as a combination of awareness of surroundings and anticipation of consequences. When these two characteristics are combined, leaders are adept at picking up cues from the environment and understanding their implications. Leaders high in wisdom are characteristically observant and anticipatory across most functions and settings. Wisdom is the ideal of perfect and practical, combining the height of knowledge and utility.

4. **Persuasive Mapping** describes the extent to which leaders use sound reasoning and mental frameworks. Leaders high in persuasive mapping are skilled at mapping issues and conceptualizing greater possibilities and are compelling when articulating these opportunities. They encourage others to visualize the organization’s future and are persuasive, offering compelling reasons to get others to do things.

5. **Organizational Stewardship** describes the extent that leaders prepare an organization to make a positive contribution to society through community development, programs, and outreach. Organizational stewardship involves an ethic or value for taking responsibility for the well-being of the community and making sure that the strategies and decisions undertaken reflect the commitment to give back and leave things better than found. They also work to develop a community spirit in the workplace, one that is preparing to leave a positive legacy (Barbuto & Wheeler, 2006, pp. 318-319).
Barbuto and Wheeler hypothesized significant positive correlations among the factors of servant leadership, and both *MLQ-5X* and *LMX-7*. Accordingly, the survey results were analyzed to determine the correlations among these five factors of servant leadership, *MLQ-5X*, and *LMX-7*. The results show strong and consistent positive relationships between servant leadership and *MLQ-5X*, but that they are capturing different phenomena. *LMX-7* showed stronger positive relationships with each of the servant leadership subscales than it did with *MLQ-5X*, indicating that it too is a phenomenon related to, but distinct from, servant leadership. As well, *wisdom* was significantly, positively correlated with the other four servant leadership dimensions, as well as with *MLQ-5X* and *LMX-7* (2006, p. 314). In addition, the five factors of servant leadership, *MLQ-5X*, and *LMX-7*, all predict members’ “extra effort”, “satisfaction”, and “effectiveness”. Barbuto and Wheeler observed that *MLQ-5X* showed the strongest relationship with all three outcome measures. However, *LMX-7* showed a stronger positive relationship with “extra effort”, than servant leadership, which showed a stronger positive relationship with “member satisfaction” and “effectiveness”, than *LMX-7*. In addition, *wisdom* was significantly, predictive of members’ “extra effort”, “satisfaction”, and their perceptions of “effectiveness” (2006, p. 315). Barbuto and Wheeler concluded that servant leadership is a better predictor of *LMX-7* quality than is *MLQ-5X*. They explain that this is likely because “servant leaders create serving relationships with their followers, which contrasts with transformational leaders” who inspire followers toward pursuing higher, organizational goals. As well, both leaders and their direct reports believe that organizational stewardship is related to their effectiveness. However, they also note that there were some significant differences between the leaders’ and their direct reports’ perceptions. Specifically, whereas “leaders reported that their organizational stewardship was the best predictor of their employees’ willingness to perform extra work, their direct reports “identified leaders’ wisdom as most related to their willingness to perform extra work”. Similarly, the leaders “assumed that organizational stewardship and wisdom were most closely related to employee satisfaction”, however, their direct reports felt that “leaders’ emotional healing was most related to their satisfaction” (2006, p. 319).

In sum, Sendjaya, Sarros, and Santora (2008), and Barbuto and Wheeler (2006) offer complementary conceptualizations of servant leadership. Beginning with Greenleaf’s and Spears’ original ideas, Sendjaya, et al. has formulated a conceptualization of servant leadership
that demonstrates significantly positive associations among authentic, ethical and spiritual leadership. Therefore, there is strong face validity for their close positive associations with IEL Contemplative Self-Leadership and IEL Transforming-Developmental Leadership. Barbuto and Wheeler have also demonstrated significantly positive associations among servant leadership, LMX-7, and MLQ-5X, each of which is distinct. Thereby, they have demonstrated significant positive associations among servant leadership and important behaviours and practices within IEL Functional-Relational Facilitative Leadership, IEL Full Range Managerial Leadership and IEL Visionary-Strategic Leadership. Collectively, they confirm that authentic, moral, spiritual and servant leadership, are distinct, closely interrelated, and mutually reinforcing positive philosophies and styles of leadership, that are positively associated with IEL positive integrative agency, and IEL positive leadership behaviours and practices.

Wise Leadership

Barbuto’s and Wheeler’s model highlights the importance of another distinctive IEL capacity – wisdom. There is great interest in the study of wisdom within positive psychology (Cameron et al., 2003; Cameron, 2008; Giacalone et al, 2005; Peterson & Seligman, 2004; Snyder & Lopez, 2005, 2007). The leading theories of explicit wisdom or outwardly observable manifestations of wisdom include the Balance Theory of Wisdom (Sternberg, 1998, 2008) and the Berlin Wisdom Paradigm (Baltes & Smith, 1990; Baltes & Staudinger, 1993, 2000). A leading theory of implicit wisdom is Kramer’s (1990a) developmental model that addresses wisdom’s inner psychological aspects, as it pertains to human affairs. Accordingly, this thesis posits:

(P.36) IEL executives enact explicit wise leadership, as described by Sternberg (1998, 2008), and demonstrate wise performance, as described by Baltes et al. (1993, 2000).

(P.37) IEL executives practice effective creative problem solving, akin to that described by Basadur et al. (1994, 2000, 2004).

(P.38) IEL executives enact implicit wise leadership, via synthetic-dialectical thinking, as described and measured by Kramer’s (1990) Social Paradigms Belief Inventory.
**Balance Theory of Wisdom and the Berlin Wisdom Paradigm**

Fundamental executive problem-solving and opportunity-realizing processes (1) engage in various forms of creative problem solving activities to formulate and examine potential courses of action; then (2) weigh the extent to which the alternatives require (a) adaptation to the environment, or (b) changing the environment, or (c) selecting a new environment; then (3) decide on a course of action; and (d) take appropriate initiatives to achieve the intended outcomes. Within these executive processes, both the *Balance Theory of Wisdom* and the *Berlin Wisdom Paradigm* emphasize the organization and application of pragmatic knowledge and propose that “wise people can discern the views of others, develop a rich understanding of the world, craft meaningful solutions to difficult problems and direct their actions towards achieving the common good” (Snyder and Lopez, 2007, p.214). Sternberg, building upon his previous work in creativity and intelligence, posits that *explicit wisdom* is outwardly manifested in the processes of balancing interests and responses to environmental contexts in order to achieve the common good (Sternberg, 1998, p. 350; Sternberg, 2008). In the *Balance Theory of Wisdom*, the wise individual undertakes a process resembling high levels of moral decision making. When challenged by a real-life dilemma, the individual’s rational and non-rational creative problem solving capacities are activated, to the extent of his or her level of cognitive-affective development, and the individual’s life history and personal values impact his or her use of available tacit knowledge and practical intelligence in order to balance personal, interpersonal, and extrapersonal interests. Therefore *explicit wisdom* is manifested in exceptional creative problem-solving that serves the common good, in framing problems and formulating alternatives, and making judgments and decisions that require the resolution of competing interests, especially within complex, ambiguous and unclear situations. The processes integral to the *Balance Theory of Wisdom*, are depicted in Figure 7.5 (Baltes & Smith, 1990; Baltes & Staudinger, 1993, 2000; Snyder & Lopez, 2007; Sternberg, 1998, 2008).
Wise Performance

Baltes and Smith (1990), and Baltes and Staudinger (1993, 2000), built upon Sternberg’s model of \textit{explicit wisdom}, focusing their research on the conditions and criteria of \textit{wise performance} (excellent) and \textit{wisdom-related performance} (near excellent) in their \textit{Berlin Wisdom Paradigm}. Baltes and his colleagues identified five relevant criteria of \textit{wisdom} and \textit{wise-performance}:

1. \textit{Factual knowledge} – deals with “knowing what”, that is, the complete knowledge, (e.g. Wilber’s \textit{AQAL} knowledge), that is salient to the situation at hand.

2. \textit{Procedural knowledge} – deals with “knowing how”, such as the relevant procedures for framing the problems, formulating, evaluating, selecting, and implementing the solutions, and resolving the inevitable conflicts, that are salient to the situation.

These first two criteria indicate that \textit{wise performance} is predicated upon the leader’s \textit{attainments} and \textit{competencies} that are requisite to success in the situation. The remaining three
criteria are dispositional, and specific to wisdom itself: “life-span contextualism”, “relativism of values”, and “management of uncertainty”.

3. **Life-span contextualism** – requires viewing circumstances from within broader contexts of life, such as; home and work life, organizational and societal culture, and through the historical passage of time.

4. **Relativism of value** – involves recognizing and appreciating differences in values, needs and preferences of different individuals, groups, organizations and societies.

5. **Management of uncertainty** – deals with the recognition of uncertainty and ambiguity within creative problem solving and decision-making, and coming up with appropriate solutions that serve the common good.

Baltes et al. assess leaders’ levels of wisdom by challenging them, through a structured interview, to resolve a series of difficult, real-life problem scenarios. This interview process enables in-depth exploration of their problem solving processes by a trained interviewer. The interviewer then rates these processes and responses according to the foregoing five criteria, using assessment guidelines developed by Baltes. The more frequently and thoroughly these processes and responses satisfy these criteria, the greater the degree of wise performance.

### Wisdom, Intelligence, Creativity, and Positivity Synthesized

Sternberg (2007, 2008) has recently formulated a theory of “wise leadership” that encompasses his and Balte’s et al.’s previous work. Sternberg (2008) argues that wise leadership is a “synthesis of wisdom, creativity, and intelligence (WICS)”, that in large part, enables leaders to “marshal and deploy these resources” for wise performance (Sternberg, 2008, p. 360) A wise leader “needs creativity to generate ideas, academic intelligence to evaluate whether the ideas are good, practical intelligence to implement the ideas and persuade others of their worth, and wisdom to balance the interests of all stakeholders and to ensure that the actions of the leader seek a common good” (2008, p. 360). Sternberg advises, at the “center of the approach is intelligence…defined as the ability to adapt to the environment …[and] attain one's goals…by adapting to, shaping, and selecting environments, through a balance of analytical, creative, and practical skills (2008, pp. 360-361). Underlying this ability are “fundamental executive processes, of recognizing the existence of a problem, defining and redefining the problem,
allocating resources to the solution of the problem, representing the problem mentally, formulating a strategy for solving the problem, monitoring the solution of the problem while problem solving is ongoing, and evaluating the solution to the problem after it has been solved”. Analytical intelligence, he reports, “is involved when one applies these processes to fairly abstract problems that nevertheless take a relatively familiar form”. Creative intelligence, by contrast, “is involved when one applies the processes to relatively novel tasks and situations”. Practical intelligence “is involved when one applies the processes to everyday problems for purposes of adaptation to, shaping, and selection of environments” (Sternberg, 2008, p. 361).

In describing the interrelationships among the components of WICS, Sternberg (2008, p. 361), states that “intelligence, wisdom, and creativity build on each other”:

To be creative, one must be intelligent at some level, using one's creative intelligence to formulate good problems, one's analytical intelligence to ensure that the solutions to the problems are good, and one's practical intelligence to persuade other people of the value of one's creative ideas; but one need not be wise. To be wise, one must be both intelligent and creative, because wisdom draws upon intelligence and creativity in the formulation of solutions to problems that take into account all stakeholder interests over the short and long terms.

Thus explicit wisdom, Sternberg states “is the ability to use one's successful intelligence, creativity, and knowledge toward a common good by balancing one's own (intrapersonal) interests, other people's (interpersonal) interests, and larger (extrapersonal) interests, over the short and long terms, through the infusion of positive values, to adapt to, shape, and select environments (Sternberg, 1998). Thus, wisdom involves both intelligence and creativity …not just to serve one's own ends, but also, the ends of other people and of larger interests as well” (Sternberg, 2008, p. 361). WICS holds that “the best leaders exhibit all three of intelligence, creativity, and wisdom” (2008, p. 361).

**Wisdom and Creative Problem Solving**

Basadur (2004) argues that conventional theories of leadership “have focused on physical, personality, or cognitive traits, behavioral styles, and specific situations…[but] that leadership has less to do with matching the ‘right’ traits or behaviors to the ‘right’ situation and more to do with how leaders involve others in thinking together in innovative ways”. Specifically, he
advises that the most effective leaders “help individuals and teams to coordinate and integrate their differing styles through a process of applied creativity that includes continuously discovering and defining new problems, solving those problems, and implementing the new solutions…to make a significant impact on performance” (Basadur, 2004, p.103). These skills are learnable and teachable, and been proven to be effective in improving creative performance (Basadur, Graen, & Green, 1982; Basadur, Runco, & Vega, 2000; Kabonoff & Rossiter, 1994). Consequently, Basadur has formulated a Creative Problem Solving Process (“CPSP”) model that operationalizes Sternberg’s WICS model (Basadur, 2004; Basadur, Ellspermann, & Evans, 1994; Basadur, Pringle, Speranzini, & Bacot, 2000. Although, he notes that “creativity is difficult and complex, and no single, agreed-upon definition of this quality exists…one approach that models creativity as a process, with phases or stages, has been proven effective” (Basadur et al., 1982; Basadur, 2004, p.104; Basadur & Head, 2001). This approach, builds upon the Osborn-Parnes creative problem solving theory (Parnes, Noller, & Biondi, 1977) and “uniquely recognizes organizational creativity as a continuous, circular process, beginning with problem finding activity (sensing and anticipating opportunities for change) and flowing through problem conceptualization, problem solving, and solution implementation” (Basadur, 2004, p. 105; Basadur et al., 1982; Basadur, Graen, & Wakabayashi, 1990). This creative problem solving process is illustrated within Appendix B.6, and is described in Chapter 2.

Fluid idea generation and connection-making are vital to creativity in this process (Guilford, 1967; Torrance, 1974). Each stage of the CPSP process requires both divergent and convergent thinking, balanced via deferred judgment. Basadur, Pringle, Speranzini, & Bacot (2000) advise that this balancing process within each stage of CPSP, involves learnable and teachable skills. The CPSP model is the foundation for the organizational strategic management process, which is the core of IEL Visionary Strategic Leadership.

Implicit Wisdom and Synthetic Dialectical Thinking

Kramer (1990a) views implicit wisdom as fulfilling five functions in life: (1) enabling people to resolve dilemmas and make choices; (2) advising others, especially from their own life experiences; (3) guiding and managing in society; (4) aiding in life review tasks; and
(5) questioning and seeking life's meaning, a task which is spiritual in nature. These five functions are all highly interdependent, such that development in one area leads to development in the other areas. The development of implicit wisdom is especially dependent upon the development of cognitive and emotional intelligence. In turn, implicit wisdom is expressed in many different ways in life via explicit wisdom, which enhances adaptation and the resolution of life tasks, thereby catalyzing further cognitive and emotional growth, which in turn, stimulates development of further implicit wisdom-related capacities, and so-on, in a positive upward spiral (Gardin, 1997, pp. 13-14).

Kramer has formulated a developmental model of implicit wisdom that addresses wisdom’s psychological aspects (Kramer, 1990a, p. 285). As active participants in the world around us, we are continually interpreting events and constructing meaning as we act upon and interact within our environments. A psychologically healthy person adapts his or her beliefs and assumptions about the world in response to continually changing experiences. From this perspective, a wise person is someone who maintains a certain set of beliefs about reality and is able to effectively apply these within a variety of domains in order to resolve problems, advise others in resolving their problems, shape institutions, and seek meaning and continuity in experience (Kramer, 1990a, p. 280). Kramer views implicit wisdom, in part, as a distinct form of judgment involved with human affairs, which is essentially dialectical in nature and which inherently involves contradiction and paradox. Implicit wisdom is "a form of judgment pertaining to some domain of human affairs that involves an awareness of the ill-structured, contextual, and often contradictory nature of experience" (Kramer, 1990a, p. 291). She identifies several defining characteristics, including: an appreciation for the context of a given situation; an ability to hold multiple points of view together in tension; a proficiency in interpersonal relationships involving judgment and communication skills that are based in a broad understanding of human social concerns; and a capacity to respond empathically and compassionately. Kramer also believes that wisdom involves more than judgment, and reflects a perspective on reality that can be developed and enacted in real relationships with self, with others, with society, and with a spiritual power, but only by individuals who have well-developed and balanced personalities (Kramer, 1990a, p. 309). Her model, derived from
constructive-developmental theories of ego development and postformal thinking, integrates forms of analytic, synthetic-relativistic, and synthetic-dialectical thinking.

Kramer explains that within analytic worldviews, through characteristic thinking processes of formism and mechanism, the world is seen as stable and unchanging, and change when it occurs, is viewed as the result of deterministic forces, and not due to any processes involving human agency. Analytic-Formistic thinking, which is absolutist and idealistic, involves the belief that all matter can be reduced to “forms” which have an objective reality. Moral and interpersonal dilemmas are resolved within formistic thinking via reliance on absolute, black-and-white principles or behavior codes. Paradox and contradiction are experienced as intolerable and as logical impossibilities that defy absolute truth. Truth is something that is deduced, rather than derived from experience, and is seen as inherent in authority or objective reality (Kramer, 1990b). Analytic-Mechanistic thinking, which develops out of formistic reasoning, involves the attempt to understand complex reality by reducing it to the component pieces from which it is formed and deterministic interactions, such that, for instance, human development is viewed as something that happens to people, rather than something they author (Kramer, 1990b). By contrast, those who are able to engage in post-formal thinking (Kramer & Woodruff, 1986) can create synthetic worldviews, involving the thinking processes of relativism and dialecticalism, in which, the concept of the whole is not understood through analysis of its basic components, but rather, the parts are understood in relationship to the meaning that they take within the context of the whole. Kramer explains that synthetic-relativistic thinking is based on three concepts: change, subjectivity, and novelty (Kramer et al., 1992), and is characterized by the following recognitions (Gardin, 1997, p.8-9):

(a) knowledge stems from one's viewpoint, and since no two people can share exactly the same point of view, contradiction is an inherent part of knowledge;

(b) knowledge continually changes since peoples' points of view continually change, and therefore relationships between the past and present are volatile and unpredictable; and,

(c) therefore one cannot say that a certain point of view provides more valid knowledge than another, and consequently contradiction cannot be resolved.
Synthetic-Relativistic thinking contributes to making wise decisions because as it allows one to consider and to tolerate multiple points of view, even when they conflict with one's own. However, exclusively relativistic thinking is limited insofar as it becomes difficult to develop the sense of order, stability and continuity, required to make choices and commitments (Kramer, 1990a). Synthetic-dialectical thinking follows synthetic-relativistic thinking developmentally. By integrating contradictions it provides solutions to relativistic impasses. Individuals who think synthetically-dialectically are able to recognize that all events interact with each other, and are thereby interdependent rather than independent. Accordingly, knowledge is constructed through holding ongoing tensions between ideas, and then resolving these tensions, which temporarily provides a new structure, until new tensions arise and continue the cycle (Kramer et al., 1992). Exclusive relativism is incompatible within synthetic-dialectical thinking, because in the latter, the conflicts or tensions created by apparent contradictions, move thought towards resolution that reveals an underlying unity or “deep structure”. Although synthetic-dialectical thinking, if it develops at all, generally develops around middle age, Basseches (1984a, 1984b) has noted dialectical thinking’s emergence in some individuals in the early adult years.

Kramer (1990a) views both the relativistic and the dialectical styles of thinking as integral to implicit wisdom. Synthetic-dialectical thought, especially, is a part of all models of wisdom (Holliday & Chandler, 1986). Also, synthetic-relativistic and synthetic-dialectical thinking, working together, lend themselves to solving ill-structured problems which involve contradiction and paradox, because they take into account contradiction, change, and indeterminism. Kramer also views these types of thinking as not purely cognitive, because emotion is inseparable. In order for relativistic and dialectical processes to develop, an individual must also have an understanding of self, social interactions, social systems' functioning, and the nature of change – or what Goleman calls “emotional intelligence” (Goleman, 1995). Emotional intelligence is integral to the development of wisdom, since it develops out of situations, relationships, and life experiences which are emotionally challenging - the types of situations that powerfully motivate relativistic and dialectical styles of thinking. Relativistic thinking enables one to recognize the subjective nature of knowledge and the manner in which one’s views about others is colored by one's perspectives. The skill of empathy, which is necessary for wisdom in interpersonal interactions, also necessitates that the
individual be cognizant of his or her own views, and set them aside in order to understand the feelings, thoughts, needs and preferences that are unique to others. Kramer advises that relativistic and dialectical thinking could not develop without this interaction with emotional development. She states, implicit "wisdom involves the emotional and cognitive ability both to recognize one's own subjectivity and the interdependence of boundaries between self and other and to transcend these limitations by trying to separate one's own needs from others" (Kramer, 1990a, p. 296). As people develop cognitively and emotionally, the interactive and reciprocal nature of this development results in wisdom-related skills and processes (Gardin, 1997, p.13), such as: recognizing each person's individuality; taking the unique context of individuals and situations into account; fostering empathetic, cooperative strategies during interpersonal interaction; acknowledging the possibility for change in one's self, others, and the world around us; and recognizing the need for the integrative use of both cognitive and affective processes.

**Wisdom, Leadership, Creativity, and Spirituality**

Wu and Choi (2008) have demonstrated that Kramer's synthetic-relativistic thinking, and synthetic-dialectical thinking, are significantly and positively correlated with divergent thinking and creative performance, using her *Social Paradigm Belief Inventory*. Their study revealed: negative correlations between: (a) formal thinking (analytic formistic and analytic mechanistic) and relativistic thinking (r = -.51); (b) formal thinking and dialectical thinking (r = -.42); and, (c) relativistic thinking and dialectical thinking (r = -.41). Also, the formal thinking modes were negatively correlated with all the dimensions of creativity, measured by the *Divergent Thinking Test* (Lin & Wang, 1994) and the *Tests of Creative Thinking* (Torrance, 1966). By contrast, post-formal thinking (relativistic thinking and dialectical thinking) were positively correlated with all the dimensions of creativity. Most significantly, synthetic-dialectical thinking was uniformly, the most highly positively correlated across all dimensions of creativity (Wu & Choi, 2008, p. 242).

Puccio, Murdock, and Mance (2007) also advise that wise leadership and creativity go hand-in-hand. At the core of their model of *Creative Leadership*, are individual and collective creative problem solving, by which leaders ensure their organizations adapt, survive and thrive within
increasingly uncertain, volatile and hostile business environments. Morgan argues a similar case in *Riding the Waves of Change* (1988). At the farther reaches of “creative implicit wisdom”, Cook-Greuter and Miller (2000) observe that many “scientists and creators maintain that their creations are not only infused and nurtured by non-rational sources, but that they have entirely transpersonal or transcendent origins” (Cook-Greuter & Miller, 2000, p. xv). Thus, many psychologists argue that creativity is not merely “problem solving at its best” (2000, xxi). Most notably, Csikszentmihalyi (1996) discusses the “contemplation of infinity”, “witnessing”, and “spirituality” as powerful elements of creative peoples’ lives. His observations parallel those found in the transpersonal psychology literature (Ferrer, 2002; Hart, 2001; Hart, Nelson, & Puhakka, 2000; Rowan, 1993; Tart, 1991), and as described by Miller (1994) within *IEL Contemplative Self-Leadership*. Csikszentmihalyi’s *flow* state of consciousness, which involves “profound absorption into the subject of inquiry, accompanied by self-forgetting, timelessness, and the experience of a profound joy” (Cook-Greuter & Miller, 2000, p. xxiv), is powerfully and positively associated with creativity. In this sense, *creative implicit wisdom* involves the capacity to tap into the deepest sources of human creativity, namely self-transcendent spirituality: (1) at an individual level, via *contemplation, integrative consciousness* and *flow*, and (2) at a collective level, *Presence, Communitas*, and *group flow*.

In sum, Sternberg’s *Balance Theory of Wisdom*, his *Wisdom, Intelligence, and Creativity Synthesized* model, along with Baltes et al.’s *Berlin Wisdom Paradigm* and Basadur et al.’s *Creative Problem Solving Process*, collectively articulate the requirements for *IEL explicit wisdom* within a broad variety of executive problem solving and decision-making processes. Kramer’s (1990) theories of formal, relativistic, and synthetic-dialectical thinking capacities, articulate the fundamental requirements for *IEL implicit wisdom*. Cook-Greuter and Miller (2000) and Csikszentmihalyi (1996), emphasize the inter-connections among creativity and self-transcendent spirituality within explicit and implicit wisdom. Altogether, these theories and models describe the core elements of *IEL Wise Leadership*.
Summation of *IEL* Philosophies and Styles

This chapter has argued that *IEL*’s positive philosophies and styles of authentic, moral, spiritual, servant and wise leadership, are distinct, but closely interrelated, and that they exert essential positive integrative influences upon the primarily *extrinsic* *IEL* behaviours and practices, as outlined in Appendix E.4. The entire *IEL* behaviour and practices “repertoire of repertoires” is summarized down the left-hand column of Appendix E.4. The *IEL* philosophies and styles are identified across the horizontal axis. The specific references within each column are drawn from Appendix E.1. These positive interconnections are of various kinds: identical, similar or related features, common topics or foci, etc. Reading across each row identifies what each *IEL* philosophy and style contributes to our understanding of the whole of *IEL*. For instance, the row labeled (2) *SuperLeadership* reveals that each of the *IEL* philosophies and styles emphasizes the importance of role-modeling self-leadership, and of cultivating this capacity within others. As in Appendix D.10, each of these interconnections is a conjunction, transition zone, or potential bridge that unites these various leadership theories - behavioural and philosophical (Lewis & Grimes, 1999, pp. 673-676). Here again, it is clear from Appendix E.4 that Yukl is quite correct in his observation that “[w]hen the different approaches are viewed as part of a larger network of interacting variables they appear to be interrelated in a meaningful way” (Yukl, 2006, p. 445). In this thesis, the integrating lens is positive integrative executive agency. Since these philosophies and styles of *IEL* have unique histories, theoretical and empirical foundations, and nuances, etc., they have not been distilled and further reduced. Nevertheless, they exert important positive influences upon executive conduct, as well as inhibiting influences to conduct that is antithetical to *IEL* – by cultivating positive human strengths and virtues. Thereby, collectively they promote positive integrative executive agency, and effective, ethical, and excellent executive business leadership. Central to their beneficial influence is their primarily *intrinsic* nature - their “mental models” and “inner meaningfulness”. As “shared mental models” embedded within organizational cultures, they are *relational* - partly individual and partly collective phenomena (Hofstede, 1980/1984). Therefore a full understanding of their roles requires balanced *functionalist* and *interpretivist* paradigms, and multidisciplinary theoretical perspectives. The discussions of extraordinary world leaders in Chapter 9, and Dr. P. Roy Vagelos’ extraordinary executive business leadership in Chapter 10, provide this essential *interpretivist* perspective.
CHAPTER 8

IEL Competencies, Attainments, and Dispositions

In order for IEL to provide a solid foundation for a general theory of positive executive leadership, we must be able to identify its antecedent competencies, attainments and dispositions for effective, ethical, and potentially excellent business leadership. Accordingly, the discussions in this chapter will summarize research that answers the following questions:

1. What competencies are antecedents to effective, ethical, and excellent executive business leadership?
2. What attainments (knowledge & skills, abilities & aptitudes, experiences & qualifications) are antecedents?
3. What dispositions (personality traits, motives, values, and virtues) are antecedents?

Virtually all research into these questions focuses upon supervisory and managerial-leadership effectiveness. Therefore, there is a fair amount of relevant research for IEL’s Functional-Relational Facilitative Leadership and Full Range Managerial-Leadership. However, there is little research of this nature for Contemplative Self-Leadership, Visionary-Strategic Leadership and Transforming-Developmental Leadership. Therefore, exploratory research within constructive developmental and positive psychology is essential for these latter repertoires.

IEL Competencies

Leadership scholars have developed many lists, taxonomies, and frameworks, employing a wide array of terms for identical, similar, and related concepts, to describe competencies, skills, aptitudes, abilities and personality traits, etc. (Hollenbeck, McCall, & Silzer, 2006). In order to sidestep this semantic confusion, this thesis adopts Bartram’s, Kurz’s, and Baron’s (2003) terminology. Bartram et al. define “competencies” (sets of behaviours that are instrumental in the delivery of desired results), as distinguished from “competence” (possession of knowledge & skills, aptitudes & abilities, experience & qualifications) (2003, p. 6). Bartram emphasizes that competence is about mastery of specific job-relevant knowledge and skills, so that measurement of competence at work involves the assessment of performance against some
defined set of work-related standards, such that statements about competence are about an individual’s level of attainment. This distinction is important because

[knowledge and skills are job or occupation specific, and the domain of knowledge and skills across the whole world of work is potentially limitless. Competencies are generic in that they apply across all occupations and jobs. The number of competencies is finite and...relatively small. Competencies determine whether or not people will acquire new job knowledge and skills, and how they will use the knowledge and skills to enhance their performance in the workplace (Bartram, 2004, p. 3).

There are many leadership competency models, of varying degrees of sophistication, validity and reliability (Hollenbeck, McCall, & Silzer, 2006). These range from intuitive “shopping lists” to professionally developed, sophisticated, and robust “framework” models that can be tailored to unique roles, and organizational situations, such as: the Hay-McBer Competency Model (Hay-McBer, 2008); and SHL’s Universal Competency Framework, (“UCF”) (Bartram et al., 2003). The Hay-McBer Competency Model is a widely used, valid and reliable framework, and information about its construction is well documented. The first version of this model was developed in 1973 by McClelland and was refined by Spencer and Spencer (1993). The current version, the Hay-McBer Model (http://www.haygroup.com), helps define the precise competencies involved in effective managerial-leadership at the supervisory, middle and general management levels. Arguably, the UCF is the reigning successor to the Hay-McBer Model. The UCF differs from an intuitive shopping list in that it is an articulated set of relationships that (Bartram, 2004, p. 2):

1. is evidence-based and not based on simple, intuitive, role content analysis alone;
2. defines the nature of the components of the model;
3. specifies how those components relate to each other;
4. specifies the generic “deep structure” of the competency domain as well as the specific competencies that are “surface structures”;
5. specifies how they relate to other constructs, such as “role performance”, “personality” and “managerial-leadership behaviour”, outside the framework.

The UCF therefore reliably identifies competencies that are conducive to effective and potentially excellent IEL managerial-leadership (Bartram et al., 2003). For this reason, this
thesis adopts the *UCF* as its means for defining *IEL* managerial leadership competencies, at the pairs/group/team and organizational levels. Accordingly, this thesis posits:

(P.39) *IEL* executives possess the broad range of competencies and attainments for effective and potentially excellent top-management-team ensemble performance, as determined by situation-specific role profiles derived from *SHL’s Universal Competencies Framework* (Bartram, 2004; Bartram et al., 2003).

The *UCF* correlates these competencies with occupational personality traits and behaviour style predictors which in turn, enables the development of psychometric assessment instruments that can validly and reliably predict an individual’s effectiveness in managerial-leadership roles. Also, the *UCF* competencies can be employed to determine profile specifications for different executive roles, organizations, and unique circumstances. Thereby, the *UCF* can also explain why and how the same executive can be effective in one role, organization or situation, yet be ineffective in others (Bartram, 2004; Bartram et al., 2003). The *UCF* accomplishes this in terms of the three-tier structure presented in Appendix F.1. The first tier consists of a set of 112 specific “component competencies” mapped onto a more general set of 20 dimensions (“Big 20”) on the second tier, which in turn are mapped onto eight general personality-based predictor factors (“Great Eight”), on the third tier.

In general terms, Bartram advises that effective managerial-leadership provides and/or facilitates the formulation of a vision and strategy, shares that vision and strategy with others, defines goals and gains buy-in and support, and sets in place the mechanisms to ensure the vision and strategy are achieved (Bartram, 2010, pp.13-15). These four core functions of managerial-leadership operate continuously, as in Figure 8.1. Bartram (2010, p. 15) also employs Bass’s and Avolio’s (1994) *Full Range Leadership*, to illustrate *UCF* connections with transactional management and transformational leadership. Figure 8.2 illustrates the interrelationships among the *UCF Great Eight*, the four core functions, transformational leadership, and transactional management, as indicated in Appendix F.1. In Figure 8.2, for each horizontal pair of the *Great Eight* competencies, one emphasizes the transformational leadership aspects, and the other, the transactional management aspects of the four core functions.
(P.39) implies that there is no single, universally applicable IEL competency profile. Ideal IEL executive role profiles vary greatly, and require determining the relative priorities among the UCF competencies for specific roles on a case-by-case basis. This is best accomplished via a facilitated process involving informed organizational members within cross-functional and/or cross-hierarchical teams, to sort and prioritize in succession, the “ideal” Great Eight, the Big 20 and the 112 component competencies, to develop a comprehensive ideal profile for a specific role. A consensually-validated hierarchical profile of requisite IEL UCF competencies is then finalized using Delphi-like procedures. Also, rarely in an “off-the-rack-world” do individuals perfectly match such an ideal IEL UCF profile. This means that each individual inevitably brings a blend of strengths and weaknesses to an executive role. Consequently, Bartram recommends rostering top-management teams with individuals who have complementary requisite UCF competencies, so as to promote effective ensemble performances. The performance of a top-management team, so constituted, is greater than the sum of its parts. This is especially important to realizing the positive potentials of “high performing” IEL executive teams, as well as to managing inherent executive management risks (Bartram, 2010, p. 17). Executive leadership is a high-risk activity and not even highly-talented IEL executives are immune. Each of the four core executive functions has “process risks” as identified in Table 8.1.
Table 8.1: Executive Leadership Process Risk Factors

(Source: adapted from Bartram, 2010. p.16)

<table>
<thead>
<tr>
<th>Function</th>
<th>Common Risk Factors</th>
</tr>
</thead>
</table>
| Developing the Vision | 1. The vision is based on an incorrect analysis of the situation.  
                          2. The vision represents an ineffective solution for the problem.  
                          3. The need for change is not recognized in the organization.  
                          4. Change is initiated when none is needed.  
                          5. The urgency for change is over or underestimated.  
                          6. The leader fails to pull together the right team to lead the change. |
| Sharing the Goals | 1. The vision is not communicated effectively or widely enough.  
                          2. The relevance of the new goals is not communicated or understood.  
                          3. The change process is not communicated or understood. |
| Gaining Support | 1. Important managers, functions or divisions are not adequately involved.  
                          2. People are not provided with sufficient support and assistance during the process.  
                          3. Old structures and obstacles are left in place.  
                          4. Resistance to change is ineffectively managed.  
                          5. There are no quick wins. |
| Delivering Success | 1. The change implementation plan is inadequate.  
                          2. The need for, timing, and nature of course corrections are not appreciated.  
                          3. The process gets blown off course.  
                          4. Reinforcing norms and values are not embedded within the organization’s culture.  
                          5. The change process is terminated before the changes become established. |

Compounding these process risks within executive teams are “individual risks” and “contingent risks”. Individual risks relate to personal attributes of executives that are likely to create problems in any leadership situation such as impulsiveness and inconsistency, etc. These kinds of individual risk factors are behaviours that increase the likelihood of failure, and are often referred to as “derailers” (Hogan & Hogan, 1995). Contingent risks are problems not directly associated with the qualities of the leader as a person, but which are likely to arise in a situation and impair the leader's ability to achieve the required impacts and outcomes. Situations that are complex, turbulent and highly uncertain are intrinsically more risky than others. A poor match between an executive leader’s style and the situation presents contingent risks. An executive with a transactional management style in a turbulent and uncertain environment could be disastrous. Similarly, a transformational leader in a stable and placid environment might be disruptive. In general, a poor match between an individual’s competencies and the demands of the situation can result in “situational incompetence”. In this case, lack of versatility, behavioural rigidity and/or inability to learn new behaviours, can predispose otherwise
competent executives towards situational incompetence as the ground shifts under their feet in turbulent environments (Bartram, 2010, p. 17).

The *UCF* can be instrumental in helping *IEL* executives, individually and collectively, anticipate, prepare for, and manage risks such as these. The process essentially involves practicing self-leadership and *SuperLeadership*, as discussed in *IEL* Contemplative Self Leadership. This approach is predicated upon *IEL* executives’ deep understanding of: (a) their own individual competencies and styles; (b) those of each member of the executive team; and (c) effective ways and means for executive team members to collectively leverage their characteristic strengths, and counterbalance each other’s weaknesses. This implies that an individual does not have to be an “ideal” *IEL* to be an effective executive. Different members of the top management team can be effective in different ways at different times - very much like skilled musicians in a jazz ensemble - playing differentiated productive roles within ensemble performances. These roles can vary greatly over time, and yet still be part of an overall excellent, integrated performance that is a greater than the sum of its parts.

Nevertheless, *IEL* executives must strive to develop and integrate many *UCF* competencies in order to effectively perform their roles. Also, since situations vary, the required competencies vary across situations and through time, which implies that *IEL* executives must continually learn, develop, and adapt themselves. Although it is beneficial for an individual to strive to become a versatile virtuoso *IEL*, actually achieving this is a tall order. It is preferable for an *IEL* executive to practice authentic self-leadership and *SuperLeadership*, be fully aware of her or his strengths and limitations, and fully develop and employ her or his gifts, to contribute to an effective *IEL* ensemble performance in the service of the common good.

**IEL Attainments**

Bartram defines “attainments” as the knowledge & skills, aptitudes & abilities, experience & qualifications that serve as antecedents for effective managerial-leadership (Bartram, 2010, p.10). Hunter and Schmidt (1990) provide substantial evidence about the crucial role of knowledge and skills in the determination of effective management and leadership. This includes: “task expertise” - conscious, procedural knowledge; “organizational wisdom” -
knowledge about organizational functioning; and “tacit knowledge” - wider unconscious practical knowledge and skills. Aptitudes and abilities relate to: cognitive ability and judgment (Tichy & Bennis, 2007; Jaques, 1989); capacities for rational thought (Stanovich, 2009); creative and complex integrative thinking (Martin, 2007, 2008); emotional intelligence (Goleman, 1995); and other general abilities (Spencer & Spencer, 1993), that are especially important to effectiveness. In addition, a foundation of professional training, qualifications and work experience, in various functional areas, is important to effective managerial-leadership. McCall et al. (1988) also emphasize the need to put high potential people into developmental situations where they can gain the hands-on experience necessary to perform successfully.

Three observations about attainments are important to emphasize. First, attainments “are job or occupation specific, and the domain of knowledge and skills across the whole world of work is potentially limitless” (Bartram, 2004, p. 3). Second, the relative importance of IEL attainments varies greatly by functional area, (e.g. marketing, finance, information technology, etc), and by the nature of the role (e.g., specialist, supervisor, middle manager, general manager, executive). Third, the relative importance of attainments changes as individuals advance and assume executive roles in the organization - especially three categories: “technical”, “interpersonal” and “conceptual”. Generally “the higher the job level, the greater the number and variety of activities to be coordinated, the greater the complexity of relationships to be understood and managed and the more unique and ill-defined are the problems to be solved” (Yukl, 2002, p.199; Zaccaro, 2001). As executives increasingly handle complex and ambiguous matters, they decreasingly handle technical matters, instead delegating them to subordinates. Consequently, the relative importance of these skills categories shifts, as illustrated in Figure 8.3. Most noticeably, technical and conceptual skills trade places, and conceptual skills become the most important, when an individual reaches the executive level. Also, the importance of interpersonal skills gradually increases as the individual ascends, and becomes a much closer second priority to conceptual skills (Boyatzis, 1982; Mumford & Connelly, 1991; Mumford et al, 2000). In this sense, an individual rises to IEL executive responsibilities on the wings of his or her conceptual and interpersonal skills.
Figure 8.3: The Relative Importance of IEL Managerial Leadership Skills

IEL Dispositions

Bartram (2010, p. 10) defines “dispositions” as: personality, motives, values and interests that serve as antecedents for various leadership behaviours. Personality is generally measured by self-report instruments, which in effect capture a person’s systematic descriptions of his or her typical behaviours, such that, necessarily, they link to competencies. Recent meta-analytic research into many trait studies carried out by Judge, Bono, Ilies, & Gerhardt (2002) confirmed not only the importance of links between personality traits and leadership, but also show that the pattern of relationships depends on the situational context. Motives and values underlie certain behaviours in particular settings. Motives, values and personality overlap and relate closely to organizational culture. In general, motives are more localized in time and place, whereas values are deeply internalized and set priorities for potentially competing demands, such as: making money, treating people well, and conducting business in societally responsive and responsible ways. Traits with strong motivational components (e.g., dominance, achievement, locus of control, etc), all have substantial correlations with managerial-leadership effectiveness. In addition, effective executives tend to have energy, stamina, hardiness and continuing good health – attributes that underpin the persistence of motivation and effective behaviour through the years (Judge et al., 2002). Interests influence executives’ choices of work settings and the extent to which they get satisfaction from working in one functional area, or context, rather than
another. Therefore, interests are also important dispositional antecedents and are good predictors of executive leadership performance in closely related jobs or competencies.

The question remains: “Which specific traits, motives and values are antecedents to IEL competencies?” In order to address this question, it is important to briefly summarize some of the key findings in the field of leadership trait research. Unfortunately, researchers historically, have not always been precise in differentiating among personality traits, motives and values factors. Trait research in the early part of the 20th century focused on what characteristics made certain people great leaders. Early leadership research focused on distinguishing leaders from non-leaders and determining characteristics of emergent leaders in new groups. "Great Man” theories emerged which focused on innate qualities and characteristics possessed by famous social, political and military leaders. It was assumed that people were born with these traits and that only great people possessed them (Yukl, 2002, p.177). In a major review of 124 trait studies conducted from 1904 to 1948, Stogdill (1948) determined that, although some traits are relevant to leadership, there was no one universally applicable set of traits that distinguished great leaders in all situations. Although relevant leader traits included: intelligence, alertness, insight, responsibility, initiative, persistence, self-confidence, and sociability, his findings showed that leadership was not a passive state, but resulted from working relationships between the leader and other members. (Northouse, 2004, pp.15-18: Yukl, 2002, p.177). In a subsequent review of 163 trait studies conducted from 1949 to 1970, Stogdill found a few additional relevant traits and some stronger relationships, but reconfirmed his initial findings that there was no one universally applicable set of leadership traits that distinguished great leaders in all situations. Relevant leadership traits Stogdill advised, included:

A strong drive for responsibility and task completion; vigor and persistence in pursuit of goals; venturesomeness and originality in problem solving; drive to exercise initiative in social situations; self-confidence and sense of personal identity; willingness to accept consequences of decisions and actions; readiness to absorb interpersonal stress; willingness to tolerate frustration and delay; ability to influence others’ behavior; capacity to structure social interaction systems to the purpose at hand (Stogdill, 1974, p. 81).
His research led Stogdill to conclude that leadership traits are relevant, but *dependent upon situational factors*, such that an individual who is a successful leader in one situation might not be a successful leader in another situation. This initiated a new research approach that focused on leadership behaviors and situations (Northouse, 2004, pp. 15-18; Yukl, 2002, p. 177). Since Stogdill’s 1948 review, there have been countless trait research studies. A meta-analysis of all of these studies is beyond the scope of this thesis. However, the key findings identify specific traits that are important to effectiveness and excellence.

Mann (1959) examined more than 1,400 findings regarding personality and leadership in small groups and suggested that, to some degree, specific personality traits could be used to distinguish leaders from non-leaders. His tentative findings identified that leaders tend to exhibit greater: *intelligence, masculinity, adjustment, dominance, extroversion*, and *conservatism*. Lord, DeVader & Alliger (1986) reassessed Mann’s findings and found that *intelligence, masculinity*, and *dominance* were significantly and strongly related to how other individuals perceived leaders, such that these personality traits could be used to make discriminations consistently across situations. However, they argued that these findings say more about individuals’ implicit theories about leaders, than about actual leadership characteristics. Subsequently, Kirkpatrick and Locke (1991) claimed that effective leaders are actually distinct types of people in terms of their: *drive, motivation, integrity, confidence, cognitive ability* and *task knowledge*. This research suggests that individuals are born with some relevant traits, and they learn others (Northouse, 2004, pp. 17-18).

Along a different line, McClelland conducted an extensive program of research into managerial *motivation*. His findings revealed some consistent patterns: effective higher-level managers in large organizations are characteristically high in *socialized power*, moderately high in *achievement*, and relatively low in *affiliation* motivations; non-technical managers who advance to higher-level management in large organizations are characteristically high in *socialized power* and *achievement* motivations; and technical managers who advance to higher-level management in large organizations tend to do so based upon their *technical skills* and *articulateness* (McClelland 1965, 1975, 1985; Yukl, 2002, pp. 178-179). Miner also conducted
an extensive series of studies into managerial motivation required for success. His findings revealed significant correlations between advancement and managerial motivations. In large hierarchical organizations, managers who advance tend to exhibit: strong desires to exercise power (similar to need for power); strong desires to compete with peers (similar to need for achievement); and positive attitudes towards authority (Miner, 1978). A later study found similar results for top executives in smaller firms, but that top managers in large firms exhibit stronger managerial motivation than those in smaller firms (Yukl, 2002, p. 180).

Pursuing a different path, Boyatzis (1982), conducted a program of critical incident research studies within a variety of public and private sector organizations, to determine which “competencies” (by which he meant: personality traits, motives, skills, knowledge, self-image, and specific behaviours), are related to managerial effectiveness. He found that effective managers exhibit characteristic: personality traits (strong socialized power, strong self-confidence, strong self-efficacy, and internal locus of control); interpersonal skills (oral presentation, networking, and group facilitation); and conceptual skills (inductive and deductive reasoning). These characteristics he argued significantly distinguish effective from non-effective managers (Yukl, 2002, pp. 180-181). In a related line of research, McCall and Lombardo conducted a series of studies into successful and unsuccessful top executives. Their results were somewhat ambiguous in that top managers who were successful, and those who derailed, were similar in many respects: ambitious, technically skilled, and “fast risers with successful track records”. Sometimes derailment was just “bad luck”, or the inability to handle unfavourable conditions such as: economic downturns, intense competition, adverse organizational cultures, and internal politics. However, these researchers also found that certain personality traits, (emotional stability, non-defensiveness, integrity) and skills (interpersonal, technical and conceptual) are relevant to success (McCall & Lombardo, 1983; Yukl, 2002, pp. 182-184).

These lines of research yielded many constellations of relevant leadership traits, as outlined in Appendix F.2. Subsequently, many research efforts have been undertaken to develop an integrating framework with fewer, more significant trait constructs. A promising framework for this purpose is The Big Five taxonomy of personality traits (Hogan, Curphy, & Hogan, 1994).
The Big Five has been employed by many researchers to reduce the mass of research findings into 5 meta-traits (Goodstein & Lanyon, 1999). The Big Five, as outlined in Table 8.2, currently forms the foundation for many leadership personality trait taxonomies.

**Table 8.2: The Big Five Traits**

<table>
<thead>
<tr>
<th>Category</th>
<th>Traits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surgency</td>
<td>Extroversion (outgoing)</td>
</tr>
<tr>
<td></td>
<td>Need for Power (assertiveness)</td>
</tr>
<tr>
<td></td>
<td>Energy &amp; Activity Level</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>Personal Integrity</td>
</tr>
<tr>
<td></td>
<td>Dependability</td>
</tr>
<tr>
<td></td>
<td>Need for Achievement</td>
</tr>
<tr>
<td>Agreeableness</td>
<td>Cheerful &amp; Optimistic</td>
</tr>
<tr>
<td></td>
<td>Nurturance (sympathetic &amp; helpful)</td>
</tr>
<tr>
<td></td>
<td>Need for Affiliation</td>
</tr>
<tr>
<td>Adjustment</td>
<td>Emotional Stability</td>
</tr>
<tr>
<td></td>
<td>Self-esteem</td>
</tr>
<tr>
<td></td>
<td>Self-control</td>
</tr>
<tr>
<td>Intellectance</td>
<td>Curious &amp; Inquisitive</td>
</tr>
<tr>
<td></td>
<td>Open Minded</td>
</tr>
<tr>
<td></td>
<td>Learning Oriented</td>
</tr>
</tbody>
</table>

The UCF (see Table 8.3) was developed with explicit reference to the Big Five (Bartram et al., 2003). Nevertheless, it remains challenging to determine the specific constellations of traits that impact leadership effectiveness and excellence in various situations. Consequently, Yukl advises there is still “a need for a more holistic approach that examines patterns of leader traits and skills in relation to leader effectiveness” (Yukl, 2002, p. 201). This holistic model would also clarify how leaders might characteristically balance, make tradeoffs, or address polarities, among values conflicts, with which they are continually faced, such as: “tasks vs. people”; “risk taking vs. prudent caution”; “toughness vs. compassion”; “control vs. empowerment”; “continuity vs. change”; “efficacy vs. efficiency”; “stability vs. flexibility”, etc. (McCall et al, 1988; Quinn, 1988). Yukl advises that this holistic model needs to apply “to shared leadership as well… balance may involve several different leaders in a management team who have complementary attributes that compensate for each other’s weaknesses and enhance each other’s strengths. A better understanding of leadership in an organization may be gained by examining the pattern of traits for the executive team, rather than focusing on the traits of a single leader”
(Yukl, 2002, p. 202). For this reason, *IEL* theory remains *pragmatically open* to the use of many valid and reliable instruments, for the purposes of assessing occupational personality. Examples of well-established instruments, suited to various purposes, are provided in Appendix F.3. This thesis recommends the use of *SHL’s OPQ32r* because it explicitly predicts *SHL’s UCF* competencies, and thereby the potential effectiveness of *IEL* executives (http://www.shl.com/Campaign/Pages/OPQ32rTheScience.aspx).

**Table 8.3: Correlations between the Big Five and the Great Eight (N = 4222)**

(Source: Bartram, Kurz & Baron, 2003. p.12)

<table>
<thead>
<tr>
<th><em>Great Eight Competencies</em></th>
<th><em>Big Five Traits</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading &amp; Deciding</td>
<td>Surgency</td>
</tr>
<tr>
<td></td>
<td>0.37</td>
</tr>
<tr>
<td>Supporting &amp; Co-operating</td>
<td>0.17</td>
</tr>
<tr>
<td>Interacting &amp; Presenting</td>
<td>0.89</td>
</tr>
<tr>
<td>Analyzing &amp; Interpreting</td>
<td>-0.10</td>
</tr>
<tr>
<td>Creating &amp; Conceptualizing</td>
<td>0.17</td>
</tr>
<tr>
<td>Adapting &amp; Coping</td>
<td>-0.11</td>
</tr>
<tr>
<td>Organizing &amp; Executing</td>
<td>-0.23</td>
</tr>
<tr>
<td>Enterprising &amp; Performing</td>
<td>0.13</td>
</tr>
</tbody>
</table>

**IEL Moral Character**

*IEL* theory conceptualizes *IEL Moral Leadership* in terms of: (a) *moral scope* – whom executives ought to serve, and for what ends; (b) *moral conduct* - what means to these ends are ethically acceptable, which rights must be respected and duties performed, and what is fair and just; and (c) *moral character* – what virtues are important and why they must be cultivated.
This discussion in this chapter completes the description of IEL Moral Leadership by addressing IEL moral character, which specifies how IEL executives must be psychologically constituted to intrinsically serve IEL’s moral scope and spontaneously exhibit IEL moral conduct. Druker (1994) observes that there is substantial evidence throughout history that individuals have attained levels of human development in which they spontaneously act in ways that are moral in the fullest, most encompassing sense. He also notes that a recurring theme in ethical thought is that the level of one’s ethical life is an expression of the level of one’s overall development as a human being (Kohlberg, 1984; Reed, 2008). Druker advises that a truly adequate theory of human development “should include knowledge of the highest level of ethical life and also knowledge of how to cultivate it” (Druker, 1994, p. 207). This is the core presumption of this chapter’s approach to IEL moral character. This chapter argues that positive and integrative executive agency requires high centers of gravity in cognitive, affective, social, moral, spiritual, wisdom, and virtues development. These antecedents clearly differentiate IEL executives from those who are simply effective. These antecedents are especially positively associated with both IEL Contemplative Self-Leadership, and IEL Transforming-Developmental Leadership. It has been argued that through the agency of Contemplative Self-Leadership, IEL positive, integrative moral influence radiates outward to all levels, via SuperLeadership, and that through the agency of Transforming-Developmental Leadership, IEL positive, integrative moral influence cascades inward to all levels, via organizational culture. It has also been argued that at the heart of both of these IEL repertoires are integrative consciousness and flow – in their individual and collective manifestations, respectively. Therefore, specifying the requirements for IEL moral character, involves drawing upon the insights from fields that deal with these deep moral influences, namely; constructive developmental psychology, positive psychology, and transpersonal psychology. Accordingly, this thesis posits:

(P.40) IEL executives possess the high levels of positive psychology, eudaimonic moral character, and integrative consciousness, for ethical and potentially excellent leadership, as evident in:

(a) Construct-Aware or Unitive stages of postautonomous ego development, as defined and assessed by Cook-Greuter’s (1999) MAP;
(b) *Universal Ethical Principles* or *Integrated* stages of (i) justice-ethics reasoning, as defined and assessed by Rest’s (1999) *DIT*, and (ii) care-ethics reasoning, as defined and assessed by Skoe’s & Marcia’s (1991) *ECI*;

(c) *Conjunctive* or *Universalizing* level of spirituality, as defined and assessed by Fowler’s et al.’s (2004) *FDI* and/or Leak’s et al.’s (2003, 2008) *FDS*;

(d) *Synthetic-Dialectical* thinking, as defined and assessed by Kramer’s (1990) *SPBI*;

(e) *Positive Virtues*, as defined and assessed by Peterson’s & Seligman’s (2004), *VIA-IS*.

Specifically, this chapter argues that the requirements for *IEL moral character* fall within the ranges identified in Table 8.4.

### Table 8.4: *IEL Ego, Moral, Spiritual, Wisdom, and Virtues Development*

<table>
<thead>
<tr>
<th></th>
<th><strong>Minimum</strong></th>
<th><strong>Ideal</strong></th>
</tr>
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<tbody>
<tr>
<td><strong>Ego</strong></td>
<td>The postautonomous <em>Construct-Aware</em> stage, as determined by Cook-Greuter’s <em>MAP</em>.</td>
<td>The postautonomous <em>Unitive</em> stage, as determined by Cook-Greuter’s <em>MAP</em>.</td>
</tr>
<tr>
<td><strong>Morality</strong></td>
<td>Kohlberg’s and Gilligan’s <em>Universal Ethical Principles</em>, as determined for both: justice-ethics by Rest’s <em>DIT</em>, and care-ethics by Skoe’s &amp; Marcia’s <em>ECI</em>.</td>
<td>Kohlberg’s and Gilligan’s <em>Integrated stage</em>, as determined for both: justice-ethics by Rest’s <em>DIT</em>, and care-ethics by Skoe’s &amp; Marcia’s <em>ECI</em>.</td>
</tr>
<tr>
<td><strong>Spirituality</strong></td>
<td>The <em>Conjunctive</em> level of spirituality, as determined by Fowler’s <em>FDI</em> and/or Leak’s et al.’s <em>FDS</em>.</td>
<td>The <em>Universalizing</em> level of spirituality, as determined by Fowler’s <em>FDI</em> and/or Leak’s et al.’s <em>FDS</em>.</td>
</tr>
<tr>
<td><strong>Wisdom</strong></td>
<td><em>Synthetic-Dialectical</em> thinking as determined by Kramer’s <em>SPBI</em>.</td>
<td><em>Synthetic-Dialectical</em> thinking as determined by Kramer’s <em>SPBI</em>.</td>
</tr>
<tr>
<td><strong>Positive Virtues</strong></td>
<td>Veritable character strengths as determined by Peterson’s &amp; Seligmans’s <em>VIA-IS</em>.</td>
<td>Veritably high levels of character strengths as determined by Peterson’s &amp; Seligmans’s <em>VIA-IS</em>.</td>
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**Ego Development**

*Constructive developmental psychology* in the neo-Piagetian tradition, has conceptualized stages of advanced human growth (Pfaffenberger, 2005, p. 280). These stages of adult “ego development” are features of underlying processes in personality organization that develop and generate coherent meaning and orchestrate “how we perceive inner and outer reality and
coordinate affect, thought and action” (Cook-Greuter, 1999, p. 3). Stages of ego development are relatively stable forms of meaning-making that are required for mature and constructive functioning in society. Cook-Greuter’s theory identifies preconventional, conventional and postconventional stages of ego development. Of special importance to IEL theory is her conceptualization of the “postautonomous” stages of postconventional development. She observes that although the majority of people develop “conventional” stages of ego development in similar, generally unconscious ways during their early years, a small minority of people continue to develop throughout adulthood, more complex, integrated and qualitatively different ways of knowing themselves and the world through processes that are generally voluntary, conscious and involve philosophical questioning. Because these postautonomous stages of ego development are relatively rare and are incomprehensible to researchers who themselves have not attained them, they have been studied far less, and are less well understood than conventional levels of ego development (Cook-Greuter, 1999, p. 2). The models of ego development investigated in this chapter reveal important inter-connections among the cognitive, affective, social, moral, spiritual, wisdom, and positive virtue dimensions of adult development throughout all of its stages. These dimensions are summarized in Appendix F.4, and are discussed in the remainder of this chapter.

Post-Piaget

Piaget found that cognitive-moral reasoning evolves in predictable ways over time and is closely associated with four major stages of increasing differentiation and integration - from sensory-motor, through magical thinking and concrete thought towards increasingly abstract thought and formal operations (Piaget,1954). By the time individuals have developed into the formal operations stage, they can think abstractly and logically: feelings, wishes and thoughts are seen to be connected with specific actions; actions are associated with specific outcomes; time is understood as a linear phenomenon with past, present and future sequenced in the causal chain; “reality” is believed to be comprised of various permanent, well-defined objects, distinct from each other and the observer; “real objects” are distinct, have inherent properties and are organized into various closed systems; and there is a range of procedures to experiment with, measure, analyze and uncover laws that govern their behaviour, etc. Piaget suggests that human
cognitive development is unidirectional and hierarchical: from less to more differentiated; simple to complex; concrete to abstract; and smaller and exclusive, to larger and inclusive frameworks. Cook-Greuter advises “in the most global sense, development can be described as the gradual unfolding of people’s capacity to embrace ever-vaster mental horizons and to plumb ever-greater depths” (Cook-Greuter, 1999, p. 29). Kegan observes that formal operations is the predominant stage of ego development attained by 80% of adults in western industrialized countries (Kegan, 1994, pp. 192-195). It represents a relatively stable stage of meaning-making in which people trust a formal, logical, rational “scientific” approach to answer questions, make decisions, take action and control their environment and lives. This socially constructed consensual reality is the goal of formal education in western industrial countries and for most people its assumptions and principles are taken for granted throughout their lives. Constructive developmental theory builds upon the Piagetian model in describing adult development as “a process of continuous differentiation and elaboration as well as of higher order abstraction and integration” (Cook-Greuter, 1999, pp. 32-33). The more developed a person becomes, the broader the range of experience that can be integrated and made sense of, and the fewer the aspects of experience that remain hidden, denied or split off from conscious awareness. Constructive developmental theory also “makes a fundamental distinction between horizontal growth, which adds new information or content to the existing worldview, and vertical growth, which transforms or organizes the current meaning system into higher order integration” (Cook-Greuter, 1999, p. 33), as depicted in Figure 5.3. At the most advanced levels “whole systems of human behaviour and thought – for instance, moral reasoning…are taken as objects of reflection and individuals can become simultaneously aware of the most concrete and the most ephemeral aspects of their experience” (Cook-Greuter, 1999, p.34).

Commons

Commons built upon Piaget’s model and identified additional forms of postconventional cognitive development. His General Model of Hierarchical Complexity (“GMHC”) focuses on the structural aspects of higher cognition, relying on mathematics to describe the logical properties of stages of reasoning beyond formal operations (Commons et al., 1984, 1994). These stages identify a person’s ability to successfully solve stage-specific cognitive tasks,
which are determined algorithmically by their *horizontal and vertical complexity*, as defined by mathematical models that measure orders of complexity, and whether transitions between orders are discontinuous and therefore stage-like. The first ten stages identified by Commons provide a mathematically defined scaffold that aligns well with Piaget’s stages of development. The last four stages are especially pertinent to IEL. The *systematic* stage is at the upper end of Piaget’s formal operations and is reflected in a person’s ability to see and describe the properties of, and transformations within, a system. The three stages of postconventional development exhibit higher orders of cognitive complexity in terms of “subject/object relations” (Kegan, 1982; 1994). In effect, each successive level reflects the ability to take the prior level as an *object* of consideration and analysis. Whereas a person at the *metasystematic* stage exhibits the ability to relate whole systems to each other, a person at the *paradigmatic* stage is able to formulate a metasystem or framework for coordinating several component systems, and a person at the *cross-paradigmatic* stage can unify whole paradigms of knowledge into a super-ordinate field. Although the GMHC rigorously defines and measures certain kinds of horizontal and vertical cognitive complexity, this does not necessarily translate into fully mature ego-development, because a purely mathematical model cannot account for how people make sense of experience on a lived level (Cook-Greuter, 1999, pp. 135-136). Manners and Durkin (2001) also point out that that the logico-mathematical and the socio-emotional domains are independent of each other, and that only socio-emotional learning and ego-development are positively correlated.

This limitation surfaces a fundamentally important process of mature ego development. In addition to the process of differentiation and integration towards greater horizontal and vertical complexity, is a second process, namely: a stepwise deconstruction of the previously constructed permanent object world. The first process can be logically extended ad infinitum “but beyond a certain point cognitive complexity alone does not account for deeper insight into the human condition” (Cook-Greuter, 1999, pp. 125). In fact, “ever higher levels of abstraction are already so far removed from actions in the real world that further development levels might well be …maladaptive” (Fischer et al., 1984, p. 53). The second process involves meaning-making from a meta-perspective and the awakening of *wisdom*, in which “for some adults…an enduring self-identity is superseded by a more immediate, fluid and process-oriented self-view…beyond the systems view of reality” (Cook-Greuter, 1999, pp. 127). This latter process
represents a discontinuous break from Piagetian models of development, and is a significant feature of all the remaining models in Appendix F.4.

Loevinger

Loevinger’s theory of ego development (Loevinger 1976, 1998) reflects Erikson’s attempt to capture personality development as a whole. Loevinger conceived of the “ego” as providing the fundamental structural unity of the personality, by integrating diverse intrapersonal and interpersonal experiences within frames of reference that give meaning to those life experiences. She considered the ego to be a master function that subsumes other interconnected domains, including “cognitive”, “affective–interpersonal”, “conscious preoccupations”, and “character” domains. For Loevinger, an individual’s cognitive style represents levels of conceptual and cognitive complexity; affective-interpersonal style refers to the ways of understanding oneself and other people and interpersonal relationships; conscious preoccupations are the foci of the individual’s conscious thoughts and behaviour, including independence, responsibility and conformity to social rules; and, character incorporates impulse control and moral development. She defined “ego stages” as relatively stable frames of reference that the individual uses to interpret or make sense of life experiences. She also developed the widely-used projective assessment tool, the Washington University Sentence Completion Test (“SCT”) to identify an individual’s stage of ego development. This instrument has been used in hundreds of studies of adult development (Manners & Durkin, 2001; Pfaffenger, 2005).

Loevinger’s SCT (1976) identifies nine stages of ego development, grouped into three tiers. The three stages of the 1st Tier – Preconventional represent normal stages of development in childhood, but are maladaptive if continued into adulthood, and are associated with psychopathologies, such as, the narcissistic and anti-social disorders common among business executives, as discussed in Chapters 1 and 5. Adults operating at preconventional levels “fail to understand another person’s point of view; they are devoid of compassion and lead lives that are narrowly focused on their own personal gain and advantage” (Pfaffenger, 2005, p. 281). The 2nd Tier – Conventional is comprised of the “conformist”, “self aware” and “conscientious” stages, which collectively describe 80% of the adult population in western industrialized
countries (Kegan, 1994). Individuals at the conformist stage, typically exhibit rigid black-white thinking, and strong identification with the norms and values of their social group, which expects and demands conformity. Self aware adults reflect greater awareness of inner life, consider different alternatives and exceptions to rules, and thereby gain a measure of independence from group norms – but within narrowly circumscribed ranges. In the conscientious stage, the exclusively outward orientation of the conformist stage is replaced with an internal orientation that encompasses self-selected values and standards, such that “moral considerations and responsibilities towards others are important, as are achievements and long-term goals” (Pfaffenger, 2005, p. 282). Although 2nd Tier – Conventional moral consciousness is a bare minimum requirement for business, it is insufficient for IEL executives. The 3rd Tier – Postconventional tier includes the “individualistic”, “autonomous” and “integrated” stages, which together describe less than 10% of the adult population in western industrialized countries (Kegan, 1994). Individualistic adults are psychologically minded, and aware of emotional and cognitive complexities and contradictions, and consequently are tolerant of themselves and others. Autonomous adults, Loevinger essentially equates with Maslow’s “self-actualizing” individuals. They exhibit the cognitive complexity associated with systems thinking, recognize the subjectivity of viewpoints, and the contextuality of truth, such that they tolerate well both ambiguity and contradictions. For autonomous adults “self fulfillment and self-expression gain increasing importance...[and] high social ideals of justice are maintained” (Pfaffenger, 2005, p. 282). Although Loevinger identifies an integrated stage of postconventional development, she does not offer a distinct and consistent definition (Cook-Greuter, 1999).

In their meta-study of over twenty years of research into Loevinger’s work, Manners and Durkin (2001) arrived at several important conclusions. (1) Notwithstanding “the complexity and breadth of the construct, there is considerable empirical support for the unitary nature of the ego” even though questions remain as to whether this unitary nature is that of an “indivisible master trait that subsumes other developmental domains” (2001, pp. 541-548). (2) Research provides “support for the sequentiality of the stages, but has also made it clear that although the order appears invariant, regressions may occur” (2001, pp. 555-557). Research also suggests that “ego development is not necessarily related to…[socio-economic status]…bringing into
question the critiques of ego and moral development as being elitist and class biased” (2001, pp. 559-561). (3) Studies consistently show low to no significant correlations between ego development and “cognitive development”, when the latter is defined and assessed in terms of “logico-mathematical” development. “However, a highly significant relation was found when cognitive level was assessed in terms of its application to the socioemotional domain”. Research suggests that “these two domains appear to be distinct, with cognitive functioning in the logico-mathematical domain not necessarily generalizing to the socioemotional domain” (2001, pp. 549-551). (4) Research indicates that higher stages of ego development are “characterized by greater complexity of understanding of the self, recognition and acceptance of internal contradictions, and awareness of the impact of social context on personal behavior”. Also a “significant correlation was found between ego stage and level of complexity of conceptualization of …emotions”. Additionally, “those at or above the self-aware ego stage scored significantly higher on empathy than those below that stage” (2001, pp. 551-553). This research suggests that “emotional intelligence”, as defined by Goleman (1995), is closely associated with ego development. (5) There is considerable “research that indicates that higher levels of ego development are significantly associated with emotional self-regulation …with internalized, principled moral reasoning…and with political ideological reasoning that is based upon reciprocity rather than self-interest”. This latter “reasoning based upon values of equality, justice, dignity, and individuality…[is] significantly more frequent among those at higher than lower stages of ego development” (2001, pp. 553-555).

Cook-Greuter (1999) also argues that Loevinger’s theory and the SCT work very well for individuals below the autonomous stage, but that her integrated stage is ill defined and inadequately described. Loevinger describes individuals at the integrated stage in virtually the same terms as self-actualized persons who have permanent, objective and highly complex self-identities. Her emphasis on the permanence and stability of an integrated self-identity, Cook-Greuter observes, “cannot account for people who develop a dynamic, fluid self-experience and who question the very assumption of the permanent self and object world” - highly developed individuals Cook-Greuter identified by closely examining patterns within “high-end” SCT responses. She advises that a person at a postautonomous stage of ego development strongly senses that “the universe is one interconnected whole without boundaries…[and] has to face
one’s intrinsic tendency to organize experience…make cosmos out of chaos by attributing order and relevance” (Cook-Greuter, 1999, p. 16). These individuals are acutely aware of the deep biases inherent in the construction of knowledge, and the reification of the object world, including the concepts of an individual “self”, such that “seeking a way of experiencing and meaning-making that is direct, without the fetters of language, can become a central existential quest” (Cook-Greuter, 1999, p. 16). Loevinger’s theory, she argues, does not account for these individuals for whom: “Our edifices of knowledge are impermanent. Like the shadows on the wall of Plato’s cave, they are but intimations of a deeper reality that may not ever be fully accessed empirically and by merely rational means” (Cook-Greuter, 1999, p. 17).

**Basseches**

Although Basseches does not offer a full model of ego development, he explains important features of postautonomous ego development (Basseches, 1984a; 1984b). He observes that individuals at the highest stages of ego development exhibit forms of “Dialectical Thinking” (“DT”), which differ from both formal operations and systems thinking, by its focus on the organizing principles of thought – the “process by which structured wholes, forms or systems, evolve and change” (Basseches, 1984b, p. 217). The thought processes of highly developed individuals are characterized by “schema” (Basseches, 1984a, p. 130), including: (1) the recognition that any concept or object of thought, definition or assertion, is inherently contextualized - dependent upon all of the things with which it is associated and against which it is differentiated; (2) sensitivity to the essential problems of reification and objectification in language, by which entities that are essentially elements of a unified whole are abstracted and treated as separate and static objects; (3) the awareness that all “knowledge” is simply a mental map which functions as a limited, constructed representation of “uncharted complexity”; and (4) comfort with, and a preference for, uncertainty and paradox, in which “disequilibrium is valued over any form of equilibrium, since it provides a source of transformation which is capable of freeing one from the limits with which any particular form of equilibrium is viewed as necessarily associated”.
Basseches argues that *DT* is a more advanced alternative to the dominant forms of thinking, namely: “Universalistic Formal Thinking” ("UFT") and “Relativistic Thinking” ("RT"). Individuals who exhibit *UFT* presume that there are fixed universal truths and that there is a universal order to things, such that acquiring knowledge involves describing that order. These individuals tend to view relativistic reasoning negatively, as if it accepts too much sloppiness or disorder in the universe. Individuals who exhibit *RT* presume there is not one universal order, but rather there are many orders to things because different individuals, groups or cultures order reality in different and incompatible ways, such that acquiring knowledge involves describing and appreciating a wide range of different orderings. These individuals tend to harbour positive attitudes toward diversity and negative sentiments towards universal claims, which they tend to regard as imposing egocentric or ethnocentric order on the experience of others. By contrast, *DT* charts a middle course by regarding the conception of order in the universe as an ongoing process of meaning-making that is fundamental to human life and inquiry. Individuals who exhibit *DT* value discovering what is left out of existing ways of ordering the universe, and then creating new orderings that embrace what was previously excluded. Dialectical thinkers often share *UFT*'s negative reactions to *RT* when the latter retreats from efforts to create more powerful orderings. As well, dialectical thinkers often share *RT*'s negative reactions to the *UFT* presumption that an absolute all-inclusive ordering is possible. The *Thesis-Antithesis-Synthesis* movement in *DT* resolves the polarities between the *UFT* and *RT* positions. This movement involves: (1) a *thesis*, as any idea or element of thought; (2) an *antithesis*, any idea or element that is excluded from, outside of, or contrary to the thesis; and (3) the *synthesis*, in which the thesis and the antithesis are related to each other, in a more complex form than either the thesis or antithesis, and which includes and reconciles aspects of both within itself in a more differentiated and integrated form (Basseches 1984a; 1984b). A hallmark of postautonomous stages of ego development, is the use of such forms of dialectical thinking, to address contradictions and paradoxes and to transform established mindsets through a developmental resolution in which “living in paradox feels freeing and vital compared to any kind of closure, which is seen as limiting and deadly” (Cook-Greuter, 1999, p. 143). Sankowsky, argues that this “capacity for dialectical thinking/being is critical for true success in the…workplace”, albeit not necessarily in routine situations, but for many difficult conundrums. He advises: “How can one transform paradoxes in general?...dialectical thinking is almost by definition the requisite
orientation for so doing – taking thesis and antithesis toward a novel synthesis….To find the “right path” – giving enough so that followers develop the capacities for doing, learning and feeling – the dialectical interplay between thesis and antithesis is essential” (Sankowsky, 1997, p. 189).

**Kegan**

*Dialectical thinking* is a prominent feature of the highest level of ego development in Kegan’s theory (1982, 1994), and as assessed by Harvard University’s *Subject-Object Interview* (“SOI”) developed by Lahey, Souvaine, Kegan, Goodman, and Felix (1988). According to Kegan (1982), meaning-making is a physical, social and survival activity involving cognitive, social and emotional development together, as elements of a system of meaning formation. Kegan’s *The Evolving Self* (1982) describes the individual’s personal evolution of meaning-making as a dynamic balancing and rebalancing of “subject and object”, “self and other”. Kegan’s *In Over Our Heads* (1994) describes the development of the “self”, and its organization of “meaning-making” through “orders of consciousness” and argues that there is a serious “mismatch” between the demands of western industrial culture’s complex “curriculum”, and the general level of adult ego development available to deal with the demands of adult living. Kegan sees the vast majority of adults as being insufficiently developed cognitively, emotionally, socially and morally, to successfully handle the demands placed upon them by western industrial culture. The consequences for business leaders, as discussed in Chapter 1, are potentially catastrophic. The concept of “subject-object relations” is central to Kegan’s model of ego development.

*Subject* refers to those elements of our knowing or meaning-making that we are identified with, tied to, fused with, or embedded in. We can neither control, nor be responsible for, that to which we are subject. *Object* refers to that upon which we can reflect, because our meaning-making has made it separate and distinct from us. *Object* refers to those elements of our knowing or organizing that we can look at, internalize, assimilate, be responsible for, relate to each other, take control of, or otherwise act upon Kegan (1994, p. 32). Kegan’s *orders of consciousness* refer to stages of organization that transcend the last, in such a way that the new way of knowing incorporates the meaning-making abilities of the last, such that the individual becomes able to reflect on these previous abilities. The 3rd through 5th orders are most salient to *IEL*. 
3rd Order of Consciousness – “Interpersonal”: At this stage of ego development the individual can “think abstractly, identify a complex internal psychological life, orient to the welfare of a human relationship, construct values and ideals self consciously…and subordinate one’s own interests” (Kegan, 1994, p. 75). The ability emerges to reflect on the type of person he is (e.g. selfish or altruistic) and he begins to consider not just what will happen to him but what will happen to the relationships in his life. In addition to the ability to construct a personal point of view, the recognition emerges that others are constructing their own points of view as well. This requires movement from “I am my point of view” to “I have a point of view”, as a result of which, the individual becomes able to subordinate some of his own interests to a shared interest, instead of only being able to get his own needs met. All of this requires integrating the simpler self into a more complex context that relates to the self, within which values, ideals, and broad beliefs can be constructed. Kegan’s 3rd order of consciousness is a bare minimum requirement for ethical business conduct. However, at the 3rd order of consciousness, the system by which individuals make meaning still primarily rests outside the self. The “triumph and limit of the third order” Kegan argues is that in gaining the ability to become part of a community, the individual triumphs, but she or he is still limited by being unable to stand apart from this co-construction to reflect and act on it (Kegan, 1994, p. 126). Kegan advises that transformation from the third to the fourth order of consciousness in adulthood basically involves attaining “self-authorship”, that is, the ability to “write one’s own life”. During this transition the individual begins to develop an independent selfhood with an ideology of his or her own. The source of expectations and judgments gradually comes to reside within the self rather than being supplied by others (Kegan, 1982, p. 186).

4th Order of Consciousness – “Institutional”: The self-authorship of the fourth order of consciousness emphasizes the individual’s ability to construct generalizations across abstractions, such as moral values. Individuals who reach this stage of ego development can stand outside of their values and form deeper internal sets of convictions that form a context for and regulate behavior. This is analogous to Common’s “paradigmatic thinking”. These “values about values” provide means for choosing among values when they conflict, via enabling the individual “to subordinate, regulate, and indeed create (rather than be created by) our values and ideals—the ability to take values and ideals as the object rather than the subject of our knowing”
(Kegan, 1994, p. 91). At the heart of this capacity of self-authorship are: self-regulation, identity, autonomy, and individuation - as opposed to relying on others. Self-authorship is a more complex system for organizing experience than previous orders because not only can it create values, beliefs, generalizations, abstractions, interpersonal loyalty, and intrapersonal states of mind, it can also coordinate, integrate, or act on them and thereby foster a sense of identity that is more enduring than earlier co-constructed versions. In effect, by moving beyond others’ expectations or demands, an individual creates a larger context as a source of satisfaction and fulfillment (Kegan, 1994, p. 92). Kegan argues that in order to be effective as partners, spouses, parents, employees, and leaders, individuals must be at least capable of self-authorship, to act upon the world for the betterment of society (rather than be acted upon), as engaged citizens with strong values and clear identities that are internally defined. As such, self-authorship is closely related to self-leadership, which plays a central role within IEL. Unfortunately, as Kegan points out, “one-half to two-thirds of the adult population appear not to have fully reached the fourth order of consciousness” in western nations (1994, p. 191).

5th Order of Consciousness – “Inter-Individual”: Fifth-order development is rare, and rarely appears before individuals reach their forties. At this order, individuals begin to use a perspective of “multipleness” (Kegan, 1994, p. 313). The individual begins to hold suspect, the sense of his own and others’ wholeness, distinctness and completeness, senses that the self-system itself is an incomplete and partial construction, and intuits that consequently it is the process of creating self through relationships that is pre-eminent. As the individual’s identity moves from subject to object it brings into being new inter-individual ways of organizing reality that emphasize a refusal to see itself as a single system or form and to experience a deep sharing or intimacy with others (Kegan, 1982, p. 228). Akin to Basseches, Kegan also advises that one of the central features of this new way of thinking is an orientation toward contradiction and paradox. Rather than feeling a need to choose between the two poles in a paradox, the individual recognizes inherent contradiction, and orients toward the relationship between the poles. Thus, leaders at the 5th order of consciousness, view their roles as needing to provide contexts within which all stakeholders can create visions and missions that can be pursued synergistically.
Kegan’s theory clarifies important features of *postautonomous* ego development. It addresses the epistemological question of how we make sense of experience through meaning-making by embracing progressively more external and internal experience; the underlying mechanism of transformation through subject-object relations; the process of human development as a continuous dialectic among polarities of all kinds; and, the relatively greater flexibility and coherence between the individual and his or her environs, through successively higher orders of consciousness, which reconcile opposing human tendencies towards independence versus community - thereby achieving what Csikszentmihalyi calls “complexity”. Kegan reveals that:

> postautonomous awareness is not directed toward what we know, but how we go about making sense of the world. As soon as one gazes intently at one’s gazing, one realizes that what appears clear and distinct can be changed by roaming across the field of vision and focusing on different parts of it. The focal area springs into prominence, while the unfocused area becomes dim and indistinct. Thus the subjective, deliberate and directed aspects of our own attention, thoughts and reactions become evident as does the price to be paid for any choices made. (Cook-Greuter, 1999, p.148)

The recognition at Kegan’s 5th order, that *each way of knowing is a way of not knowing*, is the springboard to an implicit “6th order” of development in his model, because “this awareness of limitation and partialness, when continuously extended to larger contexts drives human meaning-making towards transcendence of boundaries and wholeness” (Cook-Greuter, 1999, pp. 147-149). This implicit 6th order involves “being in a flow or motion of continuous experiencing and participating” (Lahey et al., 1988, p. 160) that leads to an eventual “ability to see the other as a part of oneself” (Lahey et al., 1988. p. 253).

**Koplowitz**

Koplowitz (1984) provides a complementary perspective of adult development, reflecting insights from Eastern integrative philosophies. His first four levels closely parallel Piaget’s, while his fifth level encompasses Commons’ 12th through 14th levels. However, his sixth “Unitive” level is important. He advises that as a person’s “General Systems” thinking matures, some individuals sense that every object is connected to every other object, such that permanent boundaries become elusive. These individuals begin to “de-materialize” or “de-reify” their worldviews in ever widening spheres, toward a unitive worldview. This further deconstruction
of the conventional worldview regards: (a) reality as unified and undifferentiated; (b) relations among variables as forming a unity; (c) causation as non-linear and pervading space-time; and (d) any boundaries that identify permanent objects, as being simply human constructs. This highly advanced stage recognizes a fundamental unity within the phenomenological continuum, and the arbitrariness of all differentiation and definition, because the very “process of naming or measuring pulls that which is named out of reality, which is itself not nameable or measurable” (Cook-Greuter, 1999, pp. 161-162).

**Cook-Greuter**

Cook-Greuter’s ego development theory is virtually identical to Loevinger's up to, and including, the *Autonomous* stage. However, at the postautonomous stages, she integrates the insights of Commons, Basseches, Kegan, Koplowitz, and Eastern integrative wisdom traditions. Cook-Greuter’s exploration of postautonomous ego development spanned almost two decades of research and included examining “1100 relatively rare postautonomous SCT completions and 476 whole high-end protocols systematically culled from over 4400 protocols in 17 years of scoring SCT’s” (Cook-Greuter, 1999, pp. 3-4). She reports that these “intriguing high-end responses to the SCT…did not fit existing ego development theory, nor could they be scored with the SCT…in a consistent or satisfactory manner” (Cook-Greuter, 1999, p. 232). As a consequence, Cook-Greuter recommended replacing Loevinger’s ill-defined *Integrated* stage with two stages, the “Construct-Aware” (5/6) and the “Unitive” (6) stages, which are “characterized by increasing levels of deconstruction of the concept of a permanent object world, with increasing understanding of the constructed nature of everyday reality”. In addition, she notes that “the Unitive stage, shared some features with beginning ego-transcendent conceptions of reality as described in the spiritual traditions of the East and in modern transpersonal psychology” (Cook-Greuter, 1999, p.233). An awareness of the constructed nature of reality and the limits of language, attention to the process of meaning making in the rational realm, especially with such concerns as the nature of polarities and paradox, are characteristic of the first postautonomous level – *Construct-Aware* (5/6). The clearest indications of the next developmental stage, *Unitive* (6), are acceptance of change and process as fundamental aspects of experience and insight into the unity of the reality underlying all
constructed differentiations. Cook-Greuter’s amended SCT, called the Maturity Assessment Profile (“MAP”) incorporates the following diagnostic/assessment criteria for individuals at the Construct-Aware (5/6) and Unitive (6) stages (Cook-Greuter, 1999, p. 186):

<table>
<thead>
<tr>
<th>Construct Aware (5/6)</th>
<th>Unitive (6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Complex matrix (not linear list); abstract, structural signs</td>
<td>(1) Explicit gratitude for life and others in their whole complexity</td>
</tr>
<tr>
<td>(2) Evaluation of multilayered intrapsychic and interpersonal dynamics</td>
<td>(2) Acceptance of change, process, world and people as they are</td>
</tr>
<tr>
<td>(3) Exploration and evaluation of habits of mind; paradox, infinite regress; attention to process; attention to attention</td>
<td>(3) Non-trivial expression of universal connectedness</td>
</tr>
<tr>
<td>(4) Reference to constructed nature of reality and language habit; definition and frames of reference</td>
<td>(4) Fundamental thoughts and feelings about the human condition</td>
</tr>
<tr>
<td>(5) Unitive ability, embracing polar opposites and multiple perspectives</td>
<td></td>
</tr>
</tbody>
</table>

Cook-Greuter describes postconventional ego development as an upward spiral of alternating “differentiation and integration at ever higher levels of complexity”, in which “people do not just continue to complexify the way they make sense of reality…they also become ever more conscious of (a) previously unexamined assumptions, (b) defensive maneuvers to safeguard the psychic status quo, and (c) the depth of their cultural and linguistic programming” (Cook-Greuter, 1999, p. 236). From this perspective, exclusively analytic, formal operational reasoning, is a feature of lower levels of ego development that rely “exclusively on the rational faculty while it ignores other essential components of meaning making such as affect and context…[and] it divides subject and object, investigator and problem, knower and known into independent variables to be analyzed and explained separately in its attempt to be ‘objective’”. This orientation reaches its zenith in conventional stages of ego development. By comparison, the postconventional forms of ego development - the Autonomous, Construct-Aware and Unitive stages - all reflect greater complexity and wisdom. Because the dialectical thinker eventually begins to wonder at what point the dialectical process might reach its functional limit, beyond the systems level, postautonomous individuals become fascinated with questions of how their minds work, how they make sense of reality, and become especially concerned with the many automatic mental habits that they unconsciously developed through a lifetime of cultural conditioning. They come to deeply experience and understand: the interdependence of self and others; the complexity of experiences, feelings, thoughts, and memories at play; inevitable
paradox in the rational realm and the complementarity of polar opposites; as well as the non-distinctiveness of the "permanent object world" and the impermanence of the self.

Attending these stages of cognitive development in Cook-Greuter’s model, are associated stages of affective - interpersonal development. As individuals develop, they increase the extent to which “they experience and understand the interdependence of self and others and the complexity of experiences, feelings, thoughts and memories at play” (Cook-Greuter, 1999, p. 237). Individuals who are at the Construct-Aware (5/6) stage “emphasize their difference and uniqueness in relation to the previous stage…they are beholden to that former way of meaning making by explicitly setting themselves apart from it while they are, at the same time, able to observe it from a new level of perspective” (Cook-Greuter, 1999, p. 78). Because their basic needs for relatedness are unfilled, they generally express more negative affect and social tension than those at the Unitive (6) stage who “emphasize integration at a higher level of complexity, both in terms of people’s expanding time frame and relational space” (Cook-Greuter, 1999, p. 78). At this inclusive Unitive stage, people tend to express more positive affect due to their growing sense of balance between their separateness and sustaining connection with others. Appendix F.5 summarizes the key features of these postautonomous stages of ego-development, as contrasted with Loevinger’s Autonomous stage.

**The Unitive Stage**

Eastern integrative wisdom traditions (Nakagawa, 2000, 2005) describe the Unitive stage identified by Cook-Greuter, in terms strikingly similar to those of integrative consciousness, as discussed in IEL Contemplative Self-Leadership. The values and moral decisions informed by the Unitive stage’s integrative consciousness are deeply grounded metaphysically, as described by Leithwood and Duke (1998). They note that among the most difficult issues in moral leadership, are the nature of the leaders’ values, and how they resolve values conflicts (Leithwood & Duke, 1998, p. 37). Citing Hodgkinson’s work on moral leadership, they describe three categories of values: (1) subrational values, which involve solely “the leader’s self-justifying preferences, manifestations of feeling and emotion”; (2) rational values, which have some justification outside of the leader “based on either consensus among those affected,
or an appeal to some future consequences of choice held to be desirable”; and, (3) transrational values, which are the “most defensible set of values on which to base decision making” because they are based upon “a metaphysical grounding…principles that take the form of ethical codes, injunctions or commandments…their common feature is that they are unverifiable by the techniques of science and cannot be justified by merely logical argument” (Hodgkinson, 1991, p.99). IEL Moral Leadership is founded upon these transrational values, on the basis of which, IEL executives “choose higher over lower level values when confronted with values conflicts” (Leithwood & Duke, 1998, p. 37). This foundation for IEL moral character is positively associated with postautonomous stages of ego development, as outlined in Table 8.6. Specifically, Cook-Greuter’s (1999) stages of ego development are closely and positively associated with parallel stages of moral, spiritual, wisdom, and virtue development. The positive interrelationships among authentic, ethical, spiritual, servant and wise leadership discussed in Chapter 7 are explained by these “deep structure” interconnections among ego, affective, moral, spiritual, wisdom, and virtue development.

Table 8.5: Stages of Ego, Moral, Spiritual, Wisdom, and Virtues Development

<table>
<thead>
<tr>
<th>Development Tiers</th>
<th>Cook-Greuter (Ego)</th>
<th>Kohlberg-Gilligan (Moral)</th>
<th>Fowler (Spiritual)</th>
<th>Kramer (Wisdom)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ego Transcendent (&lt;0.2% adults)</td>
<td>6. Unitive</td>
<td>7. Integrated</td>
<td>6. Universalizing</td>
<td>Synthetic-Dialectical</td>
</tr>
<tr>
<td>Postconventional (&lt;10% adults)</td>
<td>4/5. Individualistic</td>
<td>5. Social contract</td>
<td>4. Individuative - Reflective</td>
<td>Synthetic-Relativistic</td>
</tr>
<tr>
<td></td>
<td>3. Conformist</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Impulsive</td>
<td>1. Obedience and punishment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Symbiotic</td>
<td></td>
<td>1. Intuitive – Projective</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0. Undifferentiated</td>
<td></td>
</tr>
</tbody>
</table>
Postautonomous *IEL* Moral Development

Reed (2008) contends that there is an important place in moral philosophy for Kohlberg’s stage conception of moral development, “so long as these stages are construed as structures of interaction and not only as structures of explanation or justification” (Reed, 2008, p. 358). According to Reed “moral cognition is the coming to conscious realisation of reciprocal interaction protocols and their activation or application in new situations” (Reed, 2008, p. 359). Accordingly, he argues that Kohlberg’s stages of moral development are neither ethical theories, nor meta-ethical theories, with which they are frequently confused. Reed notes that sometimes Kohlberg himself “described his six-stage sequence as a sequence from naïve moral realism (Stage 1), to egoistic hedonism (Stage 2), to interpersonal relativism (Stage 3), to a law-and-order conventionalism/socio-cultural relativism (Stage 4), to a contractarian rule or act utilitarianism (Stage 5), to Kantian (or Rawlsian) deontology (Stage 6)” (Reed, 2008, p. 364). Rather, Kohlberg’s stages of moral development describe “a succession of increasingly cooperative interaction structures that may come to conscious realisation in increasingly comprehensive construals of reciprocity” (Reed, 2008, p. 359). Reed explains:

> The crucial shift, therefore, in the moral development of individuals, is the shift from egocentric and self-interested personal agency to socio-centric and community interested cooperative agency, the latter incorporating and transforming self-interest within a broader good. This shift may or may not be realised consciously, that is, recognised, articulated verbally and/or explained and justified theoretically. The shift in action protocols is primary, whereas the shift in reasoning protocols is derivative (Reed, 2008, p. 359).

Reed’s interpretation of Kohlberg’s stages of moral development reinforces Cook-Greuter’s description of the *expanding relational space* in ego development, conceived as “a sequence from (non-reciprocal) egocentric interaction to one-with-one (personal) reciprocity, to interpersonal (intra-group) reciprocity, to social (role-differentiated) reciprocity, to inter-social reciprocity” (Reed, 2008, p. 364).

Building upon Kohlberg’s theory, Gilligan (1982) argued that an “ethic of justice” (concern with equality, fairness, and individual rights) characterizes the moral voice of men, an “ethic of care” (concern with responsibility and prevention of hurt in relationships) characterizes women,
and that both justice (masculine voice) and care (feminine voice) are balanced at the Integrated stage of cognitive-moral development. However, research has provided only weak, mixed support for Gilligan’s gender argument, indicating that women are only slightly more likely to use the care orientation, and that men and women generally use both orientations (Jaffee & Hyde, 2000; Turiel, 1998). Building upon Gilligan’s insights, Snarey (1998) observed that justice-based moral development reflects the ego-development components of cognitive style or cognitive development along with impulse control and character development, while Skoe et al. (2002) note that care reasoning development shares these same ego-development components along with two additional personality dimensions: interpersonal orientations, and conscious concerns. Also, Skoe and Marcia (1991), and Skoe and von der Lippe (2002) cite empirical research examining the relationships between ego development and Kohlberg’s “justice” moral orientation, and Gilligan’s “care” moral orientation. This research indicates that high levels of ego development involve the capacity to use both moral perspectives (Cohn, 1991; Snarey, 1998). In fact, Snarey (1998) suggests that the frequency of use of both justice and care moral orientations is even a good approximate index of ego maturity. These considerations have given rise to the development of assessment instruments for justice-based moral reasoning, Rest’s Defining Issues Test (“DIT”), and care-based moral reasoning, Skoe’s and Marcia’s Ethic of Care Interview (“ECI”). The investigation of IEL moral conduct in Chapter 7 observed that many of the conventional survey approaches to ethical assessment are naïve and inadequate. However, these two instruments are far more sophisticated and suited to the task of assessing IEL moral character.

Rest’s “recognition” measure of justice-based moral reasoning ability is based on Kohlberg’s (1984) model of moral development and is the most frequently used measurement in studies of moral development (Wygant & Williams, 1995). Rest believes that Kohlberg’s six stage theory is basically correct, but that his open-ended interview method of assessment is problematic. Kohlberg’s method, he argues, allows participants to communicate broadly about a variety of issues, but leads to vague responses and unsystematic inventories of the participants’ views (Rest, 1979, p. 78). Rest’s DIT and DIT-2 were designed to address these problems. Rest and Narvaez (1994) advise: “Although other instruments usually involve more pain, there is not inevitably more gain” (1994, p. 214). Skoe and Marcia (1991) developed the Ethic of Care
Interview which measures five hierarchical levels of development in the care ethic, in accordance with Gilligan’s (1982) theory. Their research supports the theory that the development of care-based morality, as measured by the ECI is positively related to Kohlberg’s justice stages, to integrative complexity of reasoning, and to multiple perspective-taking. Skoe’s et al.’s (2002) study also revealed a strikingly high correspondence between the stages of ego development, as measured by Loevinger’s SCT (and hence Cook-Greuter’s MAP) and the levels of care as measured by the ECI. As well, although their data show that the ECI has a low positive relationship to verbal intelligence, the DIT (which taps verbal intelligence) relates significantly to cognitive ego development. This suggests that the DIT and the ECI are measuring different, but related dimensions of moral reasoning, namely, justice and care, respectively. In summary, these instruments together can identify an executive who is able to: (1) cope with conflicts and uncertainties and tolerate ambiguity; (2) soundly assess moral dilemmas; (3) generate morally acceptable courses of action; (4) make moral decisions which balance care for the needs of self and others and renounce the unattainable; and, (5) take effective action and accept responsibility for choices made and their consequences. For such an executive interpersonal relations are intense and involve “a recognition of inevitable mutual interdependence” (Loevinger, 1966, p. 200), such that “autonomy and…intimacy are now integrated” (Skoe et al, 2002, p. 503).

Postautonomous IEL Spiritual Development

IEL moral character is reinforced by the high levels of spiritual development, as evident in integrative consciousness. Perhaps Fowler (1981) describes this best:

the human side of the faith relationship, comes up against the fact that the transcendent other with whom we have to do in faith is not confined by the models we build or to the pattern we discern.....In the faith development theory, while we have tried to describe the expectable and predictable stages of growth in faith, we have also sought to acknowledge this more mysterious and unpredictable vector...Perhaps the most important thing that can be said... is that...we human beings seem to have a generic vocation - a universal calling - to be related to the Ground of Being in a relationship of trust and loyalty. That vocation calls us into covenantal relationship with the transcendent and with the neighbor - when the neighbor is understood radically to be all being (Fowler, 1981, pp. 302-303).
In effect, these highest stages of spiritual development, cultivate forms of moral consciousness in which IEL’s positive and integrative agency naturally extends to all beings and to all creation, experienced as manifestations of the common Ground of Being, and therefore as “sacred” - as advised by Miller (1994). This is the ultimate foundation for transrational values (Leithwood & Duke, 1998), and the ultimate metaphysical grounding for IEL moral character. Two instruments by which an individual’s stage of faith/spiritual development can be assessed include; the Faith Development Index (“FDI”), (Moseley, Jarvis, Fowler & DeNicola, 1993); and the Faith Development Scale (“FDS”) (Leak, Loucks, & Bowlin, 1999). The FDI is a semi-structured interview that focuses on the individual’s life experiences and the meanings the individual attributes to them. Parker (2006, pp. 337-346), advises that “the FDI is the best validated and most reliable of the instruments designed to measure Fowler’s stages…[and its] validity is clearly adequate for research purposes” (Parker, 2006, p. 341). The FDS is a complementary, global measure of spiritual maturity, derived explicitly from Fowler's theory of faith development, with “a great deal of prior research…to support its construct validity… [and] a rigorous examination of its factorial validity [which] indicated excellent model-data fit (Leak, 2008, pp. 123-131). Accordingly, this thesis recommends the FDI and/or the FDS, to provide a valid and reliable indication of an executive’s level of spiritual development.

**Postautonomous IEL Wisdom Development**

Kramer’s implicit wisdom also fits closely with these stages of ego, moral and spiritual development. These stages of development lead to more complex operations, greater flexibility of functioning, and the use of a greater range of human capacities. The integration of cognitive, affective, social, moral, spiritual and wisdom capacities are essential to full human development, and are "interdependent and attain their meaning in the praxis, or activity, of the organism" (Kramer, 1990a, p. 280). Consequently, synthetic-dialectical thinking is evident at the higher stages of development, which "points to the ongoing relationship between the changing self and the changing world…[and] that persons are the producers of their own world, always generating new possibilities for the transformation of the world" (Moseley, 1991, p. 148). Kramer (1990a) argues that implicit wisdom, including meaning-making activities and questioning the meaning of life, cannot be separated from spiritual wisdom, because "the
intrapersonal development necessary for wisdom and spiritual development often go hand in hand" (Kramer, 1990a, p. 287). She also posits that spiritual nourishment may give the individual the energy, self-knowledge, and ability to engage in the psychological processes involved in wisdom. Also, synthetic-dialectical thinking conceptualizes dialectical wholes. These structures resulting from the resolution of tensions between different ideas are “characterized by emergence (i.e., it redefines and transcends its constituent elements) and reciprocity (i.e., a change in any one element in a system influences and in turn is influenced by a change in other parts of the system). Thus, in a dialectical system, all elements are interrelated and are reflections of an underlying unity” (Kramer et al., 1992, p. 181). The synthetic dialectical process that first appears in Conjunctive Faith has its fullest expression within Universalizing Faith.

The beauty of wisdom would lie in the awareness that all human systems, all phenomena are “intimately related”.... As such, wisdom involves the ability to experience and participate in the broad spectrum of normal human experiences, good and bad, cognitive and affective - and to accept the uncertainties, imperfections, and limitations that lie therein. In addition, perhaps there is nothing more intimate than spirituality...[which] many would argue, is the source of all other love, compassion, and intimacy (Kramer, 1990, p. 304).

In order to measure implicit wisdom, Kramer developed the Social Paradigm Belief Inventory (“SPBI”) (Kramer et al., 1992) which assesses absolute analytic (formistic and mechanistic), relativistic, and dialectical styles of thinking. In a validation study with 445 participants, the SPBI was shown to have: good internal consistency for its three subscales (absolute, relativistic and dialectical); a high degree of test-retest reliability; strong construct validity; and both convergent and divergent discriminant validities when correlated with other similar paradigm scales (Kramer et al., 1992). Therefore, this thesis recommends Kramer’s SPBI to assess and validate an executive’s level of implicit wisdom.

Postautonomous IEL Positive Virtues Development

Peterson and Seligman (2004) studied different religious, cultural and legal texts from around the world in an attempt to develop a universal classification for character strengths. Their resultant taxonomy of positive virtues (2004, pp. 627-644), only includes character strengths
and virtues that were found to be ubiquitous (Dahlsgaard, Peterson, & Seligman, 2005). This taxonomy consists of 24 specific psychological strengths that make up six virtues. These virtues are at a higher level of abstraction than the component character strengths, and are closely related to the constructs proposed by philosophers and religious figures over many centuries. These six virtues and their associated character strengths are contained in Appendix F.6. To measure and assess these character strengths, Peterson and Seligman (2004) also developed the Values In Action Inventory of Strengths (“VIA-IS”). The VIA-IS is a self-assessment measure of character strengths that requires respondents to rate how likely they are to participate in certain behaviours that are representative of the different character strengths. The VIA-IS does not directly measure the six virtues they describe, these are only linked conceptually to the character strengths by Peterson and Seligman (2004). However, some preliminary research into establishing the validity of the VIA-IS has been conducted. For instance, Haslam, Bain, and Neal (2004) found that the Five Factor Model (“FFM”) of personality is conceptually linked to the 24 character strengths. Peterson and Seligman (2004) also observed clear correspondences between their typology and the FFM, but it is important to note that they did not empirically correlate their VIA-IS factors with the five factors of the FFM - they only made these links conceptually. They also acknowledge that the factors found in their factor analysis of the VIA-IS do not exactly reflect their six virtue hierarchy. These limitations raise questions about the organization of the 24 character strengths and six virtues, and the conceptual links between the VIA-IS and specific FFM traits. Rather, this research suggests that some of the VIA-IS character strengths are related to complex combinations of FFM traits and not individual traits as depicted in Appendix F.7 (MacDonald, Bore, & Munro, 2008). In fact, MacDonald et al. (2008) found complex patterns of significant relationships between each of the 24 character strengths, and the Five Factor Model of personality. These studies indicates that the VIA-IS needs further research, and that it is likely to be reconstructed, along with its underlying typology, to demonstrate acceptable psychometric properties. Nevertheless, the 24 component character strengths are well accepted as constituting positive virtues. Therefore, under the circumstances, this thesis conceptualizes IEL positive virtues as integrated constellations of character strengths that collectively represent positive dispositions that lead to human excellence and flourishing – individually and collectively. From this perspective, all of the VIA-IS character strengths and virtues are important to executive leadership. Until such time as a
psychometrically robust instrument is developed and validated, the VIA-IS can still serve as a conceptually adequate general inventory of positive virtues that are salient to IEL. Therefore, this thesis recommends the use of Peterson’s and Seligman’s VIA-IS to assess and validate an executive’s positive virtues and character strengths.

The expanded relational space of postautonomous levels of ego development provides the psychological foundation for the altruistic positive and integrative agency of IEL. Similarly, complexity and dialectical thinking constitute the foundation of the wisdom capacities of IEL’s “socio-centric and community interested cooperative agency” (Reed, 2008, p. 359). However, Cook-Greuter cautions that postautonomous ego development is difficult to assess (1999, p. 238) and that we should not “overemphasize the structural, measurable aspects of development at the expense of more qualitative, content-related ones” (1999, p.165). Thus, interpretivist approaches and an integrative research paradigm are essential to assess IEL moral character.
CHAPTER 9

IEL and Extraordinary Leadership

Integrative Consciousness, Self-Transcendence and Extraordinary Leadership

Cook-Greuter observes that the *Unitive* stage, is very closely related to, and likely co-arises with, ego-transcendence - sharing “some features with beginning ego-transcendent conceptions of reality as described in the spiritual traditions of the East and in modern transpersonal psychology” (Cook-Greuter, 1999, p. 233). This is important to *IEL* because, as Parameshwar (2005) demonstrates, ego-transcendent stages of development and integrative consciousness are closely associated with extraordinary leadership. Further, since integrative consciousness is associated with inwardly-oriented *IEL Contemplative Self-Leadership* (contemplation and flow), and outwardly-oriented *IEL Transforming-Developmental Leadership* (*Presence* and group flow), this strongly suggests that they too are positively associated with extraordinary leadership.

Parameshwar (2005, pp. 689-722) explores the processes through which ten extraordinary world leaders addressed complex political, legal, economic, socio-cultural, and educational challenges and effected large-scale societal transformations in a variety of settings and time periods. Common to all, Parameshwar discovered, were processes centered around ego-transcendence in the midst of challenging circumstances (2005, p. 709). These ten leaders included: Nawal El Saadawi, Victor Frankl, Paulo Freire, Mahatma Gandhi, Helen Keller, Karl Marx, Rigoberta Menchu, Kwame Nkrumah, Aung San Suu Kyi, and Mother Teresa. Brief descriptions of the backgrounds, causes and contributions of these exemplary world leaders are contained in Table 9.1. In her analysis of over 500 critical events contained in the autobiographies of these leaders, Parameshwar notes a dynamic interplay of leader consciousness and external phenomena. Perhaps the clearest and most powerful example of ego-transcendent leadership is Gandhi’s use of “Satyagraha” or “soul force” - an ego-transcendent, non-violent form of influence. Gandhi’s use of non-violent civil disobedience was in stark contrast to the brutally violent reactions of the British. This social innovation unleashed widespread, powerful processes of mutual influence.
in which “leaders and followers raise one another to higher levels of motivation and morality” (Burns, 1978, p. 20) which shamed the British on the international stage, led to the end of their unjust military rule, and to the eventual liberation of India. Parameshwar’s study of these extraordinary leaders underscores the central importance of ego-transcendence and integrative consciousness, the reciprocal influences between these leaders and their contexts, and their \textit{inward} and \textit{outward} processes that resulted in large-scale transformational change (Marion & Uhl-Bien, 2001). Each of these leaders exhibited degrees of ego-transcendence that are diametrically opposite to the ego-centric stances and actions of the business executives decried in Chapter 1. The discussion in Chapter 8 demonstrated that these ego-centric stances represent relatively low levels of development (cognitive, affective, social, moral, spiritual, wisdom, and virtue) that are disintegrative and destructive.

\begin{table}[h]
\centering
\begin{tabular}{|l|l|}
\hline
\textbf{NAWAL EL SAADAWI} & \textbf{VIKTOR FRANKL} \\
\hline
\textbf{Cause}: Gender oppression including institutionalized genital mutilation and other abuse & \textbf{Cause}: Survivor of four concentration camps \\
\textbf{Contribution}: Feminist writer who has fought for Egyptian women's social and intellectual freedom and is a worldwide speaker on women's issues & \textbf{Contribution}: Founded the school of logotherapy as a result of his experience \\
\textbf{Time period}: 1931–present & \textbf{Time period}: 1905–1997 \\
\textbf{Religion}: Islam & \textbf{Religion}: Judaism \\
\textbf{Education level}: Doctor of Medicine & \textbf{Education level}: Doctor of Medicine and Doctor of Philosophy \\
\textbf{Profession}: Poet and novelist & \textbf{Profession}: Professor \\
\textbf{Continent/country of origin}: Africa; Egypt & \textbf{Continent/country of origin}: Europe (West); Vienna \\
\hline
\textbf{PAULO FREIRE} & \textbf{MAHATMA GANDHI} \\
\hline
\textbf{Cause}: Educational work among the marginalized of the world & \textbf{Cause}: Racial discrimination and political colonization \\
\textbf{Contribution}: Educational thinker and founder of a perspective known as Critical Pedagogy known for his seminal work on Pedagogy of the Oppressed; activist known for his literacy campaigns in Latin America and Africa & \textbf{Contribution}: He led India to independence from the British through his internationally renowned non-violent non-cooperation invention \\
\textbf{Time period}: 1922–1997 & \textbf{Time period}: 1869–1948 \\
\textbf{Religion}: Catholicism & \textbf{Religion}: Hinduism \\
\textbf{Education level}: Doctor of Philosophy & \textbf{Education level}: Lawyer \\
\textbf{Profession}: Professor of Education; Minister of Education & \textbf{Profession}: Statesman \\
\textbf{Continent/country of origin}: South America, Brazil & \textbf{Continent/country of origin}: Asia; India \\
\hline
\end{tabular}
\caption{Extraordinary Leaders (Source: Parameshwar, 2006, pp. 456-457)}
\end{table}
HELEN KELLER

Cause: Physical handicaps; she was deaf and blind
Contribution: Changed the discourse around the education of persons so handicapped; she devoted her life to aiding and promoting education for the deaf and blind
Time period: 1880–1968
Religion: Swedenborgianism
Education level/Profession: Bachelors cum laude; author and educator
Continent/country of origin: North America

KARL MARX

Cause: Economic oppression
Contribution: Founder of Marxism whose works were the intellectual basis of 19th and 20th century communism
Time period: 1818–1883
Religion: Atheist
Education level: Doctorate
Profession: Political theorist, sociologist, economist, journalist
Continent/country of origin: Europe (West); Germany

RIGOBERTA MENCHU

Cause: Cultural discrimination and genocide
Contribution: Won the Nobel Peace Prize for her fighting cultural discrimination
Time period: 1960–present
Religion: Sun God
Education level: No formal education
Profession: Peasant; popular leader
Continent/country of origin: Central America; Guatemala

KWAME NKRUMAH

Cause: Racial discrimination and political colonization
Contribution: Fought for the political unity of Black Africa, and led Ghana to freedom
Time period: 1909–1972
Religion: Non-denominational Christian
Education level: Master's degrees
Profession: Teacher, political leader turned Prime Minister
Continent/country of origin: Africa; Ghana

AUNG SAN SUU KYI

Cause: Political repression
Contribution: Won the Nobel Peace Prize for her struggle to bring justice, freedom and democracy to Burma
Time period: 1945–present
Religion: Buddhism
Education level: Bachelors
Profession: Housewife turned pro-democracy activist leader
Continent/country of origin: Asia; Burma

MOTHER TERESA

Cause: Poverty of love
Contribution: Invented the fourth vow and founded the Order of Missionaries of Charity; won the Nobel Peace Prize for her service to the poorest of the poor including the blind, lepers, cripples, orphans, and the dying
Time period: 1910–1997
Religion: Roman Catholic
Education level: High school
Profession: Nun
Continent/country of origin: Europe (East); Albania

Parameshwar observes that each of these leaders exhibited ego-transcendence in addressing challenging circumstances through eight common processes. In fact, she suggests that each of these eight processes may be construed as a specific, concrete manifestation of ego-transcendence (Parameshwar, 2005, pp.696-709):
1. *Demonstrating perspective agility* - In responding to challenging circumstances, these leaders transcended their own predilections and exhibited a compassionate noticing of others’ suffering, locating their own challenges within larger problems.

2. *Uncovering thick nexuses among institutional structures* - These leaders all uncovered what they perceive as ways in which the human spirit is held hostage. Also, these leaders were especially perspicacious and incisive in uncovering the less obvious linkages among entrenched mechanisms spanning the social, economic, political, legal, religious, and cultural domains that combine and conspire to hold the human spirit hostage.

3. *Invoking transcendental epistemologies* – Each of these leaders invoked transcendental epistemologies as guides to actualizing their higher purpose that go beyond conventional ways of making sense of reality and that access “divine” information.

4. *Choosing higher purpose over societal norms* – All of these leaders’ actions said “yes” to a higher purpose / moral principle, and “no” to societal norms / authority structures that got in the way.

5. *Bridging challenges with higher purpose and taking action* - They all interpreted the presenting challenges in terms of their higher purposes, assumed personal responsibility for action and created bridges between the presenting challenges and their higher purposes.

6. *Defusing ego-threats and deepening commitment to higher purpose* - These leaders all defused ego threats by enlarging their commitments to their higher purposes rather than by protecting their egos and shortchanging their higher purposes. To a person, when faced with challenging circumstances, these leaders chose to act with ego-transcending commitments to their higher purposes, while at the same time eschewing violence, revenge, defensiveness and self-pity.

7. *Inspiring others through ego-transcendence* – All of these leaders initiated ego-transcending actions without insisting that ideal conditions be present. Their audacious actions toward fulfilling their higher purposes inspired others to go beyond themselves as well, inspiring ordinary people to accomplish extraordinary things.

8. *Drawing inspiration from the ego-transcendence of others* - Each of the leaders found inspiration and sustenance from the ego-transcending responses made by others.

A detailed analysis of how each of these ten leaders exhibited these eight processes and forms of ego-transcendence is beyond the scope of this thesis. However, this discussion will provide a representative sample of key events and quotes from five of these leaders: Nawal El Saadawi, Victor Frankl, Mahatma Gandhi, Rigoberta Menchu, and Aung San Suu Kyi. The fact that all of these processes are common to each of these leaders is a strong indication that extraordinary
leadership requires ego-transcendence, and that this does not vary with gender, cause, time period, age, religion, education, profession, culture, country of origin, or location on earth.

Parameshwar cautions that not all of these leaders exhibited the same degrees of ego-transcendence and corresponding soul force as Gandhi. In fact, these leaders’ ego-transcendent stances and actions can be arranged along a continuum from somewhat ego-centric through increasing levels of ego-transcendence that sometimes even fluctuated for particular leaders in critical events. Parameshwar explains this phenomenon, citing various stage theories of human ego development, noting that human evolutionary progression culminates in forms that are variously characterized as “integrated” (Graves, 1981), “inter-individual” (Kegan, 1982, 1994), “unitive” (Cook-Greuter, 1999), and “non-dual” (Wilber, 2000). Although she notes that scholars differ in the number of levels of consciousness and the terms used to designate them, there is broad agreement that at the farthest end of the spectrum of consciousness, the individual ego is transcended and the pure consciousness of Spirit is all that remains (Parameshwar, 2005, pp.713-714). Also, she notes that ego-transcendence in action is reflected in the degrees of impartial extension of one’s zone of caring over others, as in non-violent actions taken in the service of a higher purpose. This is equivalent to IEL’s “wide moral scope”, as discussed in Chapter 7. A few examples drawn from the lives of Gandhi, El Saadawi and Menchu illustrate how even extraordinary leaders may exhibit different levels of ego-transcendence along the continuum of consciousness.

Parameshwar notes that Gandhi’s stance and actions demonstrate how he strove incessantly to transcend his ego, and the illusion of duality. Gandhi states:

I want to identify myself with everything that lives. In the language of the Gita I want to live at peace with both friend and foe. Though therefore a Muslim or a Christian or a Hindu may despise me and hate me, I want to love him and serve him even as I would love my wife or son though they hate me. So my patriotism is for a stage in my journey to the land of eternal freedom and peace... I must reduce myself to zero. (Gandhi, 1930, pp. 354–357)

Also, despite being thrown off the train by whites in Natal, Gandhi still volunteers to nurse white soldiers in that city. In addition, he is the first to embrace the untouchables and he also
works to help enemy Muslims, whom he regards as brothers. Gandhi loved almost impartially -
in his stance and actions - and identified with all human beings, and all living beings. However, Parameshwar also notes from their autobiographies, the levels of consciousness of El Saadawi and Menchu contrast in important ways with Gandhi. For example, El Saadawi appears to have demonstrated a less impartial zone of caring because she feels alienated from all males. At one point she states, “Walking down any street was enough to make me hate all males” (El Saadawi, 1999 p. 100). Also El Saadawi struggles for personal significance in differentiating herself from others claiming: “I wanted to be someone. I could not imagine that I would live and die like everyone else, without anything happening during my life” (El Saadawi, 1999 p. 138). She also appears to seek self glorification: “That was where I would graduate, become a learned scholar and after that they would put my books in the windows of the bookstores” (El Saadawi, 1999 p. 159). Parameshwar observes a similar situation with Menchu who claims: “The moment I learned to identify our enemies was very important to me. For me now the landowner was a big enemy, an evil one. The soldier too was a criminal enemy and so were all the rich” (Menchu, 1986, p. 122). Parameshwar also notes that, although both El Saadawi and Gandhi shared an ego-transcendental orientation, insofar as they both worked for higher purposes non-violently, and endured great personal sacrifices for causes bigger than themselves, they demonstrate different degrees of extension of their zones of caring. While El Saadawi was able to extend her zone of caring over all women, Gandhi was able to extend his zone of caring over all living beings. Consequently, Parameshwar suggests that Gandhi appears to be further along the continuum of ego-transcendence and integrative consciousness, since his stance and actions show him to be less prone to think and act in self-referential, non-integrative ways (Parameshwar, 2005, pp. 714-715).

Parameshwar is careful to qualify her placement of these leaders along a linear developmental continuum of consciousness for several reasons. First, the only data she has access to are the leaders’ phenomenological reports, which may not accurately or fully capture the levels of ego-transcendence that they actually exhibited. Second, the diversity of time periods, religion, culture, geography, gender, nature of the challenges, and so on, may have potentially enabled or constrained the leaders’ ability to transcend ego. Third, as Wilber (2000) points out, the processes of development are essentially mysterious and messy and the stages of development
are not rigidly separate, but shade into one another, rendering it very difficult to make these kinds of assessments. In conclusion, although Parameshwar advises exercising caution in fitting a complex, dynamic, non-linear phenomenon like human development into a linear scale, the autobiographical evidence is supportive of the existence of varying high degrees of ego-transcendence, integrative consciousness, and moral scope among these extraordinary leaders.

**Higher Purpose and Extraordinary Leadership**

The examples of these leaders also reveal that a major factor in what made their leadership extraordinary is that they formed and pursued higher purposes as a consequence of their higher, self-transcendent levels of development. Little is known about the internal processes by which leaders construct a sense of purpose (Lord & Emrich, 2001) and few studies have attempted to illuminate the developmental processes of leaders with respect to how they come to develop a sense of higher purpose (Popper, Maseless, & Castelnovo, 2000). Parameshwar (2006, pp. 454-474) addresses this gap by exploring the processes through which these same ten internationally renowned leaders found higher purpose. Here again Parameshwar notes a dynamic interplay of leader consciousness and external phenomena, that reveals processes central to the formation of their higher purpose.

**(1) The Role of Suffering**

In the case of each of these leaders, the autobiographical data indicated that they grappled with suffering and used it as a generative force in forming their higher purposes. Four processes are evident to Parameshwar (2006, pp. 459-465), including:

1. *Reframing personal suffering against perceived “eternal truths”* - The autobiographies of these leaders are replete with examples of how they went beyond unreflective, socially programmed interpretations and reactions to their pain, and found higher purpose by reframing their personal suffering in the light of perceived eternal truths.

2. *Referencing the inspiring standards of others* - The leaders' autobiographies contained many references to the inspiring counsel and exemplary conduct of parents, grandparents, teachers, friends, thinkers, and even other sources such as sacred texts, mythical, and divine figures – important influences which shaped their higher purposes.
3. **Reinforcing identification with others** - Embedded in the autobiographies of these leaders, are many examples of how their higher purposes were shaped by a deep identification with the suffering of others.

4. **Reorienting themselves toward serving others** - The leaders' autobiographies contained many instances in which their higher purposes were shaped by redefining themselves in terms of who they were, and where they belonged, by invoking their eternal truths toward serving others in suffering, rather than following the existing role scripts in their life situations.

A representative sample of key events and quotes from the same five leaders: Nawal El Saadawi, Viktor Frankl, Mahatma Gandhi, Rigoberta Menchu, and Aung San Suu Kyi, illustrates these processes. The real life incidents and comments from these five prominent leaders, Parameshwar observes, are similar for all ten extraordinary leaders.

Parameshwar did note one important difference among these leaders. In forming their higher purposes, the order in which they arrived at their perceived *eternal truths* differed relative to their experiences of personal suffering. Some leaders, such as; Gandhi, Marx, Suu Kyi, and Mother Teresa were attracted to some perceived eternal truth *before* they encountered significant personal suffering. Other leaders found their perceived eternal truths as a result of having to make sense of their personal suffering, such as; El Saadawi, Frankl, Freire, and Menchu (Parameshwar, 2006, p. 465). Regardless, once the eternal truth was found, Parameshwar observed, the results were the same in the lives of these leaders - early life events anticipate later life events, later life events make sense of earlier life events, and a connectedness among or *integration* of their life events appears in the leaders' consciousness. El Saadawi expressed this well: “Perhaps the whole of my life has been this search for the real hidden behind what is false” (El Saadawi, 1999, p. 53). Gandhi also expresses this: “I can see now that all the principal events of my life culminating in this vow (of Brahmacharya) were secretly preparing me for it. The principle, called Satyagraha, came into being before that name was invented. Indeed when it was born, I myself could not say what it was…the history of the Satyagraha struggle is for all practical purposes a history of my life in South Africa and especially of my experiments with Truth in that sub-continent” (Gandhi, 1930, p.196).
(2) The Necessity of Awakening

Parameshwar explains that the processes by which many of these leaders found their higher purposes must also be understood in terms of their “awakening from trance”, that is, awakening from forms of unreflective consciousness from which people emit pat responses to the demands of everyday living, and that ultimately serve to maintain the status quo (Gross, 1994) – like unthinking participation in the “contrived nonsense” of western industrial culture (Galbraith, 2004). Many scholars, she notes, have suggested that human beings live in forms of “trance consciousness” as a result of being programmed and constrained by societal influences, including; language and ideas, worldviews, values, norms, roles and structures of society - which function as pre-supplied filters for sense-making (Foucault, 1980). Parameshwar (2006, pp. 459-465) proposes there are various ways of “awakening from trance” that transformed the consciousness of extraordinary leaders:

(a) *Awakening from unquestioning adherence to dominant practices*, like Heidegger’s “anonymous one” who exists in an inauthentic mode of being, mechanically taking on the practices of everyday existence, and who finally rebels, refusing to endure absurd conditions anymore (Heidegger, 1996).

(b) *Awakening to the meaningless of habitually seeking social validation* of the “looking glass self” (Cooley, 1901), and the “mass collectivist trends and widespread conformist tendencies in our culture” (May, 1975 p. 95).

(c) *Awakening to the debilitating effects of conformity to role scripts* in which humans subordinate their identities to functional roles or titles conferred by the economic system (May, 1975), and play their assigned roles as “happy robots” oblivious to their alienation.

(d) *Awakening to the absurdity of the notion of a separate self* as advocated in a variety of philosophical traditions that advocate the realization of the essential unity between the individual self and the underlying ground of being.

Parameshwar observes that there is a correspondence between the processes of personal suffering and these processes of awakening from trance, as in Table 9.2:
### Table 9.2: Awakening from Trance

<table>
<thead>
<tr>
<th>Awakening Process</th>
<th>Trance Consciousness</th>
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<tbody>
<tr>
<td>Reframing personal suffering against</td>
<td>Dominant practices</td>
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<tr>
<td>perceived eternal truths</td>
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<tr>
<td>Referencing the inspiring standards of</td>
<td>Social validation</td>
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<td>others</td>
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<tr>
<td>Reinforcing identification with others</td>
<td>Separate self</td>
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<tr>
<td>Reorienting themselves toward serving</td>
<td>Role scripts</td>
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<td>others</td>
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#### (3) Forming Higher Purpose

Operating synergistically together, these concepts afford a deeper and richer understanding of the processes by which these leaders formed their higher purposes: Parameshwar explains:

In reframing their personal suffering against the backdrop of a perceived eternal truth, the leaders awaken from the trance of dominant practices; rather than focusing on their own angst, they engaged in critical reflection on broader questions of social justice. In referencing inspiring standards of others, the leaders awakened from the trance of social validations; rather than blindly embracing social judgments, the leaders question the moral basis of those judgments. In reinforcing their identification with others in suffering, the leaders awakened from the trance of separate self; rather than letting their notion of identity be determined by a narrow conception of self, they connected with others in suffering. In breaking free of conventional role expectations, the leaders awakened from the trance of role scripts; they reoriented themselves toward serving others in suffering by invoking perceived eternal truths. Any one of the four awakening processes affords but a partial view of the phenomenon of inventing their higher purpose; the phenomenon becomes fully visible in the interrelationship among the four processes. (Parameshwar, 2006, p. 466)

These very same processes can awaken business executives out of the teleopathy that Goodpaster describes, and the culture of narcissism that Taylor describes in Chapter 1.

#### Moral-Transforming Consciousness

Parameshwar’s study illustrates the centrality of integrative moral consciousness to extraordinary leadership. Specifically, she observed that each of these leaders was oriented in a “moral space of questions” inseparable from his or her sense of self (Taylor, 1994). Perhaps
most importantly, the values and moral decisions of each of these extraordinary leaders were deeply grounded metaphysically, as described by Leithwood and Duke (1998). Their moral leadership is based upon transrational values, by which they “choose higher over lower level values when confronted with values conflicts” (Leithwood & Duke, 1998, p.37). These extraordinary leaders all exhibited this kind of strong, metaphysically-grounded moral leadership - sharing a common grounding in ego-transcendent integrative consciousness.

Parameshwar’s study also illustrates that moral leadership and transforming leadership are inextricably interconnected within these extraordinary leaders, each of whom transformed themselves as they grappled with the challenges of transforming oppressive conditions to alleviate others’ suffering. The processes they employed in interrupting trance consciousness are illustrative of “double loop learning” (Argyris & Schon, 1978; Senge, 1990). They engaged in and promoted critical reflection that questioned standard practices and assumptions, assessed the moral environment of the times, envisioned higher purposes and determined how they and their followers would become instrumental in transforming the status quo. Rather than coasting along with “single loop” coping mechanisms and defensive routines, each of these leaders engaged in similar “double loop” processes that helped them invent their higher purposes by mining suffering for its deeper, systemic and moral implications (Parameshwar, 2006, p. 468).

At the heart of these learning processes and personal transformations, were processes related to the transcendence of personal ego and cognitive-moral development that were fundamental to their exceptional abilities to transform their worlds.

**Implications for IEL**

Extraordinary leaders are the antitheses of ethically-challenged, telepathic, or narcissistic, business executives, as described in Chapter 1. Extraordinary leaders transcend their personal egos, and endure personal risk, sacrifice and suffering in the pursuit of higher purposes for the common good. Extraordinary leaders do not preside over the ruin of corporations, and in the process demand huge bonuses and multi-million dollar golden parachutes financed by taxpayer-funded bailout programs. Rather, they are prime examples of self-sacrifice and a kind of internal resourcefulness that mobilizes non-material resources, such as the commitment of others that in turn leads others to seek within, and mobilize themselves, to overcome great odds
and accomplish greatly beneficial change. Extraordinary leaders are exceptionally successful in leading major, beneficial transformative changes in exceptionally difficult circumstances. In doing so, these leaders demonstrate the ability to think constructively about apparently contradictory elements simultaneously (Weick, 1979). Rather than de-compensating and failing to resolve problems in stressful circumstances, they actually find and seize the potential for capacity building in crises. In fact, for extraordinary leaders, often the experiences that created their greatest capacities were intensely traumatic. Also, common to all of these extraordinary leaders, is that they regard the stakeholders they serve through an ego-transcending lens that sees them as having an intrinsic inter-connectedness and worth.

Especially important is that their positive integrative agency restores legitimacy to business leadership itself, which at present, is in a state of wide disrepute. As well, they restore some legitimacy to the roles of non-traditional epistemologies that also have fallen into disrepute within western “scientistic” culture. As Parameshwar’s studies indicate, many of these leaders use prayer, contemplation, meditation, and “signals” from the “divine” and the universe, as guides to action - employing the hidden potential of ego-transcendence by invoking transcendental epistemologies - to generate many types of resources to help them in their pursuit of higher purposes. Given the centrality of ego-transcending integrative consciousness to their extraordinary leadership, especially within exceptionally challenging circumstances, these practices promise to help other leaders develop similar extraordinary capacities. In short, not only can contemplation and integrative consciousness help rehabilitate wayward executives, it can also propel effective and ethical executives to greater heights of leadership performance. Parameshwar’s analysis of these extraordinary leaders suggests that this can be accomplished by executive leaders through practices, such as:

1. Adopting the stance of “great” others. These exemplary leaders invoked the stance of “great” others as sources of inspiration. For example, Frankl states: “I agree with John Ruskin, who once said: ‘There is only one power: the power to save someone. And there is only one honor: the honor to help someone’” (Frankl 1997, p. 55).

2. Learning the stances of “not-so-great” others: Outstanding leaders occasionally adopt the stance of “lesser” others in unleashing new possibilities. For example, Gandhi reports how, by talking to an enterprising untouchable woman, Gangabehn, he is helped
in arranging for the manufacture of indigenous cloth, a symbol of India’s self-sufficiency (Gandhi, 1930).

3. **Sacrificing the ego-based self in the service of a higher purpose**: Each of these leaders sacrificed his or her ego-based self in the service of higher purposes. For example, Menchu reports: “Well, there I was between these two things—choosing him or my people’s struggle. And that’s what I chose, and I left my companero with much sadness and a heavy heart. But I told myself that I had a lot to do for my people and I didn’t need a pretty house while they lived in horrific conditions like those I was born and grew up in” (Menchu, 1986 p. 226).

4. **Developing the divine stance of spiritual scriptures**: The autobiographies of these exceptional leaders provide many examples where the leader develops the divine stance of spiritual scriptures. Suu Kyi, for example, draws from the story of hermit Sumedha in the Buddhist scriptures “who sacrificed the possibility of early liberation for himself alone and underwent many lives of striving that he might save others from suffering. So must you be prepared to strive for as long as might be necessary to achieve good and justice” (Suu Kyi, 1997, p. 160).

**IEL and Extraordinary Leadership**

By cultivating ego-transcending integrative consciousness through *IEL Contemplative Self-Leadership* and *IEL Transforming-Developmental-Leadership*, business executives develop greater cognitive, affective, social, moral, spiritual, wisdom, and positive virtuous capacities, which positively influence all of the repertoires of *IEL*. Thereby they naturally exercise the positive and integrative agency essential to extraordinary leadership. Consequently, the *IEL* prescriptions hold reasonable potential to transform business executives into effective, ethical and excellent executive leaders, and potentially into *extraordinary* executive business leaders.
CHAPTER 10

Dr. P. Roy Vagelos: Integrative Executive Leader

Sparrowe (2005) advises that a leader’s life story provides important insights into his or her leadership. This life story emerges through his/her ongoing hermeneutic process of self-description and self-definition, by which a unifying narrative is constructed (Sparrowe, 2005, p. 420). This life story is an interpretive self-history and an important self-guide to future action. It develops over time through personal reflections and the meanings the leader attaches to life’s events. Consequently, in addition to providing important evidence about the nature of his or her leadership, the leader’s life story itself exerts a powerful life-integrating influence. Shamir and Eilam (2005) even base their definition of authentic leadership on the leader’s apparent “self-knowledge, self-concept clarity, self-concordance, and person-role merger, and on the extent to which the leader’s self-concept is expressed in his or her behavior” (Shamir & Eilam, 2005, p. 395). They advise “authentic leadership rests heavily on the self-relevant meanings the leader attaches to his or her life experiences” (2005, p. 395). Thus, authentic leaders do not fake their leadership - they are leaders whose actions are based on their values and convictions (2005, pp. 396-398). For this reason, this thesis presents a narrative life story, professional history, and account of the executive leadership experiences of a potential exemplar of IEL, as told through his perspective and in his words. The processes and evolution of this leader’s “meaning-making” and “self-concept”, as revealed in his own recollections, demonstrate features of his positive and integrative executive agency that survey instruments do not accomplish. A sensitive reading reveals virtually all of the processual and structural features of IEL and teaches much that one needs to know about integrative executive leadership.

Business organizations are occasionally blessed with extraordinarily effective, ethical, and societally responsible and responsive executive leaders. Such is the case of Dr. P. Roy Vagelos, a former physician, research scientist, senior executive, and eventually CEO of Merck & Co. Inc. (“Merck”). A short list of Dr. Vagelos’ many accomplishments while at Merck includes: global initiatives to substantially decrease the gases and chemicals Merck discharged into the environment (Vagelos, 2006, pp. 145-150); programs to dramatically improve safety in Merck’s
labs and manufacturing operations worldwide (Vagelos, 2006, pp. 150-151); numerous initiatives to promote minorities and women within Merck; and philanthropic initiatives like Merck’s virtual donation to Red China, of a state-of-the-art manufacturing facility for the production of a vaccine for the hepatitis B virus, Red China’s leading public health problem at the time (Vagelos, 2006, pp. 145-150). The case study in this chapter will focus upon how Dr. Vagelos:

(1) piloted Merck and prepared the company to weather an advancing perfect storm in the global pharmaceuticals industry;

(2) turned-around Merck Research Laboratories (“MRL”) to develop and launch many groundbreaking new products;

(3) made a critical societally responsible decision to “do no harm” while testing a breakthrough drug to attack cardiovascular disease;

(4) bet his career and Merck’s financial well-being with a critical societally responsive decision to “do good” in developing and launching a breakthrough drug to attack river blindness; and

(5) in the process, transformed Merck into the world’s premier pharmaceutical company.

**Personal and Professional History**

Pindaros Roy Vagelos was born to Greek immigrant parents just before the start of the Great Depression, in October 1929, in Westfield, New Jersey. Although times were hard for the immigrant family, they were close-knit and very supportive of one another. As soon as they could work, he and his sister helped with the family business. He reflects:

I think I learned more about life from these early experiences in my family than I did in school…I learned a great deal from just being around my father. He taught me something about community and interdependence. Watching him help other members of the family come over from Greece provided important lessons about our responsibilities to others. I also learned something about endurance and optimism. Even during the worst years of the Depression, my father considered himself fortunate to be in a place where people could build new lives and had access to greater opportunities for themselves and their children. If you work hard, my father said, you can achieve anything here (Vagelos, 2006, pp.5-6).

In high school Dr. Vagelos was an honours student in science and mathematics and won entrance to the University of Pennsylvania. At Penn, Dr. Vagelos enjoyed difficult problems in
chemistry or physics which sustained his interest, energized him and developed within him an ability to concentrate, and to stay focused for long periods of time. He recalls “I focused with great energy on my studies and was able to graduate in three years...in the classic American immigrant story, I had become the classic American high achiever” (2006, p.8). When it came time to decide what he was going to achieve after he left Penn, he could hear his parents and relatives saying "You have to do things for others." This he recalls was “the kind of deeply grooved voice that stays with you for an entire lifetime” (2006, p.9). When he was admitted to Columbia University's College of Physicians and Surgeons, the Vagelos clan was especially proud. In his third year at Columbia, he encountered Dr. Robert F. Loeb, chairman of the Department of Medicine. This legendary figure was coauthor of the *Textbook of Medicine* used in many medical schools and revered at Columbia. He studied “Loeb's Bible” to master the medical dogma because Loeb had a sadistic streak that emerged when he did medical rounds.

Dr. Vagelos interned in medicine at Massachusetts General Hospital. He recounts how, in order to survive, “the interns drew together, quickly becoming a tight little community...The team cooperated closely, sharing all their patients, eating together, and exchanging vital information. We depended on each other” (2006, p.11). He recalls having an epiphany one night when a comatose patient was rushed into the hospital, thought to be suffering from acute diabetic acidosis. Applying Dr. Loeb's dogma, Dr. Vagelos confirmed the diagnosis, administered insulin and various intravenous salt solutions and the patient responded. When the assistant resident arrived, although the patient was recovering, the resident said Dr. Vagelos’s treatment was all right, but that he would have done it differently. Shortly after that, a visiting physician said his procedure would have been different yet. Stunned, he began to realize that medicine is not an exact science that can be learned and applied by rote. It also required the freedom to think: “My internship at Mass General broke my faith in the Loeb bible” (2006, pp.11-12). After finishing his internship, he served as the resident in charge of the adult polio patients in tank respirators when Boston suffered a polio epidemic in 1955. He found it heartbreaking to see hundreds of people stricken. He was aware that Jonas Salk, one of his personal heroes, was producing a vaccine against polio, and was encouraged by the teamwork between state and national public health authorities, private foundations, university scientists, and pharmaceutical companies that made the new vaccine a success. “I was encouraged to see what cooperation on
this level could achieve and to discover…that hope plays a significant role in healing; and for society” (2006, pp. 12-13).

During the Korean War, Dr. Vagelos was assigned to work at the U.S. National Institutes of Health ("NIH") as a research scientist under Dr. Earl Stadtman. Stadtman and his team of scientists were trying to understand biochemical sequences at the molecular level and then characterizing the controlling enzyme. By learning how to analyze normal, healthy activities of the cell, they were potentially contributing to a new understanding of how disease altered these biochemical reactions. In order to help Dr. Vagelos learn the basics of research in biochemistry Stadtman kindly mentored him. Dr. Vagelos in turn focused on mastering the laboratory techniques and concepts in the rapidly changing discipline. Stadtman's laboratory was challenging and intense - a veritable hothouse for scientific discovery and training, stretching Dr. Vagelos, emotionally and intellectually. Stadtman eventually provided him with a research assistant, Al Alberts whom Dr. Vagelos recalls was a great bench scientist with “a bulldog determination about getting results”. He himself was more theoretical and better than Alberts at framing the context for research. Recognizing their differences and that their skills were complementary, Alberts and Dr. Vagelos became a smoothly functioning research team. During his sixth year at NIH Dr. Vagelos spent a sabbatical year at the Pasteur Institute in Paris working with Dr. Jacques Monod and his colleagues. Monod was brilliant and his sometimes heretical ideas attracted some of the world's best scientists to his lab. He admired Monod who:

had a rare ability to talk about any field in science, and I was especially impressed by his willingness to discuss seriously ideas that seemed off-the-wall. He was quick to propose explanations of important biological phenomena based on early, even minimal data. His ideas came fast, and then experimental evidence supporting his hypotheses often followed from various laboratories (2006, p.17).

By contrast, he observed that most scientists were tightly focused and contemptuous of scientific heresy, constrained by their reliance on what they considered to be hard evidence. Monod had a profound and lasting influence on him: “In the years that followed, I would stay open to the ideas of mavericks who were operating outside the comfortable boundaries of accepted practice. Greater risk taking had become part of my research and lifestyle. That was Monod's greatest gift to me, and I still treasure it” (2006, p.18).
Dr. Vagelos returned to NIH and his search for the enzymes controlling fatty acid synthesis. Joined by Phil Majerus, “a scientist of enormous intellectual capacity” Vagelos’ team identified a crucial protein, acyl carrier protein (“ACP”), determined its composition, and were able to establish that this particular substance was the central actor in a process crucial to all plants and animals and humans. Dr. Vagelos recounts “Learning that this protein is a universal component of all biological systems made this the single most exciting series of events in my scientific career” (2006, p.18). Shortly thereafter, Dr. Vagelos accepted an unsolicited invitation from Washington University's School of Medicine and moved to St. Louis to chair its Department of Biological Chemistry. Coincidentally, his colleague Phil Majerus had also just secured a faculty position there. They would also be joined soon by Al Alberts. With some sadness he left NIH and Earl Stadtman, “a man who had as much impact on my career as anyone outside of my immediate family. I knew that Earl was my last true mentor and that now I would become a mentor to others” (2006, pp.19-20).

Washington Biological Chemistry afforded Dr. Vagelos his first experience in rebuilding an organization. He quickly became aware of the need to upgrade personnel, improve performance, and strengthen the institution's commitment to innovation. He reasoned that “[o]rganizations that don't change don't last. They need to be revitalized periodically if only because people tend to settle into routines and drop out of touch with their changing environments. As I now understood, one important role of a leader is to convince people, before the fact, that they should change” (2006, pp.19-20). Fortunately, his job was primarily one of addition of new people, not subtraction. Dr. Vagelos made several other outstanding appointments and within a short time, graduate education at the medical school was blossoming. Dr. Vagelos also reorganized and brought together the university's undergraduate biology and all of its biomedical graduate programs, consolidating them into a new Division of Biology and Biomedical Sciences, thereby raising the level of science education for the undergraduates, and extending high-quality graduate work through more departments. This reorganization meant that faculty members had to change their routines - a very difficult transition within a university. A particular problem was merging the faculty of the medical school, one of the best in the country, with faculty of several undergraduate and graduate programs in the biological sciences, which were mediocre. The medical school faculty looked down on most of their counterparts.
To facilitate a unified teaching organization, Dr. Vagelos himself kicked off the new operation by teaching part of the introductory biochemistry course to undergrads – which he enjoyed. Eventually Dr. Vagelos was able to "average up" performance. He recalls:

> These innovations had a striking, almost immediate impact. We didn't just change the structure of the organization. What we changed were the internal values and expectations about performance as well as the external perception of what we were doing at the university. The gaps between departments began to close, in part because now all vital decisions on recruitment, promotion, and tenure were made at the Division level, where standards were very high” (2006, p.21).

At the same time, Dr. Vagelos pressed ahead with Al Alberts on several interrelated pathways including: research into suspected links between atherosclerosis and high-fat diets; how exactly the body makes cholesterol, and the links between cholesterol and coronary heart disease, the cause of heart attacks. By the mid-1970’s they had analyzed the form and function of lipids, including cholesterol and had studied enzymes as the best way to understand normal cell functions and disease states in all animals, including humans. This line of research was to bear fruit in his career at Merck. While at Washington University, Dr. Vagelos received an invitation to consult with Merck at their laboratories about what was going on at the cutting edge of biochemistry and enzymology. He was aware of Merck’s long record of accomplishments in organic and fermentation chemistry, and important contributions to the development of penicillin and streptomycin. He was also aware that by the mid - 1970s, organic chemistry was no longer yielding adequate results for drug discovery and that Merck’s laboratories had fallen behind the leading edge of the field. He came away from this experience with the strong impression that Merck’s scientists were not prepared to listen to an outsider. The following year Merck offered him an opportunity for his second experience of turning around an organization. In November 1974, Dr. Vagelos, his wife Diana and their three children moved back to New Jersey. As Senior Vice President of Research, he was under great pressure to develop profitable new products and there were many challenges to address. At the time, he admits he knew very little about the pharmaceutical business and virtually nothing about the American business system. I certainly didn't know whether I could lead Merck Research Laboratories (MRL) to a medicine that would cure or prevent a disease. But I was convinced that, if the company improved the quality of its research and MRL’s strategy for drug discovery, it would have a much better chance of someday developing new therapies that would really make a difference. That was the hook for me believing I
could have a positive impact on the company's ability to reach that laudable goal. (2006, p.25)

Many of the ideas and values that he had integrated over the years proved to be the right prescription for Merck. Under Dr. Vagelos’ direction, the lab’s highly paid scientists would be encouraged to pursue their instincts, publish their results, and view their studies as a means of mitigating human suffering. His leadership would show excellent results.

Merck & Co. Inc.

At the time, Merck was one of the largest producers of prescription drugs in the world. Headquartered in Rahway, New Jersey, Merck traced its origins to Germany in 1668 when Friedrich Jacob Merck purchased an apothecary in the city of Darmstadt. Over three hundred years later Merck was an American firm with operations all over the world. In 1978, Merck had sales of $1.98 billion and net income of $307 million. Sales had risen steadily between 1969 and 1978, from $691 million to almost $2 billion. Income during the same period rose from $106 million to over $300 million. Merck employed 28,700 people, up from 22,200 ten years earlier. Human and animal health products constituted 84% of the company's sales, with environmental health products and services representing an additional 14% of sales. Much of the company's research operations were organized separately as the Merck Sharp & Dohme Research Laboratories (“MRL”). The company had 24 plants in the United States, including one in Puerto Rico, and 44 in other countries. Six research laboratories were located in the United States and four abroad. In the late 1970s, Merck was coming off a 10 year drought in terms of new products. For nearly a decade, the company had relied on two prescription drugs for a significant percentage of its approximately $2 billion in annual sales: Indocin, a treatment for rheumatoid arthritis, and Aldomet, a treatment for high blood pressure. Merck's chief executives were concerned that the patent protection on Merck's two big moneymakers would soon expire, and began investing an enormous amount in research. To refill the product pipeline, the company urgently counted on its research laboratory, knowing that its success ten and twenty years in the future critically depended upon present investments.
The Prescription Pharmaceuticals Industry: Turbulence

Although historical profitability in prescription pharmaceuticals is difficult to measure, because products are introduced after research and development that often takes place over many years, the pharmaceutical industry had been attractive by most standards during the period 1974-1994. McGahan analyzed the industry profitability and trends over this period and observed that pharmaceutical companies posted high profits partly because they introduced products that greatly improved the quality of health care, substantial entry barriers reduced rivalry, product differentiation within segments helped blunt competition on price, and the absence of price pressure from buyers contributed to high margins (1994, pp. 115-124). However, McGahan reports that all of this began to change in the 1980s and 1990s. In 1984, the U.S. Congress passed the Drug Price Competition and Patent Term Restoration Act, known as the Waxman-Hatch Act, which simplified the requirements for FDA approval of generics. By simplifying these requirements, Waxman-Hatch greatly reduced the research necessary for entry into some segments. With the emergence and growth of Managed Care and Prescription Benefits Management (“PBM”), demand for generics increased dramatically. Managed Care organizations met the demand for lower health care costs, in part, through PBM organizations that provided formulary management and drug utilization review services which monitored the prescription and usage of drugs. These developments enabled the consolidation of decision-making authority, and increased awareness of drug prices. Pressures for lower drug prices came from increasing competition from generic drugs and Managed Care organizations negotiating deep discounts from drug companies. They also greatly affected the market share of pharmaceutical manufacturers. Pharmaceutical companies also came under political attack (Beer & Fagan, 1999, pp.1-20). The Clinton administration and many in Congress were highly critical of pharmaceutical companies for their historically high profit margins and their alleged contribution to runaway health care costs. Clinton initiated a review of the entire U.S. health care system, which recommended a new system of federal controls on health care, including prices on prescription drugs. Pharmaceutical firms came under great pressure to reduce costs.
Preparing Merck for the Future

In response to these pressures during his tenure, Dr. Vagelos nurtured competitive advantages that translated directly into remarkable performance. He summarized his key strategic initiatives as CEO of Merck (2006, pp. 116-117):

1. We were steadily improving our personnel throughout the organization.
2. We were pumping more resources into research and development while adding substantial new capabilities in molecular biology and genetics.
3. We were systematically following up on the development of each new product.
4. We were upgrading our marketing operations.
5. We were cutting costs and improving quality in manufacturing.
6. We were tightening our concentration on the core business: developing, manufacturing, and selling pharmaceuticals.
7. We were increasing our capacity for breakthrough research and innovative marketing.

Through these successful initiatives, implemented within a very challenging business environment, Dr. Vagelos built an organization that not only had the capacity to successfully attack serious diseases, but also to generate financial performance that led the global pharmaceutical industry, as summarized in Appendix G.1 (2006, p. 118). Under his leadership, Merck was “named the ‘most admired’ company for seven consecutive years by Fortune 500 business leaders” (http://www.hbs.edu/leadership). Merck under Dr. Vagelos’ leadership performed extraordinarily well.

Transforming Merck Research Laboratories ("MRL")

1. Transforming MRL’s Research Paradigm

Shortly after Dr. Vagelos arrived he observed that, although MRL had recently hired several biochemists, the new people seemed to have had little impact on the basic strategy of drug discovery because the organic chemists were still kings of the hill and they adhered to a traditional research paradigm. This involved empirical discovery processes, conducted in a laboratory or by simple observation of what happened when people ingested something. This process works, but it depends on luck and takes an enormous amount of time to bear results by trial and error. MRL was also discovering drugs by doing large numbers of drug tests on animals and blind screening experiments, which treated cell cultures with broths isolated from
soil microorganisms from different parts of the world or with chemicals drawn from the chemical "library" company scientists had built up over the years. An active result constituted a "lead" and it was then the job of MRL chemists to tinker methodically with the molecule's atoms, using traditional synthetic organic chemistry and pharmacology to eliminate undesirable properties that might cause side effects. Using animal tests or cell cultures, a researcher could run up to 12 and 100 tests, respectively, in a single day, but the process was random and slow because there was no initial understanding at the molecular level. Dr. Vagelos envisioned a better way to do things – a different research paradigm:

I believed that targeting specific enzymes offered a much more efficient method for developing drugs. All enzymes have active sites, and biochemists use the metaphor of a lock and key to describe the start of the chemical transformation that takes place in these sites. The substance to be acted upon (the key) must fit the active site (the lock) exactly or nothing happens. When a chemical interferes with the precise fit, the interaction doesn't take place, and a whole chain of sequential steps is interrupted. This sequence could be one that produced cholesterol or it could be a disease process such as an infection. By isolating and understanding the structure of a crucial enzyme, researchers could greatly increase the odds of discovering a chemical agent that would block the reaction and stop the sequence. (2006, pp.27-28)

He started with “lots of walking and talking” expecting that changing a well-established scientific organization would take a long time. He carefully studied internal memos, reviewed every research group at MRL, and met with researchers to understand each and every project. In 1974 MRL’s research budget was $125 million, and there were 1,800 people in research and development, in two locations Rahway and West Point, Pennsylvania. He soon discovered that Rahway and West Point were very different worlds, the result of a merger years earlier. The people in both organizations took great pride in what they were doing: Rahway was known for its research and chemical manufacturing; West Point, was best known for its manufacturing of tablets, capsules, and injectables, its marketing, and its sales to physicians. Both labs were using the same traditional research paradigm. But neither group would accept the complementary nature of this otherwise successful merger. Employees at West Point called Merck's Rahway headquarters the "Emerald City" and refused to identify with Merck. Dr. Vagelos’ job was difficult as the new research boss driving down from the Emerald City to tell the West Point pros how to improve the way they did their research.
I had to convince them to target a particular enzyme involved in a disease process and identify a medicine to react directly with that molecule. Once we identified our target enzyme, the medicinal chemists could design inhibitors in the laboratory, and the microbiologists and natural product chemists could look for inhibitors in nature. The search process would, I posited, be much faster since experiments would not involve animals or cells in the initial phase. Hundreds of experiments could be done each day. If we could find inhibitors that fitted tightly into the active site of the target enzyme and nowhere else, our drugs would also be likely to have fewer side effects. (2006, pp.30-31)

However, Dr. Vagelos says: “I respected what Merck had accomplished using traditional techniques of discovery. So I erred on the side of tolerance and patience. Besides coaxing and guiding, I wanted to prove by example that biochemical targeting was the best route to drug discovery” (2006, p. 31). Subsequently, he reflected that he had decided not to push too hard for two reasons. The first reason was that resistance to his research strategy was deep and strong. The leaders were distinguished scientists, experts in their disciplines, and were not accepting the molecular targeting approach. Also, most of the industry was still using traditional methods as the primary mode of discovery. Because they were convinced the traditional methodology would continue to succeed, Dr. Vagelos let them continue for many months. However, as a consequence Merck’s scientists failed to correct problems with a compound that had been in development for many years in enough time to compete with a similar breakthrough treatment about to be launched by a competitor. In order to keep up with the competition, it cost Merck millions to license a suitable compound from another company. This product eventually became a billion-dollar-a-year product, and Dr. Vagelos took consolation from the fact that Pepcid was the first product Merck had ever licensed from an outside source. The Pepcid license helped overcome MRL’s resistance to licensing, due to its “not-invented-here” mentality, setting the stage for later industry collaborations that were critical to the company's future. The second reason was the stunning success achieved with Ivermectin - an antiparasitic drug that was discovered shortly after he arrived in Rahway - in the old discovery style. Ivermectin was a product of random screenings of natural microbial broths. It became the leading animal health product of the 1980’s and 1990’s. Ivermectin kills parasitic worms in the gastrointestinal tracts of horses, cattle, sheep, and pigs. Ivermectin also promised to form the basis for a new drug to treat river blindness. Reflecting on Ivermectin, Dr. Vagelos reached two conclusions. He saw that the traditional techniques could still produce important products, and in the transition to
molecular targeting, Merck could continue to use random searches where they might be advantageous. Thus he remained open to integrating multiple paradigms of drug research, and continued to be tolerant of scientists who could convince him they were on the edge of a significant discovery via traditional research methods. Although he was gradually winning some converts to targeted molecular research, Dr. Vagelos believed he would not be able to bring off a wholesale conversion until his strategy produced a blockbuster drug. He also knew that the most likely candidate for success was the program in cardiovascular disease, his own area of specialization. He had to show that MRL could convert basic knowledge about biosynthesis into new drugs for people suffering from hypertension or the effects of high cholesterol. To accomplish this he recruited Al Alberts, who gave up tenure at Washington University to join him in this endeavour.

2. Sharpening MRL’s Research Focus

Another key challenge Dr. Vagelos discovered was that most of the groups were trying to do too much. Instead of concentrating on one or two promising projects, they were conducting research on eight or nine and resisted narrowing the focus of their work. Related to this, Merck had been using Management By Objectives (“MBO”) for two decades, which had mushroomed to the point where each employee had about 25 objectives annually. He changed this practice, announcing that each employee would have a maximum of five goals based upon the top five priorities, that they and he agreed were critical to the success of MRL - goals that were challenging but achievable. Although he says at first they “went bananas” MRL employees soon calmed down: “In my way of running MRL, their goals were my goals…They recognized that we were in it together and appreciated that I was determined not to allow us to fail” (2006, p.33). In the pharmaceutical industry, a researcher can easily spend ten to fifteen years on a project before it produces an approved drug, so he had no problem with such long-range projects if they looked promising. The ones that worried him were those taking three to five years without a glimmer of success. He tried to eliminate those projects in two ways. When he talked with scientists face-to-face, he got a more accurate picture of what was or wasn't working at the bench level of research. The scientists leveled with him because he was a scientist himself and understood their difficulties. They knew that, as head of the lab, he took on each
project as his own, that he was invested in every step of the process and suggested solutions to help them solve their problems. Also, he found that the best way to get a researcher to stop a bad project is to convince him or her to work on something much more exciting with the prospect of making an important contribution. “There's no substitute for that kind of involvement if you want a high-morale, high-intensity research organization” (2006, p.40). His second elimination tactic was to press all of the research groups to prioritize their projects continually and shift resources toward the most promising areas of research. It worked much as it had with MBO. In this way, the research groups themselves managed their project priorities and reallocated resources from low potential to high potential opportunities.

3. Eliminating MRL’s Innovation Gap

Recruitment for R&D had long been an uphill battle for pharmaceutical firms because the academic training grounds for scientists are oriented to basic, not applied research. Therefore he had to build strength from within - gradually improving the organization until eventually MRL could promote talented senior people out of its own ranks. Because recruitment was absolutely vital to the company, he devoted a great deal of attention to it. In fact, Dr. Vagelos’ main focus was on people, believing that “the key to making your operation more effective and innovative is to recruit and encourage talented risk takers - the more the better” (2006, p.33). He quickly set out to recruit more entrepreneurial types for MRL, looking over the files of all job candidates and interviewing every prospective senior scientist and physician. Wherever operations were weak, he was particularly attentive to the new hires. He admits “I was just as much an elitist at Merck as I had been at Washington University. When I saw a second-rate resume, I just said no…We were seeking outstanding people, and they are recognizable” (2006, p.34). Initially this was not a popular position at MRL, but in time, the company changed as department heads recognized what could be accomplished by these outstanding people. Gradually, Dr. Vagelos upgraded MRL’s recruitment across the board, bringing in “top-grade people who were good learners…[to] incrementally improve the operation” (2006, p.34).
4. Promoting MRL’s Talented Insiders

Dr. Vagelos also recognized overlooked talents of existing employees, such as Arthur Patchett, who, based upon his outstanding research talents, had quickly become head of the synthetic chemistry operation at Rahway. A brilliant chemist, he was very young, not a great manager, and consequently soon flopped. Prior to Dr. Vagelos’ arrival he had been banished to a dungeon like laboratory conducting random peripheral research projects. Dr. Vagelos recognized Patchett as an unusually talented scientist, the kind of risk taker willing to tackle really difficult projects. He recalls telling Patchett: “Art, this can't be the way to discover drugs. It's not going to work. Wouldn't you like to target an enzyme molecule and try to make a drug that way?” (2006, p. 36). Patchett seized the opportunity and became one of the most innovative chemists in MRL.

5. Strengthening Regulatory Affairs

Merck’s Regulatory Affairs department was responsible for Merck's applications for FDA approval of its new drugs and vaccines - a complex, expensive, time-consuming, life-or-death matter for all pharmaceutical companies. Being good at this function is critical to success. Being poor at it is extremely costly, and potentially fatal for a pharmaceutical company. When a researcher discovers a novel substance that looks promising, the company files for a patent, which gives it exclusive marketing rights for a period of years. The new medicine can be brought to market only after large-scale clinical studies demonstrate that it is safe and effective in humans, and the study results are then compiled by the research group and submitted to the FDA for approval. By the time a medicine receives FDA approval, on average about eight years of the patent are used up - leaving about twelve years for sales of the patent-protected product. The faster the FDA grants approval, the faster the product can be launched and the sales begun. Any time lost because of delays in regulatory approval causes a loss of sales revenues during the patent-protected life of the product. Every pharmaceutical company wants as perfect a regulatory filing as possible. Incomplete or ambiguous data will cause the FDA to request additional explanations or experiments and time and sales will be lost. Even worse, the FDA can decide the results are not convincing and turn down the application. Dr. Vagelos learned that the head of regulatory affairs considered himself to be a glorified mailman, who simply
orchestrated the applications without becoming engaged with the data. Dr. Vagelos promptly informed him that he was responsible for FDA strategy and that he and his colleagues must understand all of the data presented for approval well enough to explain them to the agency. A very bright man, he understood at once that he and his group would need scientists at least as good as those in clinical research to get that job done. By enlisting people with better scientific training, he began to turn the regulatory affairs operation around, and became one of the architects of Dr. Vagelos’ new order (2006, pp.33-38).

6. Picking the Winners

By the late 1970’s Dr. Vagelos’s initiatives began to make progress by keeping the pressure on across the whole spectrum of research activities: establishing new hypotheses, setting up new screens, judging productivity of older screens, identifying product leads, identifying product candidates, interpreting results of clinical studies, and updating patents (2006, p.40). He used an annual research conference at Seaview, New Jersey to develop plans that would keep the pressure on across all these fronts. At Seaview, all the project directors gave presentations on what their research teams had accomplished and what they expected in the year ahead, discussed drug candidates evolving from MRL’s own research, possible product breakthroughs outside of MRL, and the possibility of MRL research entering a new field of pharmaceuticals. Discussions also covered the potential costs of new product candidates. MRL leaders also decided which projects would continue and which would be killed. Dr. Vagelos used the Seaview sessions to focus on sifting and analyzing all the information that would enable the scientists to decide whether it would be "thumbs up" or "thumbs down" for each of the projects. When research had produced viable candidates, Merck pumped in enormous resources to develop the product. The MRL leaders spent most of their time on the long-term projects for which proof of principle had not been achieved, with everyone straining to devise an experiment that would either lead to a product candidate or kill the project. Each success was extraordinarily expensive in both cash and time. At that time, to bring a single drug to market cost Merck, on average, twelve years of effort and $200 million. Today, that average cost is over $1 billion (Garnier, 2008, p. 72). Consequently, treatments for rare diseases often fell by the wayside through this process. With
few patients who would pay for treatment, the high costs of development, manufacturing and distribution made such products uneconomical.

**Dr. Vagelos Tackles Cardiovascular Disease**

The program in cardiovascular disease was on center stage at *MRL*. Art Patchett led a research team working on hypertension and Al Alberts led a team trying to discover a drug that would safely lower serum cholesterol levels. Both teams were using Dr. Vagelos’ new strategy of drug discovery. Dr. Vagelos and Alberts decided that he and his coworkers should target the rate-limiting enzyme in the biosynthesis of cholesterol. They sought leads from two sources. On the first path was the library of compounds that *Merck* chemists had developed over the years. On the second, the “nature path”, Art Patchett and his microbiologists devised a high-throughput enzyme screening technology to screen soil microorganisms from various parts of the world. They isolated the microorganisms and grew them in small cultures in the laboratory and then in larger fermentation broths. The resulting broth was extracted to separate any interesting microbial products for testing. These cultures were a potential source of the molecule Al Alberts needed. At the same time *MRL’s* deep and talented group of organic chemists, who had long been the kings of research at *MRL*, were certain they would come up with a winner, and put significant resources into the search for a compound to inhibit the rate-limiting enzyme. The competition between the microbiologists and the organic chemists became intense. Suddenly, Alberts found what *Merck* wanted. *Aspergillus terreus*, a common soil microorganism found around the world, was producing something that was active against the target enzyme. The project team was stunned when they got positive results so quickly, but they had to wait until the chemists isolated the active substance and determined its structure. When they finished their research, they had discovered the molecule, *Lovastatin*, a unique new compound. Dr. Vagelos quickly put *MRL* on alert and concentrated all the resources he could on this single compound, describing a remarkable collaborative development process:

In addition to the chemists and microbiologists, the team now included chemical engineers, spectroscopists, pharmacologists, and toxicologists. The microbiologists determined the optimal conditions for growing the microorganism. The chemical engineers isolated the *Lovastatin* in large quantities. Spectroscopists determined its chemical structure. Pharmacologists studied its effects in live animals, and the
toxicologists studied Lovastatin to demonstrate any possible harmful effects by feeding it to mice, rats, and rabbits. We also started to assemble a clinical research team and prepped marketing…We were like a small army, intense and aggressive, focusing all our forces on a breakthrough…Al Alberts was the general in charge, and I was the chief of staff, making certain he had access to every researcher and piece of equipment he needed (2006, pp.51-52).

During 1978 and 1979, MRL carried out hundreds of experiments to improve their understanding of what exactly Lovastatin did to the targeted enzyme. When MRL studied the effects it had in animals, the tests indicated that it caused a dramatic reduction in serum cholesterol levels. Meanwhile, Merck was preparing large amounts of the drug in the pilot plant so that the toxicology experiments could be completed, opening the way for initial studies in humans - all of this was moving at a whirlwind pace. Dr. Vagelos recalls:

I had an emotional commitment that went far beyond science and drug discovery. Al Alberts and I had started on the trail to Lovastatin in the 1950’s when we began to work together on lipid biosynthesis at NIH. Now, almost a quarter of a century later, we were still together and on the verge of turning microbial biochemistry and enzyme targeting into a major factor in the treatment of human disease. Success with Lovastatin would, I thought, create a consensus at MRL in favor of targeted molecular research. That outcome was all the more likely because Art Patchett and his colleagues were in fast forward during these same months with a new enzyme inhibitor that reduced high blood pressure. (2006, p.53)

In the first clinical tests in patients with high blood cholesterol, Lovastatin dramatically reduced cholesterol - especially low-density lipoprotein cholesterol, (“LDL”) to a degree never before achieved with a drug. Lovastatin also sailed through the initial, short-term safety studies with excellent marks, and Merck received a patent in the United States and several countries abroad. Meanwhile Sankyo had independently discovered a similar compound in Japan it called Compactin, and acquired patent rights in that country and a number of other markets. Dr. Vagelos noted that the outlook for Lovastatin was marvelous - almost too good to be true. Merck watched Lovastatin very closely, believing it had the potential to become a billion-dollar-a-year product. The results from initial clinical studies in humans indicated that a medical as well as a financial breakthrough was coming. Then in September 1980, Dr. Vagelos received a devastating telephone call from one of Merck’s top research executives in Japan. Merck’s Japanese competitor, Sankyo, had run into problems in its efforts to develop Compactin, which was structurally similar, but not identical to Lovastatin. Sankyo had stopped its clinical studies
because *Compactin* caused tumors in the animals used in the safety assessment tests. Although Dr. Vagelos and his team had many unanswered questions, since *Lovastatin* and *Compactin* were not identical, he put public safety first:

> Only one thing seemed certain at that moment: Merck had to stop its clinical trials immediately, and that's what I did… If I hadn't been trained as a physician, I might have been tempted to waffle a bit on this decision. If I'd been the nervous president of a small start-up company with only one drug candidate in development, I'm certain the decision would have been more difficult to make… The worst thing to do would be to allow a compound to move forward into human clinical trials and then discover it was toxic. (2006, p.59)

The consequences of Dr. Vagelos’ decision to “do no harm” were not only devastating to *MRL*, but Dr. Vagelos had to accept the fact that he had probably lost his most outstanding example of a drug discovery based on molecular targeting. He even questioned whether his research strategy was wrong. At another company, he might have seen his job, *Lovastatin*, and his new approach to drug discovery all be tossed out the door together. “Fortunately, at Merck there was a good understanding of the problematic nature of innovation in pharmaceuticals. CEO John Horan was obviously disappointed when I told him about the problems with *Lovastatin*, but he never tried to alter our strategic objectives in research. He and the Board of Directors continued to provide solid support for *MRL*. Despite the crisis, they gave me additional responsibilities and in addition to being head of the labs, I became a corporate senior vice president for strategic planning” (2006, p.62).

In 1982, *MRL* caught a break when a prominent heart specialist and two fellow cardiologists were visiting *Merck* as consultants. In their clinical practices all three were treating patients with serious heart disease, their coronary arteries narrowed by cholesterol and fat, and these patients had elevated cholesterol and *LDL* cholesterol levels that hadn't responded to any available treatments. The three clinicians wanted to use *Lovastatin* on high-risk patients and were eager to restart limited clinical trials on them because their outlook was so dire. Dr. Vagelos had already launched extensive toxicology tests in animals, looking for any evidence that *Lovastatin* might have effects similar to *Compactin* and all the studies had produced favorable results. Balancing the hoped-for benefits of lower cholesterol against the possibility that these high-risk patients would suffer adverse side effects from the drug, *MRL*’s regulatory
affairs department assembled all of the information Merck had collected and presented it to the FDA. The agency agreed and authorized trials in high risk patients. As the good news raced through MRL, it boosted the morale of the entire organization. Lovastatin passed these clinical tests with flying colours. Not only did test results show reductions of 18% to 34% in total cholesterol, there were greater reductions for the most dangerous form of cholesterol, LDL. Lovastatin also pushed up the levels of high-density lipoprotein cholesterol (“HDL”), which helps protect arteries against elevated levels of LDL. In addition, the drug reduced blood triglycerides, which would also be good news for persons threatened with coronary artery disease. MRLs’ trials also demonstrated that most of the side effects were mild and passed quickly, with less than 1% of the patients having to drop out of the trials. By the time all of the clinical results were in, it was established that Lovastatin was well tolerated, safe, and extremely effective in reducing a major risk factor in cardiovascular disease. The FDA officially approved Lovastatin, which became the ground breaking drug Mevacor in 1987. Dr. Vagelos recalls:

for Al Alberts and me, however, the real celebration had taken place many months before, when we studied the initial findings of the clinical tests and reflected on the decades we'd spent together working our way along the path that led to this new therapy…we knew, about half of America's middle-aged adults had cholesterol levels that increased their risk of heart disease…We thought Mevacor, which was the first statin marketed anywhere in the world, would make a telling dent in those figures, enabling millions of people to live longer, better lives. That was a rich moment for both of us. (2006, p.66)

For Dr.Vagelos, Mevacor was all the more exciting because it was part of a great wave of new products that came through the Merck pipeline in the 1980s as a consequence of his leadership. It was this wave of new products and the way that the company was able to take advantage of it that moved Merck to the top of the global pharmaceutical industry. Among these new drugs was Vasotec, a high-blood-pressure drug that Art Patchett championed in parallel with the development and testing of Lovastatin. Clinical trials showed Vasotec had a big unexpected advantage – it was long-acting and could therefore be a once-a-day drug. When Merck finally got it out, it quickly took a huge share of the market. Vasotec actually beat Mevacor to market and became the first billion-dollar drug in Merck's history. Mevacor and its sister drug, Zocor followed soon thereafter and quickly became blockbuster successes for Merck, as well,
generating combined revenues of over $1 billion annually. Most importantly, these drugs cut overall mortality by 30%, deaths by coronary occlusion were reduced by 42%, and the need for coronary surgery was decreased by 37%, while strokes were reduced by 30%. Merck became the leading global innovator in pharmaceuticals (2006, pp. 69-71).

Dr. Vagelos Attacks River Blindness

River Blindness was identified by medical science in 1893. Its association with certain black flies that flourish in fast-moving water was discovered in 1926. In much the same way that mosquitoes transmit malaria, these flies pick up the larvae of a parasite known as Onchocerca when they bite those infected with river blindness. Later, when they bite the uninfected, the flies leave some of the larvae behind. The baby parasites rapidly multiply and spread through the body - as many as 200 million micro worms inhabit some victims. Some live for up to fourteen years and grow to two feet in length. The micro worms spread through the skin, causing severe itching, and into the eyes, where the result is progressive blindness. Large, unsightly nodules of worms bulging through the skin and patchy loss of pigmentation, "leopard skin", on the legs of the infected indicate that blindness is only a matter of time. Many of those who are infected never last that long, since river blindness can cut life expectancy by over a third. Many commit suicide to escape the torment. Early drug treatments could not be widely applied since they were exotic, required medical supervision, were difficult and expensive to administer, and their side-effects were sometimes lethal.

As West African populations exploded from the 1960s onward, the devastating effects of the disease emerged as one of the region's most pressing problems. According to the World Health Organization ("WHO"), by the 1970s, 85 million people were at risk in thirty-five developing countries, mainly in Africa but also in Latin America, including Brazil, Guatemala, and Mexico. In endemic areas, half of the residents would be expected to become blind before death. Near the Nkam River in West Africa, four out of five people were infected. More than a million of Cameroon's 6.5 million people were estimated to carry the parasite and 3 million more were at risk. The banks of the West African rivers on which the carriers breed are ideal for farming -
oases in the region between the Sahara Desert to the north and the rain forests to the south. However, to avoid the scourge of river blindness, entire villages abandoned these fertile valleys to escape the flies, migrating to poorer, drier lands. Consequently food shortages were common, families were impoverished and community life disintegrated. River blindness devastated not only human health but entire communities and local economies. Initially the disease was combated primarily by targeting the insects' breeding grounds with pesticides. These programs used fleets of trucks, airplanes, and helicopters to spray. In the 1970’s, these efforts focused on the more than twelve thousand miles of the Volta and Niger Rivers in Benin, Burkina Faso, Ghana, Ivory Coast, Mali, Niger, and Togo, and were subsequently extended to the neighboring nations of Guinea, Guinea-Bissau, Senegal, and Sierra Leone in the 1980’s. But the breeding grounds were too numerous and too unpredictable to control, and river blindness persisted.

In 1978, a potential solution emerged in Merck’s New Jersey laboratory. William C. Campbell, a research scientist and his team were developing Ivermectin, a potent anti-parasitic agent for animals with virtually no side effects. This drug in its many applications - against ear mites in cats and heartworms in dogs, among others - would eventually become the world's leading health care product for animals in the 1980s and Merck's second biggest moneymaker ever. However, at this time, Campbell simply realized that Ivermectin might also be effective against the human parasites that cause river blindness. Based upon his initial research, Campbell believed he could create a form of Ivermectin for humans and he, along with Mohammed Aziz, an infectious disease specialist, with a good firsthand knowledge of river blindness, asked Dr. Vagelos, for approval to develop a form of the drug for human use. This would require years of costly research in Merck's labs followed by extensive testing in African villages.

Dr. Vagelos recognized the potential of Ivermectin to end the plague of river blindness. However, as an executive of the company, responsible for judicious use of its investors' equity, Campbell’s request presented him with a difficult dilemma. If he approved Campbell's request, he might be committing Merck and its shareholders to underwriting a product with tremendous human value, but no commercial value. Dr. Vagelos knew that there was virtually no prospect of paying customers - most river blindness victims were without the means to pay for the drug. In reflecting on the personal risk presented by this dilemma, Dr. Vagelos commented: “I hadn’t been on the job very long and I was still learning how to promote new drug development in a
corporate setting… I was still an unproven rookie in the business world. I would be spending a considerable amount of company money in a field, tropical medicine, that few of us, other than Mohammed Aziz knew very well” (2006, p.2). Nevertheless, Dr. Vagelos recounts: “I decided to crawl out on that limb. This decision reflected the fact that I was so new to the business world that I still thought of myself as a physician first, scientist second and president of an industrial laboratory third. So I didn’t hesitate” (Vagelos, 2006, p3.). He urged Campbell and Aziz to continue their work and acquire all the data they could on human application.

By 1979, Campbell and Aziz were convinced they had the necessary scientific evidence to continue and presented a proposal to the laboratory's research management council, chaired by Dr. Vagelos. The Seaway council was known for its tough-mindedness, but was persuaded even though the drug being proposed was a certain money loser. "We knew that it was going to be a borderline economically viable project at the start," Dr. Vagelos recalls, but worse, if the human application had unanticipated side effects, it could jeopardize sales of the animal product, as customers wondered whether toxic reactions in people might be experienced by animals as well. Those responsible for developing and marketing animal health care products with Ivermectin told Dr. Vagelos it would be a mistake to continue. But Dr. Vagelos thought not to proceed would devastate Campbell, Aziz and their researchers, convinced as they were that they might be on the verge of a scientific breakthrough against a terrible disease. For Dr. Vagelos to block them, even knowing the financial strain and the risks, would have contradicted the company axiom that health precedes wealth. "Emotionally, you become very involved in what you can accomplish," Dr. Vagelos explains, "so we could hardly wait to start these experiments." With his go-ahead, Campbell, Aziz and a dedicated Merck team had a version of the drug ready for its first clinical trials in West Africa, which Dr. Vagelos approved in January 1980 (Useem, 1998, pp. 18-19).

Field testing requires tight administration of the drug and precise data from its users. For assistance, Merck turned to WHO, which was already spraying for river blindness. In February 1981, the director of the WHO program, Brian Duke, donated scientists and facilities in Senegal to conduct the field tests. Initial results were very promising. Within a few weeks, skin snips
from infected patients revealed remarkable clearing: virtually no parasites remained. By the end of the year many of the human test patients had experienced few adverse effects, and a small dose was all they required to radically reduce their micro worm count for many months. The scientific community, however, was far from convinced initially. A group of WHO officials visited Merck headquarters to review the data, and they suggested that the river blindness victims in the clinical test had only mild cases. They also warned that dangerous toxicity was sure to be encountered when applied to larger populations. Even one fatality in 25,000 applications could be enough to doom a product. In response, in 1983-1984, Merck’s team ran extensive new tests in Ghana, Liberia, Mali, and Senegal, and again in 1985-1986 with 1,200 patients in Ghana and Liberia. The tests confirmed the early findings and allowed a fine-tuning of the drug administration regimen. Researchers discovered that, ingested as a pill, the drug killed most micro worms, inhibited adult worms from producing offspring, and drove parasites from the skin, leaving few for biting flies to transmit. When taken as a single dose once a year - just one or two small pills annually - the medication inhibited both the spread of parasites and progressive blindness. A study of the drug’s impact in Liberia in the late 1980s reported that Ivermectin could have a revolutionary impact on the transmission of river blindness (Useem, 1998, pp. 20-21).

Dr. Vagelos sought commercial approval for the drug in 1987, by which time, the decision was entirely his to make. Though he says he "never had the yearning to run a large corporation" in 1985 the Merck board had promoted him to Chief Executive Officer. In deciding whether to manufacture the drug that would never sell and would likely cost more than $3 a tablet to produce and distribute, Dr. Vagelos drew on a company culture that put patients and customers first, company and stockholders second. Ten years after Campbell and Aziz first recognized Ivermectin’s human potential, Merck requested and received regulatory approval from the French Directorate of Pharmacy and Drugs. France had a special interest in river blindness since some human carriers of the parasites reside in France, having arrived with the illness from former French colonies in West Africa. Merck, which labeled its creation “Mectizan”, now faced the daunting task of delivering the drug it had taken a decade to produce. By then market research had confirmed that West African victims were too poor to pay for the drug and too isolated to reach easily. First-year costs alone were expected to be $2 million just to begin
moving the product through the distribution pipeline and the annual costs were expected to exceed $20 million before the disease was controlled. In anticipation of this, with the assistance of former U.S. Secretary of State, Dr. Henry Kissinger, Dr. Vagelos sought public underwriting of Mectizan's production and distribution, approaching many potential donors, including; the U.S. Agency for International Development, international development agencies, private foundations, European governments and African nations. Dr. Vagelos and Dr. Kissinger would hear repeatedly: "We don't have any money." Dr. Vagelos recalled "I was doing more for this than I'd done for any other drug", but all to no avail. The pharmaceutical industry refers to drugs like Mectizan with uneconomic markets as "orphans." (Useem, 1998, pp. 22-23)

Eventually, WHO's Brian Duke publicly urged Merck simply to give away the drug. At first Dr. Vagelos was upset by Duke's comments. "That's not the way you do things in a commercial organization," he said. "You don't start out by thinking you're going to give something away." Inside the company, however, members of the Mectizan development and testing team were privately urging the same thing. Doing so was a matter of professional calling, they believed. Though Merck's culture made health its first priority, simply giving away the drug and even arranging for its distribution would have been without precedent. Dr. Vagelos recalled, "We faced the possibility that we had a miraculous drug that would sit on a shelf" and so he decided to give away the drug to all who need it forever and to ensure it was delivered before the micro worms could take their devastating toll. "Sometimes in your life" he said, "you've got to take a leadership position and make a decision." On October 21, 1987, at press conferences in Paris and Washington, Dr. Vagelos announced the decision (Useem, 1998, p. 23).

Distribution of the product presented many challenges. Without pharmacies, health care professionals, or even roads to reach the millions of villagers who need Mectizan, the free supplies would pile up in storehouses. For Merck to become directly responsible for moving the drug into the bush, however, required resources it did not possess. The solution - Merck formed the Mectizan Expert Committee, a group of public health experts, to formulate guidelines, select suitable parties for distribution, and compile medical records. Chaired by William H. Foege, executive director of the Carter Center and former director of the U.S. Centers for Disease
Control, the committee moved the drug to more than a million people within two years. In 1991, the U.S. Agency for International Development, which had earlier denied Dr. Vagelos's request for backing, provided $2.5 million for distribution assistance. As news of the miracle drug spread through the remote areas of West Africa, people walked through the night to villages where it was rumored that the drug would be dispensed. Many who were already blind were led by young boys pulling the ends of their walking sticks. In 1989 William Campbell visited one such village in Togo. After a long, arduous trip, he arrived and saw a line snaking past a station where recipients were interviewed, screened and then handed the tablets and a bowl of water. The parents of many of the children were already blind - a fate their offspring would now escape. Campbell commented, "We had begun with a smear in a bottle" a decade earlier, and now "to see these little white tablets given to people was an absolutely unforgettable moment of my professional life" (Useem, 1998, p. 24).

By then, Dr. Vagelos understood perfectly that Mectizan was less a commercial product than a long standing philanthropic commitment and that this would be obvious to Merck shareholders. By 1997, a decade after his decision to go ahead, the lost income from the drug had reached $200 million or more - an investment that could have brought at least one commercially viable product to market. Dr. Vagelos also worried that free distribution of Mectizan could set a precedent for future donations of medicines for other diseases in developing nations. If development agencies came to expect free distribution of Third World treatments, it could have the ironic effect of inhibiting research on them. He was also concerned about product liability. If even a few patients experienced debilitating reactions, opportunistic trial lawyers would reap windfall benefits. In addition, Dr. Vagelos worked for directors who were elected by shareholders to represent their financial interests, and they wanted as much return as possible on their investment. The company's top twenty-five investors in 1996 picked Merck over thousands of other stocks for financial gain, not philanthropic initiatives. The more than 240,000 individuals and institutions who owned Merck stock were financially poorer as a result of Dr. Vagelos's decision. Milton Friedman himself publicly challenged Vagelos’s decision. For Friedman, any diversion of company resources from profitable investment, especially in the name of social responsibility, amounts to executive irresponsibility. He argued: (1) that to spend stockholders' money on anything but profitable returns amounts to imposing a tax and then
deciding unilaterally how the proceeds will be spent; (2) that CEOs such as Vagelos are the appointed agents of the company's investors only, and such actions violate the fiduciary trust that has been placed in them; (3) that such actions also undermine democratic principles because social allocations should be decided through a political process, not economic fiat; and (4) that for them to make such decisions, is to shortchange private stockholders and misallocate public resources. "There is one and only one social responsibility of business" Friedman contended, and it is "to use its resources and engage in activities designed to increase its profits." When it came to a choice between public health and investor value, Friedman's argument points unequivocally in one direction. The ever-increasing concentration of stockholdings in the hands of a small number of professional money managers, who had marshaled the political clout to match their economic might, also reinforced Friedman's message. The pressure for ever-greater shareholder returns was mounting (Useem, 1998, pp.25-28).

Fortunately for the many millions of victims of river blindness, Dr. Vagelos's thinking pointed in another direction. The call for an exclusive, unyielding focus on shareholder value is a powerful action principle and a clear guide for management decisions. What is less clear, however, is how to most effectively create stakeholder value. Vagelos reframed the issue and questioned whether investors' interests are best served by focusing exclusively on the investors themselves, as Friedman argued. Among the business voices championing Dr. Vagelos’ different course was that of Merck's former chairman, George W. Merck, who advised: "We try never to forget that medicine is for the people. It is not for the profits". He was also quick to stress that the objectives are the same: "The profits follow, and if we have remembered that, they have never failed to appear. The better we have remembered it, the larger they have been.” This philosophy is within Merck's company charter and is reflected in its mission statement (see Appendix G.2). Investors "couldn't care less about any good things that we do" Dr. Vagelos observed. They are "interested in the bottom line. But so are we” (Useem, 1998, p. 29). At Merck this philosophy has been translated into actions that have served the shareholders' interests very well. For example, tuberculosis had surged in Japan in the years after World War II, and the war's devastation left few Japanese with the money to pay for a Merck product that worked wonders against it - streptomycin. The company donated a large supply to the Japanese public at a moment of great hardship. Merck's generosity has long been remembered. When the
company sought access to Japan's domestic market in 1983, Japanese authorities took the rare step of approving Merck's purchase of 50.02 percent of Banyu Pharmaceutical, Japan's tenth largest drug maker. At the time it was the largest direct investment by a foreign company in a notoriously closed market. “We received help from the Japanese government in making the first acquisition of this kind to be allowed,” remembers Dr. Vagelos, and it "should come as no surprise that Merck is the largest American pharmaceutical company in Japan today.” "So you see” Dr. Vagelos concluded "doing the right thing can bring unexpected rewards later on” (Useem, 1998, pp. 29-30).

Doing well by doing good also brought Merck immediate windfalls. The Mectizan program helped Merck attract and retain the best research talent, and it bolstered employees' pride. Although repeated donations can undermine earnings and potentially bankrupt an enterprise, Merck met the challenge to identify areas of mutual gain - ways in which the company and society benefit together, rather than at the cost of each other. Among the collateral benefits Merck enjoyed, is its creation of a benchmark by which the behavior of other pharmaceuticals is judged. Comparing Britain's largest pharmaceutical Glaxo Wellcome (“Glaxo”) with Merck, one business writer concluded in 1992 that Glaxo "is a hollow enterprise, lacking purpose and lacking soul" while Merck "builds around it a streak of idealism.” That message apparently hit home at Glaxo. In 1993, the company announced that it was investing in a molecular biology research program to produce an antibiotic or vaccine for tuberculosis, which had become resurgent with AIDS and was responsible for 3 million deaths a year, mainly among the poor. In 1996, Glaxo unveiled an even larger program to donate a potent new product for malaria, afflicting as many as 500 million people. Glaxo's chief executive at the time explained "We don't start from the point of saying 'Is there a market here for a drug? If not, it's not important.' That's not right for the future. Today we have a responsibility.” Other pharmaceuticals have heeded this call, too: DuPont is now bequeathing nylon to filter guinea worms out of drinking water, and American Cyanamid is donating a larvacide to control them (Useem, 1998, pp.28-31). In addition, during 2000 Merck and Glaxo partnered in a new program in Africa and Yemen to eliminate a condition related to river blindness – lymphatic filariasis. In the treatment of this condition, Mectizan, manufactured and donated by Merck, is co-administered with Albendazole, manufactured and donated by Glaxo. As at December 31, 2007, more than 216
million treatments had been administered under this *Merck – Glaxo* partnership as outlined in 2007 *Annual Highlights: The Accomplishments of the Mectizan Donation Program in its 20th Year* (http://www.mectizan.org).

**Dr. Vagelos’ Legacy**

Executive business leaders must take calculated risks, but moments arise when what is required is *something else*. So it was with Dr. Vagelos and *Mectizan*. In fact, in deciding to give the drug away forever he was so certain that he had taken the right action - "I thought that the company couldn't have done otherwise” - that he did not even inform the governing board before the public announcement. Several directors later questioned Dr. Vagelos why they had to learn from the press that their own company had just committed itself to this. "You know this happened in a matter of days” he responded. Yes, it should have come before them, he conceded, "but would anybody around the table have made a different decision?” None said yes. "When you really think about it," he later stated, "nothing was going to stand in the way” (Useem, 1998, pp. 32-34).

For Dr. Vagelos, the question was not framed in either-or terms. He knew that in assisting river blindness victims, he was ultimately building shareholder value. He did not require anyone to reveal such purpose - it was already well established within him and inscribed in the company's philosophy and culture. A framework for reaching balanced decisions was widely shared in the company, the product of management's explicit steps to build a culture that put patients before profits. Although Dr. Vagelos's decision to distribute *Mectizan* freely to all who need it forever would surely seem bizarre to the employees of many companies, *Merck* employees, for the most part, understood his action and realized it meant neither that he had blundered nor that the company had become a charity. *Merck* had built a set of values that transcended profitability in its narrowly defined form, and in so doing, had fostered a framework in which the *Mectizan* decision seemed not aberrant, but consistent. *McKinsey & Company* studied *Merck* to understand why the company has a long-standing record of exceptional employee commitment. *Merck’s secret* *McKinsey* concluded, is its deeply ingrained culture. The company's values
"energize people to go the extra mile" and this is a "competitive advantage…that is hard to replicate.” (Useem, 1998, pp. 36-37)

U.S. President Jimmy Carter wrote that "the campaign against river blindness shows how a major international corporation can change the lives of millions of people…[by] stepping beyond the confines of narrow, short-term interest and accepting a broader, global responsibility.” Dr. Vagelos' leadership, Carter said "helped prove that a corporation can ... be deeply concerned with the alleviation of suffering throughout the world.” The New York Times wrote in 1989 that Merck's development of Mectizan "will surely rank as one of the century's great medical triumphs.” The World Bank commented in 1995 that "the near elimination of river blindness as a public health problem and an obstacle to socio-economic development in West Africa stands as one of the most remarkable achievements in the history of development assistance.” That same year Merck contributed $45 million worth of Mectizan. President Carter reported that, with the worldwide campaign against river blindness, "villages, once deserted, are now flourishing. And children, once resigned to darkness, are now growing up free for the first time, able to look toward the future.” One authority on infectious diseases ranks Mectizan with quinine and penicillin for its vast impact. (Useem, 1998, pp.41-42)

In 1994, WHO orchestrated a consortium with the World Bank, the Inter-American Bank, and private development organizations to support the distribution of Mectizan - finally providing what had been withheld a decade earlier. In 1995, the Carter Center in Atlanta, Georgia, launched a long-term program with the United Nations, the World Bank, and other agencies to control and eventually eradicate river blindness. Many private donors stepped forward as well to cover the total cost of ending the illness sometime in the new millennium. The effort to eradicate river blindness continues to this very day with the recent 20th anniversary of the Mectizan Donation Program. To date, this program has donated more than 600 million doses of Mectizan, valued at US $3.0 billion. Recognized for its unparalleled success, the program is the longest-running medicine donation commitment in history - currently reaching 80 million people each year for the treatment of river blindness in 33 countries in Africa, Latin America and Yemen. A company "can have an enormous impact" says Dr. Vagelos, "If it is willing to do
what is required to be socially responsible" (Useem, 1998, pp.41-42). In 1996, Dr. Vagelos reported that not a single shareholder had complained about his decision to give away the drug forever. It was, in his view, Merck's "finest moment." In a recent interview, (Useem, 1998, pp. 41-42), Dr. Vagelos reflected on the decision he had made:

Yes, he said, Merck's generosity had strengthened its reputation and the decision had bolstered its recruitment. But, he was asked, would he have committed his company to such a costly program even without such benefits? “Yes” he said he had “no choice. My whole life has been dedicated” to helping people, and “this was it for me”.

**Interpretation of Dr. Vagelos’ Executive Leadership**

Dr. Vagelos demonstrates qualities consistent with most of the general propositions of IEL. The following discussion is not intended to provide an exhaustive interpretation, since different readers may identify additional connections. However, the following analysis is intended to provide a comprehensive set of observations that, when considered collectively, is sufficient to establish Dr. Vagelos as a credible exemplar of IEL.

*Merck’s situational contexts* were uncertain, complex, and dynamic, and required Dr. Vagelos to exercise leadership all levels – individual, pairs/groups/teams, organizational, societal, and environmental – in order to achieve meaningful stakeholder goals. *Political* forces included the Clinton administration’s aggressive health care reform initiatives. *Legal* challenges included the Waxman-Hatch Act, potential Mectizan product liability, and investors’ attacks upon Mectizan’s development and free distribution. *Economic* influences involved price pressures from Managed Care Organizations and Prescription Benefits Management, market share competition from generic drug producers, and escalating R&D costs. *Socio-cultural* demands required production safety improvements, the promotion of women and minorities at Merck, and integrating the vocation of mitigating human suffering with the legal demands of shareholder agency. *Technological* challenges included the rapidly evolving sciences, the diminishing R&D yields from organic chemistry, and Merck’s lagging new product innovation during the 1970’s. *Internationally Merck* had to contend with the challenges of multi-national operations, winning international support for free distribution of Mectizan from NGO’s and potential donors, and
then administering *Mectizan* in remote regions of developing nations. *Environmentally, Merck* had to dramatically reduce the pollution created by its various production facilities.

Within these contexts, Dr. Vagelos established many reciprocal, positive influence relationships. This is evident at the *individual* level with: *subordinates* including Art Patchett, William Campbell, and Mohammed Aziz; peers like Al Alberts; *superiors* including Earl Stadtman, Jacques Monod, John Horan, and George W. Merck; and *third parties*, such as, Brian Duke, William Foege, and Henry Kissinger. This is also demonstrated at the level of *pairs/groups/teams* with: *subordinate* groups (e.g. Rahway and West Point research labs, Merck’s organic chemists, new product R&D teams, *Merck’s* department of regulatory affairs); *peer* groups, such as, the Seaway NJ new product review group; and *superior* groups like *Merck’s* Board of Directors. At the *organizational* level this is apparent in his working relationships with *Merck’s affiliates* in 46 countries, *regulators* (e.g. the American FDA, the French Directorate of Pharmacy and Drugs, and other international counterparts), and *joint venture partners* like Glaxo. As well, these reciprocal positive influence relationships were also evident at the *societal* level, such as: various *NGO’s* including, the World Health Organization, the Carter Center, and the *Mectizan Donation Program*; and many *foreign governments* including France, Red China, and many African nations.

Throughout his career, Dr. Vagelos’ *executive agency* exhibited positive, integrative, multi-stakeholder professional stewardship, integrated performance management, and a living code of ethics. There are numerous examples of his positive, integrative agency, including: serving as the physician in charge of a polio ward at *Massachusetts General Hospital*; leading successful team research into acyl carrier protein and enzymes controlling fatty acid synthesis at the *National Institutes of Health*; restructuring and integrating *Washington University’s Division of Biology and Biomedical Sciences (WUSTL)*; revitalizing *Merck Research Laboratories (MRL)*; integrating *MRL’s* traditional research with the new molecular targeting research paradigm; successfully supervising multiple simultaneous R&D programs; and championing the development of *Mectizan* and the *Mectizan Donation Program*. There are also many examples of integrated performance management, including his: comprehensive strategic management
initiatives for revitalizing Merck as a whole; simplifying and realigning management by objectives with strategic priorities; strategically realigning individuals, research teams, and organizational functions; integrating different research paradigms and many scientific specialities within collaborative, applied, pharmaceuticals research processes; and leading large scale collaborative processes to fund, field test, and launch Lovastatin and Mectizan. Dr. Vagelos also led via a living code of ethics. He made explicit appeals to Merck’s mission statement; solicited authentic moral support from Merck’s senior leaders; and exercised societal responsibility through anti-pollution, production safety, and affirmative action initiatives, and enacting Merck’s “do no harm” philosophy when halting the trials of Lovastatin. He also demonstrated societal responsiveness in Red China’s Hepatitis B crisis and enacted Merck’s “do well by doing good” philosophy in developing and donating Mectizan. As well, he demonstrated moral courage and resiliency in not yielding to Milton Friedman’s aggressive attacks on Mectizan’s development and donation.

The outcomes of Dr. Vagelos’ agency included Merck’s shared direction, alignment, and commitment to satisfying meaningful, positive, multi-stakeholder needs that balanced economic and ethical outcomes. A revitalized MRL produced a wave of blockbuster new products for Merck, which secured the firm’s future, and resulted in industry leading profitability. This created the financial strength to develop and launch Mectizan, many other leading drugs, and to spearhead and support the Mectizan Donation Program. His agency also bolstered Merck’s reputation - Merck became the “most admired corporation” seven consecutive years by CEOs during Dr. Vagelos’ tenure. This aided recruitment by attracting the best and the brightest scientists; created a positive upward spiral of recruitment and performance; strengthened Merck’s employee commitment and culture – a difficult to imitate sustainable competitive advantage; inspired other corporations to follow Merck’s lead in developing cures and products to address other dreaded diseases without the expectation of profit; and led to the establishment of a long term, large scale collaboration with a competitor, Glaxo, for the treatment of another health scourge - lymphatic filariasis, a condition related to river blindness.

Dr. Vagelos’ leadership behaviours and practices constituted integrated repertoires of positive leadership, including: self-leadership and SuperLeadership, functional-relational facilitative
leadership, full range managerial-leadership, visionary-strategic leadership, and transforming-developmental leadership.

1. IEL Contemplative Self-Leadership:

Dr. Vagelos displays many features of positive (1) self-leadership: self-observation and personal reflection in his two autobiographical books; setting, pursuing, and achieving high personal goals (e.g. academic achievement, scientific research, restructuring WUSTL, turning around MRL, developing and launching Lovastatin and Mectizan, etc.); positive, intrinsic motivation (e.g. desire to excel, personal passion for scientific research in the service of human well-being); strong personal efficacy in accepting the role at MRL despite his lack of experience in the pharmaceuticals industry and in business management; constructive and creative thought patterns (e.g. goal-achievement thinking, transcending the Loeb Bible, appreciation of Monod’s postautonomous scientific thinking capacities, revitalizing MRL, showing patience and respect for MRL’s “old school” research practices, and his “do well by doing good” dialectical counter-argument to Milton Friedman). There are also many examples of (2) positive SuperLeadership, such as Dr. Vagelos’: encouraging self-leadership within Art Patchett and the director of Merck’s department of regulatory affairs; encouraging MRL’s scientists to think more freely and apply molecular targeting research; establishing empowered, self-managing research teams at MRL, which were required to set high strategically-aligned goals, set their own priorities, formulate research plans, implement and monitor their progress, be accountable for their achievement, and publish their research in peer-reviewed journals; respecting traditional “old school” research paradigms and its practitioners, despite the limitations of their trial & error approach; demonstrating moral leadership in testing Lovastatin, and in developing, testing, funding, and launching Mectizan. There are also many examples of (3) positive reflective praxis via the five disciplines. Dr. Vagelos exhibited personal mastery in pursuing his career, developing the personal capacities to conduct and lead high level scientific research, clarifying his underlying purposes to benefit human well-being, and harmonizing personal ethics with the morals of the marketplace. He demonstrated his command of mental models by questioning the “accepted wisdom” of Loeb’s Bible, trial and error drug discovery, and shareholder agency theory, and by formulating better mental models. He promoted team learning via encouraging thinking more freely in medical praxis and scientific research; and nurturing team learning in
MRL’s multiparadigm, multidisciplinary, collaborative R&D projects (e.g. Lovastatin and Mectizan). He also promoted the shared vision of MRL’s scientific research as a means of mitigating human suffering, and of “doing well by doing good”. Dr. Vagelos also demonstrated sound systems thinking in restructuring WUSTL, revitalizing MRL, and his overall strategic management of Merck. There are no reports of Dr. Vagelos’ contemplative practices, but there are many indications of his psychological complexity, including his: healthy dialogue between the head and the heart; thoughtful reflection; and “wise” perspective that balanced ethics and rationality, social and scientific passion, and both Merck’s and societal well-being. As well, his experience of flow is suggested by his total immersion and total engagement in his vocation and projects; his creativity and personal integrity; and his excellent leadership.

2. IEL Functional-Relational Facilitative Leadership

There are various instances where group participation in decision-making was adapted to the circumstances. The CEO autocratic mode was exercised in hiring decisions (e.g. personally screening all candidates and rejecting the “second rate”); the CEO-Advisor mode was employed in strategic consultations regarding MRL’s departmental research plans and projects, and in simplifying and strategically aligning management by objectives; and the TMT mode was practiced in the collaborative management of multidisciplinary R&D projects, and new product development, testing and launches. There are many examples where Dr. Vagelos’ functional leadership supported processes of information search and structuring, problem solving, managing personnel, and managing material resources, including: collaborative R&D projects; integrating traditional and targeted molecular research paradigms; new product development team processes; the Seaway NJ research project review process; and the strategic management of Merck as a whole. Also, he cultivated team capacities related to cognition, motivation, affection, and coordination, primarily through concertive action-learning via multiparadigm, multidisciplinary, collaborative R&D projects and new product development processes. In addition, there are many examples of his relational leadership that cultivated high-quality leader-member exchanges, including: long-term reciprocal influence relationships with Al Alberts, Phil Majerus, William Campbell, and Mohammed Aziz; the “rescuing” of Art Patchett and his encouragement of Patchett’s leadership in molecular targeting research; his patience and respectfulness in addressing “old school” resistance to molecular targeting research; and his
many constructive dialogues with scientists about their research projects. Dr. Vagelos also displayed and encouraged organizational citizenship behaviours, and interactional, procedural and distributive justice in many ways through his living code of ethics, as discussed above. Finally, he demonstrated facilitative leadership through the phases of team development in various ways, including: kicking off the reorganization of \textit{WUSTL} by teaching parts of the introductory undergraduate biochemistry course; developing intimate familiarity with each and every research project at \textit{WUSTL} and \textit{MRL}; mentoring individual researchers and research teams; favouring the development of empowered, self-managing research teams at \textit{MRL}; and promoting the shared understanding and team assessment of each and every research project at \textit{MRL} via the Seaway NJ pharmaceuticals research project review process.

3. \textbf{IEL} Full Range Managerial-Leadership

Dr. Vagelos demonstrated effective full range managerial-leadership in the general management of tasks, people and change at both \textit{WUSTL} and \textit{MRL}. Effective transactional management is evident in: his staffing practices that hired and retained only the best candidates; his gradual “averaging up” of performance via enhancing the quality of staff; his simplification of \textit{MRL}’s bureaucratized, counterproductive management by objectives system; and his establishing empowered, strategically aligned, self-managing research teams. Evidence of Dr. Vagelos’ transformational leadership include: his recognition at both \textit{WUSTL} and \textit{MRL} that organizations that do not change do not last, that periodic revitalization is essential, and that it is essential to convince people before the fact that change is necessary; his conviction that transforming \textit{MRL}’s research paradigms was essential to its future well-being; and his recognition of the need to change, not only the organizational structures, but the internal values of all employees. Also, his balanced perspective with respect to the task/people/change dimensions of full range managerial-leadership is reflected in his respect for \textit{MRL}’s “old school” research paradigms and its practitioners, and his allowing time for their personal transition and adjustment.

4. \textbf{IEL} Visionary-Strategic Leadership

Closely related to the foregoing, Dr. Vagelos practiced participative organizational strategic management of \textit{Merck} overall, which produced industry leading sustainable advantages, profitability, financial strength, and corporate reputation. His visionary and neo-charismatic
leadership cultivated a shared vision within MRL that encouraged Merck’s scientists to view their work as means of mitigating human suffering. He questioned the “accepted wisdom” of trial and error drug discovery and the preeminence of organic chemistry in pharmaceuticals research. He also publically challenged the tyranny of shareholder agency theory. He also tirelessly promoted his new vision within individuals, groups/teams, and the entire Merck organization. Also, his demonstration of moral leadership in testing Lovastatin, and in the development, testing, funding, and launch of Mectizan played a significant role in transforming the pharmaceuticals industry’s “hands-off” approach to dreaded diseases in developing nations, which resonates to this day.

5. IEL Transforming-Developmental Leadership

There are many instances of Dr. Vagelos’ cultivation of constructive organizational cultural styles and group styles, the qualities of learning organizations, and potentially transformative workplace learning. He cultivated a humanistic vision within MRL that encouraged scientists to view their work as means of mitigating human suffering. He encouraged employees’ self-actualization through questioning “accepted wisdom”, thinking more freely in scientific research, and publishing research results in peer-reviewed journals. He also encouraged high achievement through establishing empowered, self-managing research teams and promoting team learning in MRL’s collaborative R&D projects and new product development processes. There are also examples of co-creative group flow, and possibly normative communitas, in the development, testing and launch of Lovastatin and Mectizan. As well, he provided opportunities for MRL scientists to experience first-hand the beneficial impacts of their collective efforts. For instance, William Campbell experienced the administration of Mectizan in Africa as “an absolutely unforgettable moment” in his life.

Dr. Vagelos enacted positive philosophies and styles of leadership that are representative of authentic, moral, spiritual, servant, and wise leadership.
1. **IEL Authentic Leadership**

There is much evidence of Dr. Vagelos’ authentic leadership. Optimal self-esteem is evident in his thoughtful reflection; healthy dialogue between the head and the heart; and relational transparency with subordinates, peers, and superiors. Eudaimonic character is displayed in his strong self-efficacy in first accepting the role at MRL and his positive virtues. Flow is apparent in his total immersion and engagement in his roles and projects. Authentic morality features in his strong self-identity as a physician first, research scientist second, and CEO third, and his positive moral perspective in halting the trials of Lovastatin, and in pursuing the development and eventual donation of Mectizan. Authentic moral leadership is demonstrated by his Lovastatin and Mectizan decisions, and standing his moral ground versus Milton Friedman. His positive influence processes are evident in his positive role modeling; his cultivating self-identification with Merck as a moral corporation; his many positive exchange relationships with subordinates, peers and superiors; and his strong self-knowledge and integration between self, roles, and actions. Also, authentic followership is demonstrated by MRL’s following Dr. Vagelos’ lead with targeted molecular research; his promotion to the role of CEO; the Merck board of directors accepting Dr. Vagelos’ unilateral decision to donate Mectizan in perpetuity; other corporations following Merck’s lead; and NGO’s committing funding to the Mectizan Donation Program. As well, Dr. Vagelos’ positive influence was reciprocal insofar as he heeded Brian Duke’s, William Campbell’s, and Mohammed Aziz’s recommendations to donate Mectizan. Through his authentic leadership, Dr. Vagelos nurtured an authentically positive culture and climate at Merck which McKinsey confirmed as a strong culture of employee commitment and excellence, and shared moral values of “doing well by doing good”.

2. **IEL Moral Leadership**

Closely related to his authentic leadership, Dr. Vagelos demonstrated ethical and fair/just managerial conduct, and ethical leadership through his: communication of, and explicit appeals to Merck’s mission statement; societally responsible management initiatives (e.g. anti-pollution, production safety, and affirmative action programs); and societally responsive initiatives (e.g. Red China’s Hepatitis B crisis). Dr. Vagelos also role modeled and enacted Merck’s “do no harm” philosophy in halting the trials of Lovastatin upon suspicion of risks to human well-
being. As well, he also role modeled and enacted Merck’s “do well by doing good” philosophy with *Mectizan* despite withering attacks from the investment community.

3. & 4. **IEL Spiritual & Servant Leadership**

Also closely interconnected with the foregoing, the handling of *Lovastatin* and *Mectizan* especially demonstrate: a multi-stakeholder stewardship approach to *Merck’s* stakeholders’ well-being; personal integrity, authentic morality and commitment to “doing no harm” and “doing well by doing good”; cultivating employees’ sense of meaning and purpose; nurturing values of altruism, hope, faith, trust, compassion, and perseverance; accepting broader societal responsibilities for the well-being of fellow human beings; and promoting *Merck’s* employees’ sense of spiritual-servant leadership through encouraging unconditional acts of kindness and compassion. These are all essential features of both spiritual and servant leadership.

5. **IEL Wise Leadership**

All of the foregoing demonstrates Dr. Vagelos’ explicit wisdom, which balances ethics & rationality, social & scientific passion, *Merck’s* and societal well-being. As a consequence, Dr. Vagelos’ leadership demonstrates wise performance via: expert factual knowledge; competent procedural knowledge; strong life-span contextualism (e.g. “My whole life has been dedicated” to helping people and “this was it for me”); appreciation of the different needs and values of *Merck’s* multiple stakeholders, as well as those of different societies; and the ability to manage uncertainty and creatively solve difficult problems in ways that serve the common good. This explicit wisdom is indicative of Dr. Vagelos’ underlying implicit wisdom, especially: strong synthetic-dialectical thinking ability to hold competing perspectives in tension (e.g. different research paradigms, multidisciplinary research, simultaneous service of economic and societal goals); apparent high levels of emotional intelligence; apparent high levels of cognitive-moral development; apparently well-adjusted and balanced personality; and the ability to draw upon his “deeply grooved” moral values and life-learning to lead wisely in society.

Dr. Vagelos strongly appears to have possessed the **competencies, attainments, and dispositions** characteristic of **IEL**. (1) Dr. Vagelos consistently demonstrated high levels of the **SHL UCF** competencies required to effectively perform a full range of managerial-leadership
activities, namely: leading and deciding; supporting and coordinating; interacting and presenting; analyzing and interpreting; creating and conceptualizing; organizing and executing; adapting and coping; enterprising and performing. (2) His enabling **attainments** included the requisite mix of: knowledge and skills, aptitudes and abilities, experience and qualifications, interests, and personality traits, to effectively perform the full range of managerial-leadership activities that “fit” with his specific roles and situations. (3) Although there is no evidence from validated psychological assessment instruments, Dr. Vagelos appears to have consistently demonstrated high levels of *postautonomous ego development*, and “wide zones of caring”, as reflected in his: (a) being “deeply grooved” early in life by his extended family in the importance of doing things to benefit others; (b) general appreciation of community and interdependence (e.g. extended family, internship group, national polio research strategy, R&D project teams, holistic approach to managing and leading MRL and Merck); (c) respect for and acceptance of personal responsibility for the well-being and mentoring of others; (d) his strong deontological ethical principles and justice-care-ethics reasoning (e.g. the steadfast refusal to potentially harm others by continuing trials of Lovastatin despite the risks/costs; and his firm resolve proceed with Mectizan’s development despite unfavourable economic indications); and (e) his high levels of what William James’ called “moral helpfulness”. (4) Dr. Vagelos also displays an appreciation for discovering the interconnectedness of reality in expressing: “Learning that this protein is a universal component of all biological systems made this the single most exciting series of events in my scientific career”. (5) He also exhibited high levels of **synthetic-dialectical reasoning** in: breaking the mesmerizing hold of codified knowledge in Loeb’s Bible; admiring the value of Jacques Monod’s often “heretical” ideas and innovative scientific thinking; his recognition that most scientific thinking is constrained by excessive reliance on “hard” evidence; his appreciation of the importance of scientific risk-taking and working outside the bounds of accepted practice; his ability to hold competing perspectives in tension and fruitfully reconciling them (e.g. multiple research paradigms and multidisciplinary research); and his capacity to appreciate, articulate, and act upon the dialectic of “doing well by doing good”. (6) Throughout, Dr. Vagelos’s also exhibits Peterson’s and Seligman’s **virtues and character strengths**, including: (a) wisdom and knowledge (creativity, curiosity, open-mindedness, love of learning, perspective); (b) courage (bravery, persistence, integrity, vitality); (c) humanity (love, kindness, social intelligence); (d) justice (citizenship, fairness, leadership);
(e) temperance (humility, modesty, prudence, self-control); and (f) transcendence (gratitude, hope, spirituality).

In summary, Dr. Vagelos exhibits most of the essential features of IEL, and his case study strongly indicates that effective, ethical, societally responsible and responsive executive business leadership is possible even within large, publicly traded, multi-national corporations, and can produce widely mutually beneficial effects even from within “Big Pharma”. This case study also provides considerable evidence that Dr. Vagelos’ leadership is a prime example of positive deviance (Spreitzer & Sonenshein, 2004). Specifically, the Mectizan project had no foreseeable profits but an estimated $250 million price tag for its development. Besides the cost of developing, manufacturing, and distributing the drug, Merck faced a huge distribution problem since the African regions served lacked pharmacies, doctors, roads, communications, and other infrastructure. Solving these logistical problems cost a great deal and involved substantial risks, such as destroying Merck’s reputation for quality products if the drug caused unanticipated adverse effects on public health. The firm’s motivations may have included some forms of self-interest, but to argue that Merck’s actions were primarily self-interested is untenable. No one could have predicted the strategic consequences of Merck’s decision to develop and donate Mectizan. Finally, Merck’s long-term profitability strategy of “doing well by doing good” is not egoistic, but is a dialectical, postautonomous stance, that stood against its industry’s norms, by integrating and balancing corporate and societal well-being, despite the corporate costs and risks. However, it is important to note that this case study does not illustrate that Merck has in perpetuity been a “moral corporation”. Since Dr. Vagelos’ departure, Merck’s conduct following its subsequent discovery of some dangerous long-term effects of its Statin drugs, and its VIOXX drug, have been questionable. However, this case study does strongly suggest that under the executive leadership of Dr. Vagelos, Merck was a “moral corporation” that most likely would have handled these subsequent discoveries promptly and ethically under his continued leadership. That lesser leaders have followed Dr. Vagelos at Merck reinforces the importance of a continuous lineage of IEL executives within business.
CHAPTER 11

Conclusion

This thesis has argued that positive integrative executive business leadership is required, on an ongoing basis at all levels, for business organizations and society to continually innovate and adapt, survive and thrive. Accordingly, IEL executives must provide positive integrative agency through multi-stakeholder professional stewardship, integrated performance management, and living codes of ethics. This requires the integrated practice of positive leadership repertoires that address four inter-penetrating levels of business - individual, pair/group/team, organizational, and societal. This thesis calls these mutually-reinforcing positive repertoires: contemplative self-leadership, functional-relational facilitative leadership, full range managerial-leadership, visionary strategic leadership, and transforming-developmental leadership. In turn, these repertoires must be reinforced by positive philosophies and styles of leadership including: authentic, moral, spiritual, servant, and wise leadership. Consequently, IEL is predicated upon essential positive attainments, dispositions and competencies. Especially, IEL requires the cultivation of: positive psychological states and traits; virtues and eudaimonic character; postautonomous levels of ego development; integrative consciousness; and psychological complexity and flow. This thesis has also argued that these farther reaches of human nature motivate intrinsically ethical leadership, spontaneous service of the common good, and contribute to effective and potentially extraordinary executive performance.

Proposed Future Research

This thesis does not claim that IEL is the only plausible foundation for a general theory of positive executive business leadership, or that in the form currently presented, it is complete, definitive or final. IEL is an emergent theory, and this thesis is the start of an ongoing journey in which much further research remains. The broad general questions remaining include, but are not limited to, the following:
1. To what extent are the theorized positive behaviours and practices, philosophies and styles actually characteristic of effective, ethical, and excellent business executives?

2. Are there other important positive characteristic behaviours and practices, philosophies and styles of business executives?

3. Are there other sub-models and theories that are suitable replacements for, or supplementary or complementary to the positive models and theories theorized?

4. Which specific patterns and levels of positive psychology, eudaimonic character, psychological complexity, postautonomous ego development, integrative consciousness and flow, are evident in individuals and executive teams?

5. What are the dynamics among IEL executives and those organizational members exhibiting different patterns and levels of development?

6. How are IEL’s antecedents, behaviours and practices, philosophies and styles, inter-related developmentally within individuals, teams and organizations?

7. Which combinations of learning interventions are most efficacious in developing IEL antecedents, behaviours and practices, philosophies and styles, within individuals, teams and organizations?

8. How can IEL “best practices” be adapted to different circumstances?

9. How can contemplation, integrative consciousness and flow, co-creative group flow, Presence, and communitas be introduced into the workplace, in ways that avoid being misconstrued as inappropriate forms of religiosity?

10. How can IEL be beneficially introduced into executive development programs, MBA curricula and executive leadership development programs?

In addition to these general questions, the general propositions in Appendix C identify specific interrelated areas for further research into the various dimensions of IEL: the situational contexts, agency and outcomes, behaviours and practices, philosophies and styles, competencies, attainments and dispositions of IEL. In order to further confirm and/or refine IEL theory, these areas would be addressed via transdisciplinary, multi-paradigmatic research methodologies. The primary means by which useful further investigations of IEL can be conducted, include: (1) first-hand practice and phenomenological accounts of IEL; (2) direct observation within the actual work context; (3) qualitative individual and group interviews;
(4) the administration of the battery of specific assessment instruments proposed in Appendix C; and (5) longitudinal case study methods. All of these methods could be fruitfully combined into a comprehensive *Action Research* protocol, conducted by a multidisciplinary team of consultants/researchers. The specific methodologies and tactics used within an *Action Research* protocol must be tailored to each organization’s unique circumstances, and therefore cannot be pre-specified at this juncture (Argyris, 1993; Morgan, 1988, 2006; Schon, 1983; Senge, 1990; Senge et al., 1999). However, if *IEL* theory were to inform the curricula of MBA and Executive MBA programs, then business schools could potentially provide ideal means and opportunities for conducting this systematic, integrated, action research into *IEL* over an extended timeframe.

At present, the main international accrediting body for business schools, *The Association to Advance Collegiate Schools of Business* (“AACSB”), currently does not even list leadership as a field/discipline among the thirty fields/disciplines reported by its 567 accredited business schools worldwide (*AACSB*, 2009, pp.12-13). Leadership has low priority within most business schools, whose academic cultures are generally dominated by the disciplines of economics and finance (Khurana, 2007). Consequently, leadership tends to be treated as a sub-topic within organizational behaviour, general management or strategic management, where the focus tends to be learning something “about” leadership, rather than comprehensively “how to” actually lead. For the most part, students are left on their own to fashion amalgams of skills and abilities (Mintzberg, 2004; Schaffer, 2005). In short, the teaching of managerial-leadership in accredited degree programs has been all but abandoned by business schools (Moynihan, 2007).

Nevertheless, there are promising signs. Many business schools and faculty take seriously the vocational and fundamental character-forming nature of what they do, and treat management education as meaningful scholarship and learning (Bok, 1990; Boyer, 1990; Rice, 2002; Hambrick, 2005). Many authorities also view the legitimacy crisis of business leadership as an urgent wakeup call to reject the unrestrained promotion of the short-term, narrow, financial self-interest that leads to disintegrative and destructive consequences. For these educational leaders, these are engaging challenges and reminders of business schools’ wider responsibilities in
society. These challenges are recognized by the AACSB which advises that business schools must overcome insularity, parochialism, and scientism in their academic sub-specialties, and achieve more acceptable levels of relevance, discovery, integration, teachability, applicability, and beneficial impact in their research and education (AACSB, 2002, 2008). Also, the AACSB advises that achieving greater balance requires transforming the traditional academic bureaucracy itself—especially hiring, tenure, journal publication, evaluation, promotion, compensation and reward systems. The AACSB also warns that the failure to address these organizational issues places university-based management education at great risk (AACSB, 2002). To facilitate this transformation, the AACSB (2009b) has recently revised its accreditation system and criteria to allow for greater diversity of business school missions, research scholarship, journal publications and faculty qualifications, etc.

To their credit, many business schools have been diversifying and expanding their degree and non-degree offerings, pedagogical and delivery methods. Many are providing leadership training to more experienced students in Executive MBA programs. Also, graduate degree programs in business leadership are beginning to be offered by a number of innovative, non-accredited business schools and on-line universities (AACSB, 2010; AUCC, 2010). As well, Datar, Garvin, and Cullen (2010) point out, that some leading accredited business schools are making positive strides in reforming the traditional business school curriculum. For instance, The Yale School of Management has replaced the traditional business-discipline based courses with those that integrate course content across business functions, presented from the perspectives of the corporation’s various stakeholder groups. Yale has also strengthened its efforts to develop the leadership skills of its students. The Richard Ivey School of Business promotes a “cross functional leadership” orientation to general management education. Also, The Rotman School of Management has built its curriculum around integrative thinking skills. Other leading business schools have increased the multi-disciplinary, action-based learning content of their MBA programs, including: University of Michigan, MIT, Cornell, Case Western, and Harvard. For instance, at Michigan’s Ross School of Business “action-based learning enriches business education by connecting theory with practice” (Datar et al., 2010, p. 149). Also, many business schools are now offering courses in corporate responsibility that encourage executives to broaden their scope and think more deeply about their roles and
responsibilities and the purpose of business. *The Aspen Institute* (2010) lists many business schools worldwide that are now introducing a “sustainability” focus into their curricula. In the fall of 2007, *The Aspen Institute* surveyed 1,943 MBA students from 15 business schools, including the Richard Ivey School of Business and the Schulich School of Business (*Aspen Institute*, 2008). This survey shows that MBA students are beginning to think more broadly about the primary responsibilities of business. Although 63% still believe that maximizing shareholder value is a prime responsibility, 35% (versus 25% in 2002) believe that creating value for the community is a prime responsibility. Also, although 99% primarily wish to advance their career prospects via the MBA, 26% (versus 15% in 2002) express interest in finding employment that also offers the potential of making a contribution to society. This is important, positive, progress.

An additional step towards meaningful reform of executive leadership would be to ensure, at a minimum, that business schools cultivate positive executive business leadership – along the lines suggested by IEL. To do so, it may be necessary for the AACSB to go a step beyond its diplomatic moral suasion, and require mandatory managerial-leadership, ethics, and corporate societal responsibility courses, and more effective integration of these perspectives and content across all of the specialized fields/disciplines of business management. This would go a long way towards creating the “tipping point” necessary for large scale educational and socio-economic change (Gladwell, 2000). It is hoped that this thesis will stimulate ongoing dialogue and research, as well as inspire beneficial application of the theoretically well-grounded principles of IEL. In closing, Sachs illuminates the path forward:

Great social transformations…all began with public awareness and engagement…Each of us has a role to play and a chance for leadership…Our generation’s greatest challenges - in environment, demography, poverty and global politics - are also our most exciting opportunity. Ours is the generation that can end extreme poverty, turn the tide against climate change and head off a massive, thoughtless and irreversible extinction of other species. Ours is the generation that can, and must, solve the unresolved conundrum of combining economic well-being with environmental sustainability. We will need science, technology and professionalism, but most of all we will need to subdue our fears and cynicism. John F. Kennedy reminded us “in the final analysis our most basic common link is that we all inhabit this small planet. We all breathe the same air. We all cherish our children’s future. And we are all mortal” (2008, pp. 36-40).
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APPENDICES
Appendix A.1: Mintzberg’s Managerial-Leadership Roles

(Source: adapted from Yukl, 2002, pp. 29-31; bold italics added)

**Interpersonal Roles**

**Leader Role.** Managers are responsible for making their organizational subunit function as an integrated whole in the pursuit of its basic purpose. The manager must provide guidance to subordinates, ensure that they are motivated, and create favorable conditions for doing the work. The leader role pervades all managerial activities.

**Figurehead Role.** As the head of an organization or one of its subunits, managers are obliged to perform certain symbolic duties. These duties include signing documents presiding at certain meetings and ceremonial events, participating in other rituals or ceremonies, and receiving official visitors.

**Liaison Role.** The liaison role establishes and maintains a web of relationships with individuals and groups outside of a manager's organizational unit, as a vital source of information and favors.

**Information Processing Roles**

**Monitor Role.** Managers continually seek information from a variety of sources. Some of the information is passed on to subordinates (disseminator role) or to outsiders (spokesperson role). Most of the information is analyzed to discover problems and opportunities and to develop an understanding of outside events and internal processes.

**Disseminator Role.** Managers have special access to sources of information not available to subordinates. Some of the information must be passed on to subordinates, either in its original form or after interpretation and editing by the manager.

**Spokesperson Role.** Managers are also obliged to transmit information and express value statements to people outside their organizational subunit. The manager must demonstrate an up-to-the-minute knowledge of his organization and its environment.

**Decision Making Roles**

**Entrepreneur Role.** The manager of an organization acts as an initiator and designer of controlled change to exploit opportunities for improving the existing situation. Planned change takes place in the form of improvement projects such as development of a new product, purchase of new equipment, or reorganization of structure, etc.

**Disturbance Handler Role.** In the disturbance handler role, a manager deals with sudden crises that cannot be ignored, as distinguished from problems that are voluntarily solved by the manager to exploit opportunities (entrepreneur role). The crises are caused by unforeseen events, such as conflict among subordinates, the loss of a key subordinate, a fire or accident, a strike, and so on.

**Resource Allocator Role.** Managers exercise their authority to allocate resources such as money, personnel, material, equipment, facilities, and services. By retaining the power to allocate resources, the manager maintains control over strategy formation and acts to coordinate and integrate subordinate actions in support of strategic objectives.

**Negotiator Role.** Any negotiations requiring a substantial commitment of resources will be facilitated by the manager having the authority to make this commitment.
Appendix A.2: Factors Intensifying the Need for Integrating Activities
(Source: Yukl, 2002, pp. 31-46)

**Relationship Patterns**
- many, short term internal or external relationships
- frequent, unpredictable new assignments
- interlocking and interdependent tasks
- compliance and monitoring are important
  (Yukl, 2002, p. 33)

**Role Conflicts**
- many divergent and incompatible demands by superiors, peers
  and subordinates (Tsui, 1984)

**Organization Size**
- greater volume of business transactions and activities, greater
  number of employees, and more bureaucratic structure (Kotter,
  1982)
- broader geographic dispersion (Heller & Yukl, 1969)
- greater factional competition for scarce resources and power
  (Yukl, 2002, p. 34)

**Hierarchical Level**
- wider span of managerial authority (Blakenship & Miles,
  1968)
- greater exercise of broad authority; long range planning;
  impact on policies, organizational change and structure, and
  operations (Jacobs & Jaques, 1987)
- greater executive discretion and freedom (Blakenship & Miles,
  1968)
- greater need for outsiders and networking (Luthans et al, 1985)

**Lateral Interdependence**
- greater dependence on other organizational subunits
- greater needs for compromise and reconciliation of competing
  demands
- accommodating changes present increased risks (Mintzberg,
  1979; Sayles, 1979)

**Crisis Situations**
- A group, sub-unit or the organization under extreme pressure
  (Mulder et al, 1986)
### Appendix B.1: Wren’s Periodic Table of Leadership Theories

(Source: Wren, 2006, p. 13)

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<tr>
<th>I CONTEXTUAL</th>
<th>II INDIVIDUAL</th>
<th>IV NORMATIVE</th>
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<td><strong>HI</strong> Historical Approaches</td>
<td><strong>II</strong> Trait Theory</td>
<td><strong>IV</strong> Citizen Leader</td>
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<td><strong>Cu</strong> Cultural Approaches</td>
<td><strong>Ps</strong> Personality Approaches</td>
<td><strong>II</strong> Instrumental Approaches</td>
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<td><strong>Ce</strong> Cross-cultural</td>
<td><strong>Bv</strong> Behavior Theory</td>
<td><strong>Sr</strong> Servant Leader</td>
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<td><strong>Di</strong> Diversity Approaches</td>
<td><strong>Ob</strong> Organizational Behavior</td>
<td><strong>TI</strong> Transformational Leadership</td>
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<td><strong>Tg</strong> Transforming Leadership</td>
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<td><strong>Mo</strong> Motivation Theory</td>
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<td><strong>Ps</strong> Psychological Approaches</td>
<td><strong>Cg</strong> Change Theory</td>
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<td><strong>Rv</strong> Revolutionary Approaches</td>
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<td><strong>III</strong> Contingency</td>
<td><strong>IV</strong> Process</td>
<td><strong>V</strong> Method</td>
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<td><strong>Cy</strong> Contingency Theory</td>
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<td><strong>Si</strong> Situational Theory</td>
<td><strong>Ql</strong> Qualitative Method</td>
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<td><strong>B.</strong> Transactional</td>
<td><strong>De</strong> Decision Theory</td>
<td><strong>Pb</strong> Problem-Based</td>
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<td><strong>Pg</strong> Path-Goal Theory</td>
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<td><strong>Po</strong> Power Approaches</td>
<td><strong>Cr</strong> Conflict Resolution</td>
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<td><strong>Cm</strong> Leader/Member Exchange</td>
<td><strong>Au</strong> Authority Issues</td>
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<td><strong>Tr</strong> Transactional Leadership</td>
<td><strong>Pr</strong> Participatory Approaches</td>
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<td><strong>Le</strong> Idiosyncrasy Credits</td>
<td><strong>Aw</strong> Adaptive Work</td>
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<td></td>
<td><strong>Co</strong> Communication Theory</td>
<td><strong>Sy</strong> Systems Theory</td>
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<td></td>
<td><strong>In</strong> Influence Approaches</td>
<td><strong>Vi</strong> Vision Approaches</td>
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<td></td>
<td><strong>Gr</strong> Group Process</td>
<td><strong>Tm</strong> Team Leadership</td>
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<tr>
<td></td>
<td><strong>De</strong> Democratic Theory</td>
<td><strong>St</strong> Strategic Approaches</td>
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<td></td>
<td><strong>Cr</strong> Conflict Resolution</td>
<td><strong>Ld</strong> Leader Development</td>
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<td><strong>Ld</strong> Leader Development</td>
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<td><strong>St</strong> Strategic Approaches</td>
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<td><strong>Ps</strong> Psychological Approaches</td>
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<td><strong>F</strong> Follower Approaches</td>
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<td><strong>At</strong> Attribution Theory</td>
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<td><strong>Ps</strong> Personality Approaches</td>
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<td><strong>Bv</strong> Behavior Theory</td>
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<td><strong>Ob</strong> Organizational Behavior</td>
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<td></td>
<td></td>
<td><strong>Im</strong> Implicit Theory</td>
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<td></td>
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<td><strong>Mo</strong> Motivation Theory</td>
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<td></td>
<td></td>
<td><strong>Ps</strong> Psychological Approaches</td>
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<td></td>
<td></td>
<td><strong>Rv</strong> Revolutionary Approaches</td>
</tr>
</tbody>
</table>

*Periodic table of leadership studies*
# Appendix B.2: GTOL Leadership Narratives’ Key Themes


<table>
<thead>
<tr>
<th>Guiding Questions</th>
<th>Red Group</th>
<th>Purple Group</th>
<th>Gold Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>What about the human condition makes leadership necessary?</td>
<td>disorder and entropy, material scarcity, lack of knowledge, sense of insecurity, inequality</td>
<td>essentially the same as the Red group’s ideas</td>
<td>physiological and social needs and desire for human expression, social interaction through which humans construct reality</td>
</tr>
<tr>
<td>What makes leadership possible?</td>
<td>variability in individuals’ needs, desires and abilities, tension between self-sufficiency and dependency, desire for order, attraction to the mystery of leaders</td>
<td>many challenges and shortcomings to which leaders respond, variability in competence and access to power leads to role differentiation and dependencies, leadership relationships are negotiated, consent is given to leaders subject to ethical conditions</td>
<td>people differ in their capabilities, leadership is an act of constructing meaning, leadership is not about individual actors alone, leadership is a matter of social relationships and negotiating roles</td>
</tr>
<tr>
<td>What characterizes leadership?</td>
<td>leaders provide for needs satisfaction and order</td>
<td>leaders help others understand the world, themselves and others, leaders suggest solutions to important problems, followers contribute in an evolving, negotiated narrative about roles, identity, history and the world</td>
<td>leadership is a creative act, leadership brings new realities into being within the context of a larger social terrain</td>
</tr>
</tbody>
</table>
Appendix B.3: *GTOL* Polarized Leadership Assumptions


**Key Dimensions**

<table>
<thead>
<tr>
<th><strong>Epistemology</strong></th>
<th><strong>Nature of Humanity</strong></th>
<th><strong>Leadership Challenge</strong></th>
<th><strong>Leadership Response - Purpose</strong></th>
<th><strong>Values Hierarchy</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. knowledge acquisition is a linear process of discovering cause and effect relationships</td>
<td>1. humans are primarily social beings</td>
<td>1. there are universal challenges to survival posed by a world characterized by disorder and entropy</td>
<td>1. in a disorderly world, the primary goal of leadership is control</td>
<td>1. leadership is grounded in inequality which is at the heart of leadership</td>
</tr>
<tr>
<td>2. research has a defined and accepted beginning point that leads seemingly inevitably towards a predictable response</td>
<td>2. it is not clear exactly what one has in common with others</td>
<td>2. leadership always arises in response to perceived threats to survival</td>
<td>1. human conceptions of the world, and hence its challenges, are socially constructed</td>
<td>2. inequality is real, good and necessary: some people (leaders) are better able to perceive and act than others (followers)</td>
</tr>
<tr>
<td></td>
<td>3. one cannot easily establish trust, dependencies, relationships, and roles vis a vis society in such conditions</td>
<td>3. these challenges are primarily fixed</td>
<td>2. leadership challenges vary with context and history, are contextually determined and dynamic</td>
<td>3. leadership is primarily a compliance gaining process</td>
</tr>
<tr>
<td></td>
<td>1. knowledge of the world is constructed socially via processes of making sense of the complexities and interdependencies in the world</td>
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<td>3. these challenges are primarily fluid and open</td>
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<td>2. research becomes narrative and storytelling but establishing causality becomes suspect</td>
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<td>1. inequality is an evil to be superseded</td>
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<td>2. inequality should be subject to negotiation and definition</td>
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<td>3. equality is both the means and ends of leadership</td>
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<thead>
<tr>
<th>Issues</th>
<th>Differing Perspectives</th>
<th>Humanism</th>
<th>Essentialism (Positivism)</th>
<th>Social Constructivism</th>
<th>Environmentalism</th>
<th>Feminism</th>
<th>Pluralism</th>
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<tr>
<td>Human Nature</td>
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<td></td>
<td>Self-determining</td>
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<td>Observable &amp; Discriminable</td>
<td>Meaning-making</td>
<td>Interdependent</td>
<td>Gendered</td>
<td>Diverse – Multiple</td>
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<td></td>
<td>Problem-solving</td>
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<td>Verifiable</td>
<td>Categorizing</td>
<td>Sustainable</td>
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<td>Capable of choice</td>
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<td>Questioning</td>
<td>Relational – Alliance</td>
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<td>Rational</td>
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<td>Analytical</td>
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<td>Reorganizing</td>
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<td>Mobilizing Forces</td>
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<td>Influence human and</td>
<td>Legitimate</td>
<td>Sustain and</td>
<td>Create human</td>
<td>Expand tolerance of</td>
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<td>Purpose of</td>
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<td>environmental functioning</td>
<td>human needs</td>
<td>balance human</td>
<td>systems of</td>
<td>multiple human</td>
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<td>Leadership</td>
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<td>or actions using</td>
<td>and wants</td>
<td>and environmental</td>
<td>gender equality,</td>
<td>differences,</td>
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<td>factual information</td>
<td>Create or change</td>
<td>needs</td>
<td>freedom and</td>
<td>identities and</td>
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<td>common meanings</td>
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<td>Imagine &amp; communicate</td>
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## Appendix B.4: continued

<table>
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<tr>
<th></th>
<th>Ethics</th>
<th>Differing or Nonessential Social and Natural Systems</th>
<th>Socially Constructed Systems (Terrains of meaning – e.g. economic, political, social cultural, religious, ecological, and so on)</th>
<th>Essential</th>
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<td>Function of human self-determination &amp; problem-solving</td>
<td>Function of human interaction</td>
<td>Function of social relationships (within and between terrains of meaning)</td>
<td>Function of human interaction &amp; natural forces</td>
<td>Function of male systems</td>
<td>Function of dominant systems</td>
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### Level of Action & Analysis

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<th>Individuals, Dyads, Groups &amp; Collectives</th>
<th>Groups &amp; Collectives</th>
<th>Individuals, Dyads, Groups &amp; Collectives</th>
<th>Groups &amp; Collectives</th>
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## Appendix B.5: Positivist Paradigm vs. Integrative Paradigm

### Positivist Paradigm
(Source: Anderson, Braud et al, 1998, pp. 5-6)

- Reality is tangible and fragmented.
- The knower (subject) and the known (object) are independent of each other.
- There are real, separate causes, temporally precedent to their effects.
- The major aim of knowledge is the discovery of these causes, general principles or universal laws that enable the knower to explain, predict and control the known.
- The only valid knowledge is based upon data derived from the senses, consensually validated by others, expressed and/or extended via logically sound linguistic and mathematical formulations.
- Quantitative experimental methods are preferred over qualitative naturalistic methods of inquiry, except for preliminary, suggestive explorations.
- Research must possess unique safeguards against error in order to provide accurate and valid knowledge.
- The ideal research environment is isolated from other influences and characterized by simplified sets of variables to facilitate controlled determinations of causality.
- A researcher’s stance is to be neutral, uninvolved, and as distant as possible from the object of study.
- Virtually identical findings are expected from all researchers who repeat the same procedures, such that researchers are interchangeable.
- Research must be value-free and distinct from other human endeavours in which values play important roles.
- The researcher is the expert whose observations, hypotheses and interpretations have authority over those of the research subjects.

### Integrative Paradigm
(Source: Anderson, Braud et al, 1998, pp. 11-19)

- Realities are multiple, constructed and holistic.
- The knower and the known are inseparable.
- All entities are in states of mutual, simultaneous, interactions so that it is impossible to distinguish causes from effects.
- The major aims of research include the discovery of general principles or universal laws that provide the possibility of explanation, prediction and control and the full description, understanding and appreciation of individual cases.
- Valid knowledge is based upon data derived from the senses, consensually validated by others, expressed and/or extended via logically sound linguistic and mathematical formulations and alternative forms of knowing based upon intuition, direct knowing, empathic sensitivity, etc.
- Quantitative experimental methods are not preferred over qualitative naturalistic methods of inquiry – these methods provide different types of information about different domains of inquiry.
- Research is disciplined inquiry in which we attentively observe and draw conclusions about consistencies, inconsistencies and patterns – there are not always effective safeguards against errors.
- Meaningful topics and most human experiences are too complex, rich and contextualized to be amenable to contrived research designs without distortion or trivialization – they arise and are sustained in rich, dynamic and ambiguous contexts.
- The researcher is an extremely important component of any research effort and may have profound impacts on all phases of the research project – framing the question, selecting the method, obtaining and interacting with participants, conducting the research, collecting, processing, interpreting and communicating the data and findings.
- Investigators cannot be interchanged without changing the findings – an objective observer who is distanced from what is studied is an illusion.
- Research is not value-free – values influence our choices of subject matter, research questions, methodologies, theoretical criteria, analysis and presentation of results.
- The researcher’s status is not privileged over that of the other research participants, who contribute data, hypotheses, interpretations and conclusions – the researcher is a “co-researcher” who submits raw materials and findings to participants whose input and concurrence is an essential check for the validity of the study’s conclusions.
Appendix B.6: Basadur's Creative Problem Solving Process

(Source: Basadur, 2004; Basadur, Ellspermann, and Evans, 1994)

The four stages of the creative process:

- **Stage I: Generating**
  Creating options in the form of new possibilities — new problems that might be solved and new opportunities that might be capitalized upon.

- **Stage II: Conceptualizing**
  Creating options in the form of alternative ways to understand and define a problem or opportunity and good ideas that help solve it.

- **Stage III: Optimizing**
  Creating options in the form of ways to get an idea to work in practice and uncovering all the factors that go into a successful plan for implementation.

- **Stage IV: Implementing**
  Creating options in the form of actions that get results and gain acceptance for implementing a change or a new idea.
Appendix B.7: Author’s Biographical Sketch

During the 1970’s I completed a Bachelors and a Masters degree in Philosophy at The University of Western Ontario, concentrating in epistemology and ethics. Among the topics that most intrigued me were the philosophy of science, and the relationships between rational and ethical thought and decision-making. During the 1980’s, I completed a Masters in Business Administration at the Richard Ivey School of Business, where I enjoyed the sophistication of Ivey’s general management approach and case study method of teaching, which fosters a holistic, general systems-thinking approach to understanding business organizations and effective management. Upon graduation, I commenced my career as a corporate banker for the Royal Bank of Canada, a short time after the prime rate had spiked at over 20%, and just as the economy was emerging from deep recession. I personally have cleaned up many corporate financial problems caused by a combination of poor lending practices and poor management, and therefore harbour an abiding appreciation for the broader beneficial societal impacts of sound and fiscally responsible leadership – at all levels.

Subsequently, while serving in a financial management role for the holding company of Canada’s largest Canadian-owned multi-line insurance corporation, I became exposed to cooperative business principles. The Cooperators espouses serving all of its stakeholders in balance - policyholders, employees, member-owners, and communities. They eschew being exclusively driven by the often narrow, myopic and ruthless dictates of shareholders, and aim to create and share wealth synergistically. Here I learned first-hand the importance of practicing societal responsibility by maximizing and balancing the value created for multiple stakeholders. I eventually directed the strategic planning activities for the family of operating companies nationally. My mission was to help these organizations become more effective as businesses, and at the same time remain true to their multi-stakeholder philosophy. Through facilitating many ongoing, participative strategic management processes, I observed that these were essentially collaborative action learning exercises, so I began to explore ways to support individual and collective action learning to bring about mutually beneficial change within business organizations. In the process I investigated the fields of organization development and adult education. During this time I also completed
the Leadership Development Program at the Center for Creative Leadership, which ignited my interest in executive leadership development.

Accordingly, during the 1990’s, I pursued via part-time graduate studies, a Masters in Education at the University of Toronto, specializing in adult workplace learning and organization development. Also, during this period, I was recruited to build and lead a new company to conduct applied research and provide consulting services to organizations interested in implementing emerging computer technologies to enhance their workplace training and development. Attracted by the entrepreneurial call, the desire to work exclusively in adult development, and to satisfy my curiosity about potentially worthwhile new computer technologies, over the next several years I successfully built a non-profit organization of professionals who conducted applied research and consulted in the design, development, delivery, and evaluation of a broad range of technology-assisted workplace learning systems. Later, while finishing my Masters in Education, I took on a difficult assignment as a CEO charged with rescuing an insolvent company from certain failure. I was successful in this task, saving the company and over 500 jobs, but in the process I heard another call.

In the fall of 2002, I commenced PhD studies in Education at the University of Toronto where I studied ways and means of cultivating the capacities for holistic, societally responsible and responsive business leadership. After two years of mandatory full-time Ph.D studies, I continued my doctoral research part-time for several years while working part-time as a consultant and educator in the areas of managerial-leadership development, strategic management and organization development. During this period I developed and facilitated customized managerial-leadership development programs for many organizations, and co-developed and facilitated a university accredited course in strategic management for financial institution managers for Dalhousie University. From March 2008 until the present, I have worked full-time on my thesis. I am currently a faculty member of the Banff Centre where I co-facilitate Leading Strategically: (http://www.banffcentre.ca/departments/leadership).
Appendix C: General IEL Propositions

**IEL Situational Contexts**

**(P.1)** *IEL* is enacted at the individual level, the level of pairs/groups/teams, the intra-organizational level of departments, functional areas, divisions, and subsidiary firms, and the extra-organizational societal and environmental levels.

**(P.2)** The contextual levels of *IEL* are mutually-influencing, through various direct and indirect, reciprocal processes, as complex, dynamic, adaptive systems.

**(P.3)** *IEL* is influenced by the historical forces - past, present and emerging future - operating at each of these contextual levels, which present different pressures (push) and demands (pull). In turn, *IEL* influences these historical forces through various feedback and learning loops.

**IEL Agency and Outcomes**

**(P.4)** *IEL* “positive agency” is positively associated with development from negative deviance to normal healthy functioning, and/or from normal healthy functioning to positive deviance and excellence.

**(P.5)** *IEL* “integrative agency” is positively associated with, positive outcomes at all of the contextual levels of business, including health, effectiveness, quality, efficiency, positive relationships, adaptability, profitability, and ethics.


**(P.7)** *IEL* executives ensure the integrity and sound functioning of their organizations as complex adaptive systems via: the appropriateness and adequacy of organizational goals; and the “effective”, “efficient”, and “economical” achievement of these goals.

**(P.8)** *IEL* executives measure organizational performance employing multi-dimensional views and transparent data analyses that assess the organizational context holistically.

**IEL Behaviours and Practices**

**IEL Contemplative Self-Leadership**


(P.11) *IEL* executives practice Senge’s (1990) five disciplines, namely: personal mastery, mental models, shared vision, team learning, and systems thinking; and they cultivate the diffusion of the five disciplines throughout the organization.

(P.12) *IEL* executives are contemplative practitioners, as described by Miller (1994), who cultivate *integrative consciousness*, as described by Maslow (1971), and *psychological complexity*, as described by Csikszentmihalyi (1990).

(P.13) *IEL* executives frequently experience *flow*, as described by Csikszentmihalyi (1990), and as measured by the Jackson and Marsh (1996) *Flow State Scale*, and Bakker’s (2008) *Work-Related Flow Inventory*.

**IEL Functional-Relational Facilitative Leadership**

(P.14) *IEL* executives practice forms of member participation that vary from “autocratic”, to “consultative”, to “group” decision-making, adapted to the circumstances, as described by Vroom and Jago (1988).

(P.15) *IEL* executives, within the top management team, and in their leadership relationships with middle managers, exhibit the *CEO, CEO-Advisor*, and *TMT* modes of participation in decision-making, adapted to the circumstances, as described by Arendt et al. (2005).

(P.16) *IEL* executives situationally-adapt and balance their functional leadership to support team processes of information search and structuring, problem solving, managing personnel, and managing material resources, as described by Burke et al., (2006).

(P.17) *IEL* executives situationally-adapt and balance their task-focused, person-focused, transactional, and transformational leadership behaviours, to support team processes, as described by Burke et al., (2006).

(P.18) *IEL* executives cultivate team capacities related to cognition, motivation, affection, and coordination, as described by Zaccaro et al., (2001).

(P.19) *IEL* executives practice relational leadership, where possible, to cultivate high-quality leader-member exchanges, as defined and measured by Graen’s and Uhl-Bien’s (1995) *LMX-7*, and Schriesheim’s et al.’s (1999) *LMX-6*.

(P.20) *IEL* executives’ high-quality *LMX* relationships encourage organizational citizenship behaviours, interactional, procedural and distributive justice, as described by Scandura (1999).
(P.21) *IEL* executives practice facilitative leadership along the functional-relational continuum, and through the phases of team development, to respond to individual member needs, and nurture high-performing teams as described by Laiken (1994).

**IEL Full Range Managerial-Leadership**

(P.22) *IEL* executives practice *Full Range Leadership* in their general management of tasks, people and change, at the group and organizational levels, as defined and measured by Bass’s and Antonakis’ et al.’s (2003) *MLQ-5X*.

(P.23) *IEL* executives practice *Managerial-Leadership*, in their general management of tasks, people and change, at the group and organizational levels, as defined and measured by Kim’s and Yukl’s (1995) *MPS*.

**IEL Visionary-Strategic Leadership**

(P.24) *IEL* executives practice participative organizational strategic management, through ongoing processes of strategic analysis, strategy formulation and strategy implementation, as described by Crossan et al., (2008) and Dess et al., (2006).

(P.25) *IEL* executives demonstrate visionary, neo-charismatic leadership, as defined and measured by Conger’s et al.’s (1997) *CKS*.

**IEL Transforming-Developmental Leadership**

(P.26) *IEL* executives exhibit the characteristic orientations of *Integrative Partners* or *Holistic Leaders*, as described by Beck and Cowan (1996/2006).


(P.28) *IEL* executives cultivate learning organizations, as designers, stewards, and teachers, as described by Senge (1990, 1999).

(P.29) *IEL* executives cultivate transformative workplace learning, as described by Mezirow (1977, 1981), via formal, informal, and incidental learning processes, as described by Garrick, (1998).

(P.30) *IEL* executives cultivate within the top-management and middle-management teams, *co-creative group flow*, as described by Armstrong (2008) and Sawyer (2003), *Presence*, as described by Senge (2006), and *normative communitas*, as described by Turner (1995).
IEL Philosophies and Styles

IEL Authentic Leadership

(P.31) IEL executives enact authentic leadership, as described by: Avolio & Gardner, (2005); Gardner et al, (2005); Ilies et al., (2005); May et al., (2003); Sparrowe (2005); and, Shamir and Eilam, (2005).

IEL Moral Leadership

(P.32) IEL executives demonstrate ethical and fair/just managerial conduct, as described by Singer (2000).

(P.33) IEL executives demonstrate ethical leadership, as described by Brown and Treviño (2005, 2006a).

IEL Spiritual Leadership

(P.34) IEL executives enact forms of spiritual leadership, as described by Mitroff and Denton (1999), and Sendjaya, Sarros and Santora (2008).

IEL Servant Leadership

(P.35) IEL executives enact servant leadership, as described by Sendjaya, Sarros and Santora (2008) and as assessed by Barbuto’s and Wheeler’s multi-rater Servant Leadership Questionnaire (2006).

IEL Wise Leadership

(P.36) IEL executives enact explicit wise leadership, as described by Sternberg (1998, 2008), and demonstrate wise performance, as described by Baltes et al. (1990, 1993, 2000).

(P.37) IEL executives practice effective creative problem solving via processes similar to that described by Basadur et al. (1994, 2000, 2004).

(P.38) IEL executives enact implicit wise leadership, via synthetic-dialectical thinking, as described and measured by Kramer’s (1990) Social Paradigms Belief Inventory.
IEL Requisite Competencies, Attainments, and Dispositions

(P.39) IEL executives possess the broad range of competencies and attainments for effective and potentially excellent top-management team ensemble performance, as determined by situation-specific role profiles derived from SHL’s Universal Competencies Framework (Bartram, 2004; Bartram et al., 2003).

(P.40) IEL executives possess the high levels of positive psychology, eudaimonic moral character, and integrative consciousness, for ethical and potentially extraordinary leadership, as evident in their:

(a) Construct-Aware or Unitive stages of postautonomous ego development, as defined and assessed by Cook-Greuter’s (1999) MAP;

(b) Universal Ethical Principles or Integrated stages of (i) justice-ethics reasoning, as defined and assessed by Rest’s (1999) DIT2, and (ii) care-ethics reasoning, as defined and assessed by Skoe’s & Marcia’s (1991) ECI;

(c) Conjunctive or Universalizing level of spirituality, as defined and assessed by Fowler’s et al.’s (2004) FDI and / or Leak’s et al.’s (2003, 2008) FDS;

(d) Synthetic-Dialectical thinking, as defined and assessed by Kramer’s (1990) SPBI; and

(e) Positive Virtues, as defined and assessed by Peterson’s and Seligman’s (2004) VIA-IS.
## Appendix D1: IEL Positive and Integrative Leadership Behaviours & Practices

<table>
<thead>
<tr>
<th>Contemplative Self-Leadership</th>
<th>Functional – Relational Facilitative Leadership</th>
<th>Full Range Managerial-Leadership</th>
<th>Visionary - Strategic Leadership</th>
<th>Transforming - Developmental Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(1) Self Leadership</strong></td>
<td><strong>(1) Functional Leadership</strong></td>
<td><strong>(1) Managerial – Leadership</strong></td>
<td><strong>(1) Organizational Strategic Management</strong></td>
<td><strong>(1) Transformative Organization Development</strong></td>
</tr>
<tr>
<td><strong>(a) Employ behaviour strategies</strong></td>
<td><strong>(a) Facilitate social problem solving</strong></td>
<td><strong>(a) Provide task-oriented leadership:</strong></td>
<td><strong>(a) Lead strategic analysis:</strong></td>
<td><strong>(a) Cultivate constructive organizational and group cultures:</strong></td>
</tr>
<tr>
<td>(i) Self observation</td>
<td>(i) Search &amp; structuring information</td>
<td>(i) Planning &amp; Organizing</td>
<td>(i) Co-monitor the external environment, societal and industry contexts for trends &amp; impacts, threats &amp; opportunities</td>
<td></td>
</tr>
<tr>
<td>(ii) Goal setting</td>
<td>(ii) Information use in problem solving</td>
<td>(ii) Problem Solving</td>
<td>(ii) Co-monitor the internal organizational life cycle, value chain, and resources, for situational success factors, weaknesses &amp; strengths</td>
<td></td>
</tr>
<tr>
<td>(iii) Self rewards</td>
<td>(iii) Manage personnel:</td>
<td>(iii) Clarifying Roles &amp; Objectives</td>
<td>(ii) Practice positive prescriptive managerial-leadership</td>
<td></td>
</tr>
<tr>
<td>(iv) Self punishment</td>
<td>. Task-focused, e.g.: initiating structure,</td>
<td>(iv) Delegating</td>
<td>(b) Develop learning organizations</td>
<td></td>
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<tr>
<td>(v) Self cuing</td>
<td>compelling direction, enabling structure,</td>
<td>(v) Monitoring</td>
<td>(i) Provide socio-technical systems orientation</td>
<td></td>
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<tr>
<td></td>
<td>expert coaching</td>
<td></td>
<td>(ii) Provide vision-stewardship</td>
<td></td>
</tr>
<tr>
<td><strong>(b) Employ natural reward strategies</strong></td>
<td><strong>(b) Provide relations-oriented leadership:</strong></td>
<td></td>
<td>(iii) Support the Five Disciplines</td>
<td></td>
</tr>
<tr>
<td>(i) Intrinsic rewards</td>
<td>(i) Motivating &amp; Inspiring</td>
<td></td>
<td>(c) Nurture transformative workplace learning via:</td>
<td></td>
</tr>
<tr>
<td>(ii) Positive focus</td>
<td>(ii) Consulting</td>
<td></td>
<td>(i) Support formal, informal, and incidental learning</td>
<td></td>
</tr>
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<td></td>
<td>(iii) Informing</td>
<td></td>
<td>(ii) Cultivate double loop learning</td>
<td></td>
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<td></td>
<td>(iv) Networking</td>
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<td></td>
<td></td>
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<td></td>
<td>(v) Developing &amp; Mentoring</td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td>(vi) Supporting</td>
<td></td>
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<tr>
<td></td>
<td>(vii) Managing Conflict &amp; Team Building</td>
<td></td>
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<tr>
<td></td>
<td>(viii) Recognizing</td>
<td></td>
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<tr>
<td><strong>(c) Employ constructive thought strategies</strong></td>
<td><strong>(c) Provide change-oriented leadership:</strong></td>
<td></td>
<td></td>
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<tr>
<td>(i) Build positive thought patterns</td>
<td>(i) Blend task and relations behaviours, adapted to the situation, to effect positive change</td>
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<tr>
<td>(ii) Stop dysfunctional thought patterns</td>
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<tr>
<td>(iii) Use positive self talk</td>
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<td></td>
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<tr>
<td>(iv) Use positive imagery</td>
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</tr>
</tbody>
</table>
(2) SuperLeadership

(a) Role-model self-leadership
   (i) Behaviours
   (ii) Natural rewards
   (iii) Constructive thoughts

(b) Cultivate self-leadership in others
   (i) Empowered teamwork
   (ii) Self-leadership culture

(3) Five Disciplines

(a) Exercise reflective praxis via:
   (i) Personal Mastery
   (ii) Mental Models
   (iii) Shared Vision
   (iv) Team Learning
   (v) Systems Thinking

(b) Cultivate team capacities
   (i) Cognitive processes:
      . Shared meaning-making
      . Joint issues & needs identification
      . Participative planning
      . Team mental models
      . Collective information processing
      . Metacognition
   (ii) Motivation processes:
      . Group task cohesion
      . Group social cohesion
      . Collective efficacy
      . Strong work norms
   (iii) Affective processes:
      . Careful team rostering
      . Clear goals, strategies & roles
      . Positive role models
      . Constructive dialogue
      . Positive emotional climate & contagion.
   (iv) Coordination processes:
      . Orientation
      . Resource distribution
      . Timing management
      . Response management
      . Motivating
      . Monitoring
      . Maintenance

(2) Transactional Leadership

Achieve expected performance via:

(a) Passive management by exception
(b) Active management by exception
(c) Contingent reward or constructive transaction

(3) Transformational leadership

Foster performance that exceeds expectations (positive deviance) via:

(a) Attributed charisma or idealized influence
(b) Inspirational leadership
(c) Intellectual stimulation
(d) Individualized consideration

(e) Lead strategy implementation:

(i) Implement interlocking strategic & operating plans
(ii) Integrate, coordinate, & synergize governance, corporate & business levels & functions
(iii) Build members’ capacities to flourish in ambiguous, turbulent, and competitive environments, via:

Absorptive Capacity – learning, cognitive complexity & flexibility
Wisdom Capacity – discernment, judgment, and good-timing
Adaptive Innovation – creativity, behavioural complexity, flexibility, and openness to change

(iv) Cultivate strategic innovation and adaptation
(vi) Nurture Presence, and integrative consciousness, within the top management team
(vi) Nurture deep social integration and Communitas within the top management team

(iii) Remove barriers to learning
(iv) Cultivate group flow and catalytic co-creativity in high performing teams
(v) Nurture Presence, and integrative consciousness, within the top management team
(vi) Nurture deep social integration and Communitas within the top management team
(2) Adapt Participation

(a) Adapt participation within the top management, and middle management teams to the situation:

(i) CEO (directive)
(ii) CEO-Advisor (consultative)
(iii) TMT (participative)

(3) Cultivate High LMX

(a) Facilitate leadership emergence via influencing implicit leadership attributions

(b) Facilitate leadership legitimization via influencing group social identity

(c) Facilitate growth from Stranger – functional to Mature - relational via building:

(i) LMX-7:
   . mutual respect
   . mutual trust
   . mutual obligation

(ii) LMX-6:
   . mutual liking
   . mutual obligation
   . fair exchange

(iii) Justice:
    . interactional
    . procedural
    . distributive

(2) Visionary Neo-Charismatic Leadership

(a) Be sensitive to the environment:

(i) Assess the environment for positive opportunities
(ii) Critique the status quo
(iii) Propose radical changes to achieve positive goals

(b) Be sensitive to members' needs:

(i) Carefully evaluate stakeholders' needs.

(c) Formulate and articulate a strategic vision:

(i) Formulate a positive strategic vision for the organization
(ii) Constantly present to stakeholders in an inspiring way.

(d) Take personal risks to:

(i) Demonstrate self-confidence and belief in positive outcomes

(e) Perform unconventional behaviors

(i) Build trust
(ii) Build commitment
(iii) Be a positive role model
(4) Facilitate Team Processes & Development

(a) Adjust forms of group/team leadership to the stage of development, namely:

(i) Forming
(ii) Storming
(iii) Norming
(iv) Performing

(b) Relinquish personal power as the group matures into a high performing team
Appendix D.2: Vroom & Jago Decision Tree

(Source: Yukl, 2002, p. 92)

A. Does the problem possess a quality requirement?
B. Do I have sufficient information to make a high-quality decision?
C. Is the problem structured?
D. Is acceptance of the decision by subordinates important for effective implementation?
E. If I were to make the decision by myself, am I reasonably certain that it would be accepted by my subordinates?
F. Do subordinates share the organizational goals to be attained in solving this problem?
G. Is conflict among subordinates likely in the preferred solution?
Appendix D.3: Bass’s and Avolio’s *Full Range Leadership*

(Source: Bass, 1998, pp.5-8)

Non-Leadership  
LF = Laissez Faire

Transactional Leadership  
MBE-P = Management by Exception (Passive)  
MBE-A = Management by Exception (Active)  
CR = Contingent Reward, Constructive Transaction

Transformational Leadership  
4 I’s = Idealized Influence  
Inspirational Motivation  
Intellectual Stimulation  
Individualized Consideration
Appendix D.3 (continued): Factor Interpretations

(Source: Bass, 1998, pp.5-8)

**Transformational**

4 I Factor 1: *charisma or idealized influence*
This factor describes leaders who: have very high standards of moral conduct; can be counted on to do the right thing; and who act as strong role models, with whom followers identify and wish to emulate. These leaders provide followers with a vision and a sense of mission and are deeply respected by followers, who usually place a great deal of trust in them.

4 I Factor 2: *inspiration or inspirational motivation.*
This factor describes leaders who: communicate high expectations to followers; inspire them to commit to become a part of the shared vision; clearly communicate the integral roles they play; and use emotional appeals to motivate members to achieve goals beyond their own self-interests. These leaders greatly enhance team spirit and motivation.

4 I Factor 3: *intellectual stimulation*
This describes leaders who: stimulate independent thinking, effective problem solving, and creativity and innovation; encourage others to challenge their beliefs and values as well as the leader’s and the organization’s; urge others to try new approaches and develop innovative ways of thinking about and dealing with issues.

4 I Factor 4: *individualized consideration*
This factor describes leaders who: provide a supportive climate; listen carefully to the individual needs of followers; act as coaches and mentors; and help individuals to become fully self-actualized.

**Transactional**

**CR:** *contingent reward & constructive transaction*
This is the first of two transactional leadership factors. It describes leaders who primarily employ mutual exchange processes with followers to obtain agreement and performance.

**MBE-A / MBE-P:** *management-by-exception*
This is the second of two transactional leadership factors, and is expressed in two forms, active and passive. Active management-by-exception involves watching followers closely for mistakes or rule violations and then immediately taking corrective action. The passive form involves intervening only after goals or standards have not been met, or problems arise. Both active and passive management-by-exception use more negative reinforcement techniques, such as corrective criticism, negative feedback and negative reinforcement, than in Factor 5 - contingent reward.

**Non-leadership**
Laissez-faire is a hands-off approach. This describes leaders who: abdicate responsibility; delay decisions; give no feedback; make little effort to help followers satisfy their needs; do not enter into mutually beneficial exchanges with followers; and do not attempt to help followers grow.
Appendix D.4: Yukl’s Detailed Leadership Behaviour Taxonomy

Source: Yukl (2002, p.64)

**Planning and Organizing:** Determining long-term objectives and strategies, allocating resources according to priorities, determining how to use personnel and resources to accomplish a task efficiently, and determining how to improve coordination, productivity, and the effectiveness of the organizational unit.

**Problem Solving:** Identifying work-related problems, analyzing problems in a timely but systematic manner to identify causes and find solutions, and acting decisively to implement solutions to resolve important problems or crises.

**Clarifying Roles and Objectives:** Assigning tasks, providing direction in how to do the work, and communicating a clear understanding of job responsibilities, task objectives, deadlines, and performance expectations.

**Informing:** Disseminating relevant information to people who need it to do their work, providing written materials and documents, and answering requests for technical information.

**Monitoring:** Gathering information about work activities and external conditions affecting the work, checking on the progress and quality of the work, evaluating the performance of individuals and the organizational unit, analyzing trends, and forecasting external events.

**Motivating and Inspiring:** Using influence techniques that appeal to emotion or logic to generate enthusiasm for the work, commitment to task objectives, and compliance with requests for cooperation, assistance, support, or resources; and setting an example of appropriate behavior.

**Consulting:** Checking with people before making changes that affect them, encouraging suggestions for improvement, inviting participation in decision making, and incorporating the ideas and suggestions of others in decisions.

**Delegating:** Allowing subordinates to have substantial responsibility and discretion in carrying out work activities, handling problems, and making important decisions.

**Supporting:** Acting friendly and considerate, being patient and helpful, showing sympathy and support when someone is upset or anxious, listening to complaints and problems, and looking out for someone's interests.

**Developing and Mentoring:** Providing coaching and helpful career advice, and doing things to facilitate a person's skill acquisition, professional development, and career advancement.

**Managing Conflict and Team Building:** Facilitating the constructive resolution of conflict, and encouraging cooperation, teamwork, and identification with the work unit.

**Networking:** Socializing informally, developing contacts with people who are a source of information and support, and maintaining contacts through periodic interaction, including visits, telephone calls, correspondence, and attendance at meetings and social events.

**Recognizing:** Providing praise and recognition for effective performance, significant achievements, and special contributions; and expressing appreciation for someone's contributions and special efforts.

**Rewarding:** Providing or recommending tangible rewards such as a pay increase or promotion for effective performance, significant achievements, and demonstrated competence.
Appendix D.5: Yukl’s Three Dimensional Behavioural Taxonomy

(Source: Yukl, 2002, pp.65-66)

**Task - Oriented**

This type of behavior is primarily concerned with accomplishing the task, utilizing personnel and resources efficiently, and maintaining orderly, reliable operations.

1. Organize work activities to improve efficiency.
3. Assign work to groups or individuals.
4. Clarify role expectations and task objectives.
5. Explain rules, policies, and operating procedures.
6. Direct and coordinate the activities of the unit.
8. Resolve immediate problems that disrupt work.
9. Emphasize the importance of efficiency, productivity, and quality.
10. Set high standards for unit performance.

**Relations - Oriented**

This type of behavior is primarily concerned with improving relationships and helping people, increasing cooperation and teamwork, increasing subordinate job satisfaction, and building identification with the organization.

1. Provide support and encouragement.
2. Express confidence that people can attain challenging objectives.
3. Socialize with people to build relationships.
4. Recognize contributions and accomplishments.
5. Provide coaching and mentoring.
6. Consult with people on decisions affecting them.
7. Keep people informed about actions affecting them.
8. Help resolve conflicts.
9. Use symbols, ceremonies, rituals, and stories to build team identity.
10. Lead by example and model exemplary behavior.

**Change – Oriented**

This type of behavior is primarily concerned with improving strategic decisions; adapting to change in the environment; increasing flexibility and innovation; making major changes in processes, products, or services; and gaining commitment to the changes.

1. Interpret events to explain the urgent need for change.
2. Study competitors and outsiders for improvement ideas.
3. Envision exciting new possibilities for the organization.
4. Encourage people to view problems and opportunities differently.
5. Develop innovative new strategies linked to core competencies.
6. Encourage and facilitate innovation & entrepreneurship.
7. Encourage and facilitate learning.
8. Experiment with new approaches.
9. Build coalitions of key people to get change approved.
10. Form task forces to guide implementation of change.
11. Make symbolic changes support the vision and strategy.
12. Empower people to implement new strategies.
13. Announce and celebrate progress in change.
Appendix D.6: Wilber’s Integralism

**The AQAL Quadrants**
Source: (Wilber, 2006b, p. 24)

![AQAL Quadrants Diagram]

**AQAL Basic Development Stages**
Source: (Wilber, 2006b, p. 28)

![AQAL Development Stages Diagram]

**AQAL Basic Development Stages**
Source: (Wilber, 2006b, pp.6-8)

<table>
<thead>
<tr>
<th>Stage</th>
<th>Interior “I”</th>
<th>Exterior “It”</th>
<th>Interior “We”</th>
<th>Exterior “Its”</th>
<th>Ego Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Body</td>
<td>Gross</td>
<td>Egocentric</td>
<td>Group</td>
<td>Pre-conventional</td>
</tr>
<tr>
<td>2</td>
<td>Mind</td>
<td>Subtle</td>
<td>Ethnocentric</td>
<td>Nation</td>
<td>Conventional</td>
</tr>
<tr>
<td>3</td>
<td>Spirit</td>
<td>Causal</td>
<td>Worldcentric</td>
<td>Global</td>
<td>Post-conventional</td>
</tr>
</tbody>
</table>

**Multiple Intelligences / Lines of Development Psychograph**
Source: (Wilber, 2006b, p.11)

![Multiple Intelligences Diagram]
Appendix D.7: Spiral Dynamics Integral
(Source: adapted from Beck & Cowan, 1996/2006; Cooke & Levi, 2008)
Appendix D.8: *Spiral Dynamics Integral, Social Order and Leadership*

(Source: adapted from Beck and Cowan, 1996, pp. 104-142; Cooke & Levi, 2008)

<table>
<thead>
<tr>
<th>Level</th>
<th>Organization</th>
<th>Leadership</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st:</td>
<td>Beige</td>
<td>Survival</td>
<td>Caretaker</td>
</tr>
<tr>
<td></td>
<td>Band</td>
<td></td>
<td>Produces instinctive skills to survive in the rainforest, savanna, bush and tundra, as well as in cases of serious deprivation and tragedy.</td>
</tr>
<tr>
<td>2nd:</td>
<td>Purple</td>
<td>Tribal Order</td>
<td>Parental</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Creates animistic thinking, bonds humans to closely-knit groups, and enriches inanimate objects with meanings and magical significance.</td>
</tr>
<tr>
<td>3rd:</td>
<td>Red</td>
<td>Exploitative</td>
<td>Tyrant Boss</td>
</tr>
<tr>
<td></td>
<td>Empire</td>
<td></td>
<td>Stimulates the impulsive self while generating powerful images of aggressiveness, conquest, and predator/prey relationships.</td>
</tr>
<tr>
<td>4th:</td>
<td>Blue</td>
<td>Order-Driven</td>
<td>Rightful Authority</td>
</tr>
<tr>
<td></td>
<td>Hierarchy</td>
<td></td>
<td>Awakens sense of purpose, impulse control; creates abstract causes, principles; focus on future reward; disciplined and dedicated.</td>
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<tr>
<td>5th:</td>
<td>Orange</td>
<td>Strategic</td>
<td>Win - Lose Competitor</td>
</tr>
<tr>
<td></td>
<td>Enterprise</td>
<td></td>
<td>Forges the autonomous self, creates the algorithms of strategy, changeability and pragmatism; stresses status, winning and success.</td>
</tr>
<tr>
<td>6th:</td>
<td>Green</td>
<td>Social</td>
<td>Win - Win Facilitator</td>
</tr>
<tr>
<td></td>
<td>Networks</td>
<td></td>
<td>Rejects authoritarian and materialistic codes while exploring the inner self and inner selves of others. Searches for harmony, supports egalitarian communities in a quest for peace and caring.</td>
</tr>
<tr>
<td>7th:</td>
<td>Yellow</td>
<td>Systems &amp;</td>
<td>Integrative Partner</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Flow</td>
<td>Integral, systemic, naturally works to restore human viability in a world convoluted by 1st Tier systems, both their successes and failures. Legitimizes all of the Meme codes; works to keep each healthy and open to movement upward along the Spiral.</td>
</tr>
<tr>
<td>8th:</td>
<td>Turquoise</td>
<td>Holistic</td>
<td>Holistic Leader</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Organism</td>
<td>Detects holistic energy flows that bind everything together. Constructs large-scale mandates in acting on behalf of all. Nurtures all human manifestations that contribute to “the whole,” while sensing big picture perspectives and comprehensive initiatives.</td>
</tr>
</tbody>
</table>
### Appendix D.9: Transformative OD and Potential IEL Interventions

(Cacioppe & Edwards, 2004, pp. 100-101)

<table>
<thead>
<tr>
<th>Basic levels</th>
<th>Description</th>
<th>Leadership consciousness</th>
<th>Organisational behaviour</th>
<th>Organisational culture</th>
<th>Organisational systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Surviving Beige</td>
<td>Immediate physical gain, &quot;results now&quot;, reactive, survival, crisis mode</td>
<td>Dominated by a few leaders' personality, reactive struggle for existence, attend to immediate payoffs</td>
<td>Survival goals and basic existence activity, random subsistence goals, short-term sales focus</td>
<td>Values based on survival and immediate results, materialistic, cash flow and profit is the only value</td>
<td><em>Ad hoc</em>, no real systems, efficiency driven only by cost-cutting and appearances, no strategic planning</td>
</tr>
<tr>
<td>2. Bonding Purple Joining together for self-benefit</td>
<td>Focused on joining with others for mutual safety and security, organ, as &quot;family&quot;</td>
<td>Inductive reactive and manipulative, immediate needs-based, leadership focus on bringing people together to hold a common sense of team by establishing norms that ensure group survival and identity</td>
<td>Follows regulations norms, conforming behaviour, seeks acceptance of the group, habitual</td>
<td>Peer and group norms keep the group intact. Can be an in-group, out-group culture</td>
<td>Systems are focused on self-maintenance, monitoring, reporting based on comparison to past or similar</td>
</tr>
<tr>
<td>3. Asserting Red Gaining advantage</td>
<td>Gaining, capital resources, and relationships to build and preserve, relationships based on power</td>
<td>Leaders do anything to succeed. The organisation seeks managers who want to expand/grow at all costs</td>
<td>Self-centred and risk-taking behaviour, acts out of power, status, Short-term goals. Aims to win at expense of others</td>
<td>&quot;The end justifies the means&quot;, values sales and acquisition above all else, values hard work, power and status symbols</td>
<td>Minimal HR, legal, marketing or accounting systems, technology used to bring immediate gains, limited planning</td>
</tr>
<tr>
<td>4. Organizing Blue Establishing order</td>
<td>Desire for order and certainty, &quot;right and wrong&quot; orientation, paternalistic</td>
<td>Focus on rules-based identity, fear of loss of control and uncertainty, &quot;this is how we do things&quot;</td>
<td>Goal-based behaviour, set objectives and do anything to achieve them, workaholic</td>
<td>Values obedience, followers expected to follow procedures, conservative morality</td>
<td>Directive management systems, focus on quantitative aspects, technology as tool for organizing, reporting</td>
</tr>
<tr>
<td>5. Achieving Orange Maximizing performance</td>
<td>Strives to achieve through rational, independent, autonomous means</td>
<td>Leaders have high drive to achieve and compete, success and achievement defines identity</td>
<td>&quot;The end justifies the means&quot;, values sales and acquisition above all else, values hard work, power and status symbols</td>
<td>Individualist worldview, reward or punish the individual, performance culture, focus on efficiency</td>
<td>Systems designed to achieve targets/goals, technology as a means to show-case individuals and provide advantage</td>
</tr>
<tr>
<td>6. Cooperating Green Internal cohesion</td>
<td>Combining and supporting multiple goals, development via combining skills and resources</td>
<td>Aware of the needs of the others. Leaders seeks consensus but not manipulative</td>
<td>Behaviour is based on multiple goals, triple bottom line, internal cooperation when commitment is present at all levels</td>
<td>Values individual rights and fairness, consensus decision making, diversity and equity in workforce culture</td>
<td>Integration of systems for cooperation and effectiveness to achieve local and total goals, high use of CIT</td>
</tr>
<tr>
<td>7. Visioning Yellow Values-based foresight</td>
<td>Visionary links to industry and community, displays both micro- and macro/global perspective</td>
<td>Aware of entire spectrum of needs, balanced conscious activity, caters for individual and team wellbeing</td>
<td>Commitment to organisational goals and action, considerable trust, clear, open, two-way communication</td>
<td>Values a balance of individual and collective views, values community involvement in development</td>
<td>Technology unifies yet allows for diversity, external systems focus, links with industry and community, triple bottom line</td>
</tr>
<tr>
<td>8. Integral Turquoise Integrative of multiple goals and values</td>
<td>Service-oriented, aims to improve organisation and the community via integrated development</td>
<td>Wisdom in leadership behaviour, seeks to fulfil needs of staff, customers, owners, and community</td>
<td>Compassionate, service-focused behaviour, learning leads to action to improve the growth of communities</td>
<td>Values life, supports balanced growth, care, committed to active involvement in community or national issues</td>
<td>Systems fully integrated and linked to external industry and appropriate community interests, technology used for collaboration and service</td>
</tr>
<tr>
<td>(1) Self leadership</td>
<td>Functional – Relational Facilitative Features</td>
<td>Full Range Managerial Features</td>
<td>Visionary - Strategic Features</td>
<td>Transforming - Developmental Features</td>
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</tr>
<tr>
<td>(a) Behaviours</td>
<td>(1a, 1b)</td>
<td>(1, 2)</td>
<td>(1c, 2d, 2e)</td>
<td>(1a)</td>
<td></td>
</tr>
<tr>
<td>(b) Natural rewards</td>
<td>(1b)</td>
<td>(3)</td>
<td>(1c, 2b)</td>
<td>(1a)</td>
<td></td>
</tr>
<tr>
<td>(c) Constructive thoughts</td>
<td>(1b)</td>
<td>(1, 2c, 3)</td>
<td>(1c)</td>
<td>(1a, 1b)</td>
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<table>
<thead>
<tr>
<th>(2) SuperLeadership</th>
<th>Functional – Relational Facilitative Features</th>
<th>Full Range Managerial Features</th>
<th>Visionary - Strategic Features</th>
<th>Transforming - Developmental Features</th>
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</thead>
<tbody>
<tr>
<td>(a) Role-model self-leadership</td>
<td>(1a, 1b, 2)</td>
<td>(1, 2, 3)</td>
<td>(1, 2)</td>
<td>(1a, 1b)</td>
</tr>
<tr>
<td>(b) Cultivate self-leadership in others</td>
<td>(1, 2, 3, 4)</td>
<td>(1, 2, 3)</td>
<td>(1c, 2)</td>
<td>(1a, 1b)</td>
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<table>
<thead>
<tr>
<th>(3) Five Disciplines</th>
<th>Functional – Relational Facilitative Features</th>
<th>Full Range Managerial Features</th>
<th>Visionary - Strategic Features</th>
<th>Transforming - Developmental Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Reflective praxis via: personal mastery, mental models, shared vision, team learning, systems thinking</td>
<td>(1b)</td>
<td>(1, 3b, 3c)</td>
<td>(1, 2a, 2b, 2c)</td>
<td>(1b, 1c)</td>
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</table>

<table>
<thead>
<tr>
<th>(4) Contemplative Practice</th>
<th>Functional – Relational Facilitative Features</th>
<th>Full Range Managerial Features</th>
<th>Visionary - Strategic Features</th>
<th>Transforming - Developmental Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Practice contemplation to cultivate integrative consciousness, complexity, and flow</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>(1c)</td>
</tr>
</tbody>
</table>
### (1) Functional Leadership

(a) Facilitate social problem solving

(i) Search & structure information  
(1c, 2, 3)  
(1a, 1b, 3c)  
(1a, 2a, 2b)  
---

(ii) Use information in problem solving  
(1c, 2, 3)  
(1a, 1b, 3c)  
(1b, 1c, 2c)  
---

(iii) Manage personnel  
(1, 2)  
(1, 2, 3)  
(1c, 2d, 2e)  
---

(iv) Manage material resources:  
(1, 2)  
(1, 2, 3)  
(1c, 2d, 2e)  
---

(b) Cultivate team capacities

(i) Cognitive processes  
(1c, 2, 3)  
(1, 3b, 3c)  
(1a, 1b, 1c)  
(1c, 1b, 1c)

(ii) Motivation processes  
(1b, 2, 3)  
(1b, 2c, 3b, 3d)  
(1a, 1b, 1c)  
(1c, 1b, 1c)

(iii) Affective processes  
(1b, 2, 3)  
(1b, 2c, 3b, 3d)  
(1a, 1b, 1c)  
(1c, 1b, 1c)

(iii) Coordination processes  
(1a, 2, 3)  
(1a, 1b)  
(1a, 1b, 1c)  
(1a, 1b)

### (2) Adapt Participation

(2, 3)  
(1a, 1b)  
(1a, 1b, 1c)  
(1a, 1b)

### (3) Cultivate High LMX

(a) Leader emergence  
(2, 3)  
(1, 3)  
(1, 2)  
(1a, 1b)

(b) Leader legitimization  
(2, 3)  
(1, 3)  
(1, 2)  
(1a, 1b)

(c) Growth from functional to relational  
(2, 3, 4)  
(1, 2, 3)  
(1, 2)  
(1a, 1b)

### (4) Facilitate Team Processes & Development

(2, 3)  
(1, 2, 3)  
(1, 2)  
(1a, 1b, 1c)
(1) Managerial – Leadership

<table>
<thead>
<tr>
<th>Contemplative Self-Leadership Features</th>
<th>Functional – Relational Facilitative Features</th>
<th>Visionary - Strategic Features</th>
<th>Transforming - Developmental Features</th>
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<tbody>
<tr>
<td>(1) Managerial – Leadership</td>
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<td></td>
<td></td>
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<tr>
<td>(a) Task-Oriented:</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>(i) Planning &amp; Organizing</td>
<td>(2, 3)</td>
<td>(1a, 1b, 1c)</td>
<td>(1a, 1b)</td>
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<tr>
<td>(ii) Problem Solving</td>
<td>(2, 3)</td>
<td>(1a, 1b, 1c)</td>
<td>(1a, 1b)</td>
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<tr>
<td>(iii) Clarifying Roles &amp; Objectives</td>
<td>(2, 3)</td>
<td>(1a, 2)</td>
<td>(1c)</td>
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<tr>
<td>(iv) Delegating</td>
<td>(2, 3)</td>
<td>(1a, 1b)</td>
<td>(1c)</td>
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<tr>
<td>(v) Monitoring</td>
<td>(2, 3)</td>
<td>(1a, 2)</td>
<td>(1c)</td>
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<td>(b) Relations-Oriented:</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>(i) Motivating &amp; Inspiring</td>
<td>(2, 3, 4)</td>
<td>(1b, 3)</td>
<td>(1b, 1c, 2)</td>
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<tr>
<td>(ii) Consulting</td>
<td>(2, 3)</td>
<td>(1b, 2, 3c, 3d)</td>
<td>(1a)</td>
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<td>(iii) Informing</td>
<td>(2, 3)</td>
<td>(1b, 2, 3c, 3d)</td>
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<td>(iv) Networking</td>
<td>(2, 3)</td>
<td>(1b, 2, 3c, 3d)</td>
<td>(1a)</td>
</tr>
<tr>
<td>(v) Developing &amp; Mentoring</td>
<td>(2, 3, 4)</td>
<td>(1b, 2, 3c, 3d)</td>
<td>(1a, 1b, 1c)</td>
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<td>(vi) Supporting</td>
<td>(2, 3, 4)</td>
<td>(1b, 2, 3c, 3d)</td>
<td>(1a)</td>
</tr>
<tr>
<td>(vii) Managing Conflict &amp; Team Building</td>
<td>(2, 3, 4)</td>
<td>(1b, 2, 3c, 3d)</td>
<td>(1a)</td>
</tr>
<tr>
<td>(viii) Recognizing</td>
<td>(2, 3, 4)</td>
<td>(1b, 2c, 3d)</td>
<td>(1c, 2d, 2e)</td>
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<tr>
<td>(ix) Rewarding</td>
<td>(2, 3, 4)</td>
<td>(1b, 2c, 3d)</td>
<td>(1c, 2d, 2e)</td>
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<tr>
<td>(c) Change-Oriented</td>
<td>(2, 3, 4)</td>
<td>(1c, 2, 3)</td>
<td>(1a, 1b, 1c)</td>
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### (2) Transactional Leadership

<table>
<thead>
<tr>
<th>Feature</th>
<th>Transactional</th>
<th>Functional – Relational</th>
<th>Visionary – Strategic</th>
<th>Transforming – Developmental</th>
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<tbody>
<tr>
<td>(a)</td>
<td>(1a, 2)</td>
<td>(2)</td>
<td>(1c)</td>
<td>---</td>
</tr>
<tr>
<td>(b)</td>
<td>(1a, 2)</td>
<td>(2)</td>
<td>(1c)</td>
<td>---</td>
</tr>
<tr>
<td>(c)</td>
<td>(1a, 2, 3c)</td>
<td>(2, 3)</td>
<td>(1c)</td>
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### (3) Transformational Leadership

<table>
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<tr>
<th>Feature</th>
<th>Transactional</th>
<th>Functional – Relational</th>
<th>Visionary – Strategic</th>
<th>Transforming – Developmental</th>
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<tbody>
<tr>
<td>(a) Charisma or Idealized Influence</td>
<td>(2, 3, 4)</td>
<td>(1b, 2, 3)</td>
<td>(1, 2)</td>
<td>(1a, 1b, 1c)</td>
</tr>
<tr>
<td>(b) Inspirational Leadership</td>
<td>(2, 3, 4)</td>
<td>(1b, 2, 3)</td>
<td>(1, 2)</td>
<td>(1a, 1b, 1c)</td>
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<tr>
<td>(c) Intellectual Stimulation</td>
<td>(2, 3, 4)</td>
<td>(1b, 2, 3)</td>
<td>(1, 2)</td>
<td>(1a, 1b, 1c)</td>
</tr>
<tr>
<td>(d) Individualized Consideration</td>
<td>(2, 3, 4)</td>
<td>(1b, 2, 3)</td>
<td>(1, 2)</td>
<td>(1a, 1b, 1c)</td>
</tr>
</tbody>
</table>
(1) Organizational Strategic Management

(a) Strategic analysis

(i) External environments  
   ---  ---  (1a)  (1b)

(ii) Internal environments  
   ---  (1a)  (1a)  (1b)

(b) Strategy formulation

(i) Hierarchy of stakeholder goals  
   ---  (1a)  (1a)  (1b)

(ii) Differentiate & integrate  
   ---  (1a)  ---  (1b)

(iii) Sustainable advantages  
   ---  (1a)  ---  (1b)

(c) Strategy implementation

(i) Interlocking plans  
   ---  (1a, 1b)  (1a, 1b, 1c)  (1a, 1b)

(ii) Integrate, coordinate, & synergize  
   (2, 3)  (1a, 1b)  (1a, 1b, 1c)  (1a, 1b)

(iii) Build members’ capacities  
   (2, 3)  (1a, 1b)  (1a, 1b, 1c)  (1a, 1b, 1c)

(iv) Cultivate strategic innovations  
   ---  (1a, 1b)  ---  (1a, 1b, 1c)

(2) Visionary Neo-Charismatic Leadership

(a) Sensitivity to the environment  
   (2, 3, 4)  (2)  (1a, 3)  (1b, 1c)

(b) Sensitivity to members' needs  
   (2, 3, 4)  (2)  (1a, 3)  (1a, 1c)

(c) Strategic vision & articulation  
   (2, 3, 4)  ---  (1a, 3)  (1b, 1c)

(d) Personal risk  
   (2, 3, 4)  (2, 3)  (3)  (1a, 1c)

(e) Unconventional behavior  
   (2, 3, 4)  (2, 3)  (3)  (1a, 1c)
Transformative Organization Development

(a) Cultivate constructive cultures

(i) Achievement, humanistic, affiliative, self-actualizing norms and expectations
   (2, 3) (1, 2, 3, 4) (1, 2, 3) (1, 2)

(ii) Practice positive managerial-leadership
   (2, 3) (1, 2, 3, 4) (1, 2, 3) (1, 2)

(b) Develop learning organizations

(i) Socio-technical systems design
   (3) (1a) --- (1, 2)

(ii) Vision-stewardship
   (3) --- (1, 3) (1, 2)

(iii) The Five Disciplines
   (3) (1b) --- (1, 2)

(c) Nurture transformative workplace learning:

(i) Formal, informal, & incidental learning
   (3) (1a, 1b, 2) (1b, 3c) (1, 2)

(ii) Perspective transformation /double loop learning
   (3, 4) (1b, 2, 3) (3) (1, 2)

(iii) Removing barriers to learning
   (3, 4) (1b, 2, 3) (1b, 3c) (1, 2)

(iv) Group flow and co-creativity
   (3, 4) (3) (3) (1, 2)

(v) Presence
   (4) --- --- ---

(vi) Communitas
   (4) --- --- ---
Appendix E.1: *IEL* Positive Leadership Philosophies and Styles

<table>
<thead>
<tr>
<th>Authentic Leadership</th>
<th>Moral Leadership</th>
<th>Spiritual Leadership</th>
<th>Servant Leadership</th>
<th>Wise Leadership</th>
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</thead>
<tbody>
<tr>
<td>(1) Optimal Self Esteem</td>
<td>(1) Ethical Conduct</td>
<td>(1) General Principles</td>
<td>(1) General Principles</td>
<td>(1) Explicit Wisdom</td>
</tr>
<tr>
<td>(a) Develop high self awareness</td>
<td>(a) Utility</td>
<td>(a) Practice virtuous leadership by appealing to intrinsic motivations, cultivating meaning and purpose, and emphasizing interconnectedness</td>
<td>(a) Voluntary subordination</td>
<td>(a) Fundamental executive process</td>
</tr>
<tr>
<td>(b) Exercise balanced processing of self-relevant information</td>
<td>(i) Weigh the moral magnitude &amp; intensity</td>
<td>(b) Cultivate an integrative workplace where individuals engage in intrinsically meaningful, motivating work</td>
<td>(i) Perform as a servant</td>
<td>(i) Recognize the problem or opportunity</td>
</tr>
<tr>
<td>(c) Enact authentic actions and behaviours</td>
<td>(ii) Intentionally benefit multi-stakeholders</td>
<td>(c) Express spirituality through service</td>
<td>(ii) Serve others’ legitimate needs</td>
<td>(ii) Define and redefine the problem or opportunity</td>
</tr>
<tr>
<td>(d) Practice relational authenticity and transparency</td>
<td>(iii) Sacrifice personal interests and profit</td>
<td>(d) Emphasize visioning, sensing the unknowable, and foreseeing the unforeseeable</td>
<td>(b) Authentic self</td>
<td>(iii) Allocate resources to address the problem or opportunity</td>
</tr>
<tr>
<td></td>
<td>(b) Rightness</td>
<td></td>
<td>(i) Practice service through leadership</td>
<td>(iv) Conceptualize the problem or opportunity</td>
</tr>
<tr>
<td></td>
<td>(i) Be honest</td>
<td></td>
<td>(ii) Demonstrate integrity, accountability, inner security, humility, and vulnerability</td>
<td>(v) Formulate the strategy</td>
</tr>
<tr>
<td></td>
<td>(ii) Be responsible</td>
<td></td>
<td>(iii) Practice flow from one’s inner being</td>
<td>(vi) Implement and monitor</td>
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<td></td>
<td>(iii) Be honourable</td>
<td></td>
<td></td>
<td>(vii) Evaluate during and after implementation</td>
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<td></td>
<td>(iv) Respect others’ rights</td>
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<td></td>
<td>(v) Have a sense of duty</td>
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<td></td>
<td>(vi) Use power appropriately</td>
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<tr>
<td>(2) Eudaimonic Character &amp; Well-Being</td>
<td>(c) Justice - see “Fair/Just Conduct”</td>
<td>(e) Nurture values of altruism, love, hope, faith, trust, acceptance, humility, compassion, and perseverance</td>
<td>(c) Covenantal relationships</td>
<td>(b) Explicit wisdom process</td>
</tr>
<tr>
<td>(a) Develop optimal self esteem &amp; self efficacy</td>
<td>(i) Be fair</td>
<td>(i) Engage with and accept others as is</td>
<td>(i) Practice creative problem solving to formulate and examine courses of action</td>
<td></td>
</tr>
<tr>
<td>(b) Cultivate self expressiveness</td>
<td>(ii) Be equitable</td>
<td>(ii) Treat everyone with radical equality</td>
<td>(ii) Weigh the alternatives to assess whether to: adapt to the environment, change the environment, or select new environment</td>
<td></td>
</tr>
<tr>
<td>(c) Pursue self realization</td>
<td>(d) Care</td>
<td>(ii) Enable others to collaborate, safely experiment, create and grow</td>
<td>(iii) Decide on course of action</td>
<td></td>
</tr>
<tr>
<td>(d) Cultivate flow</td>
<td>(i) Be empathetic</td>
<td>(iii) Foster shared values, commitment, trust, and concern for mutual welfare</td>
<td>(iv) Take appropriate action to achieve the common good</td>
<td></td>
</tr>
</tbody>
</table>
(3) Authentic Morality

(a) Develop high self awareness

(b) Develop positive psychological capital

(c) Develop positive moral perspective

(d) Practice internalized self-regulation

(e) Practice authentic positive behaviours

(2) Fair/Just Conduct

(a) Procedural justice & fairness

(b) Religion

(c) Principle

(i) Act from conscience
(ii) Be conscientious & respect ethical rules
(iii) Put ethical principles ahead of profit

(i) Avoid aligning with any particular religion
(ii) Use the least offensive language possible
(iii) Be inclusive

(a) Values

(i) Be unbiased
(ii) Weigh the moral magnitude & intensity
(iii) Be honest & trustworthy
(iv) Be transparent & informative
(v) Promote self-determination
(vi) Be thoughtful & considerate of others
(vii) Be appreciative & inclusive of others
(viii) Be responsible, responsive, and intentionally benefit multi-stakeholders
(ix) Be egalitarian and treat others fairly
(x) Be ethical (see “Ethical Conduct”)

(b) Outcome fairness & justice

(i) Respect fairness in entitlements
(ii) Award what is justly deserved

(i) Treat people as whole persons
(ii) Appreciate that spirituality uniquely adds a vital dimension to life and agency
(iii) Cultivate hope and optimism
(iv) Encourage deepening one’s relationship with one’s higher power

(i) Broaden responsibility to all stakeholders
(ii) Avoid forcing ideas upon people
(iii) Regularly take stock to ascertain if the organization is living up to its ideals

(i) Introduce philosophical and spiritual ideas

(d) Responsible morality

(i) Pursue moral ends via ethical means
(ii) Serve higher-order needs
(iii) Appeal to higher ideals
(iv) Practice dialogue
(v) Exercise post-conventional moral reasoning
(vi) Promote reflective, ethical organizational cultures

(e) Explicit wisdom process emphases

(i) Discern the views of others
(ii) Develop rich understanding
(iii) Solve problems creatively
(iv) Craft meaningful solutions that resolve competing interests
(v) Direct actions to achieve the common good

(d) Wise executive qualities

(i) Be self aware & reflective
(ii) Develop high cognitive-moral capacity
(iii) Demonstrate moral efficacy, courage and resiliency

(i) Be sensitive to moral issues and intensity
(ii) Recognize moral dilemmas

(b) Authentic desicion-making

(i) Be unbiased
(ii) Weigh the moral magnitude & intensity
(iii) Be honest & trustworthy
(iv) Be transparent & informative
(v) Promote self-determination
(vi) Be thoughtful & considerate of others
(vii) Be appreciative & inclusive of others
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(ii) Serve higher-order needs
(iii) Appeal to higher ideals
(iv) Practice dialogue
(v) Exercise post-conventional moral reasoning
(vi) Promote reflective, ethical organizational cultures

(e) Transcendental spirituality

(i) Integrate authenticity, morality, wisdom, and spirituality
(ii) Respond to inner callings
(iii) Counteract fragmentation, disconnection, and alienation
(iv) Restore connections within and between inner and outer worlds
(v) Nurture the sense of a holistic/integrated life

(f) Transforming influence

(i) Create contagious positive transformation
(ii) Encourage members’ spiritual-servant leadership

(e) Wise performance determinants

(i) Factual knowledge - “knowing what” is salient
(ii) Procedural knowledge - “knowing how” to apply relevant procedures
(iii) Life-span contextualism - viewing from broad contexts and through time
(iv) Appreciation – of different needs & values of multiple stakeholders, organizations and societies
(3) Ethical Leadership

(a) Individual ethical characteristics
   (i) Agreeable
   (ii) Conscientious
   (iii) Well-adjusted
   (iv) Non-Machiavellianism
   (v) High cognitive-moral reasoning
   (vi) Internal locus of control
   (vii) Socialized power
   (viii) Utilization of cognitive-moral capacity

(b) Situational ethical characteristics
   (i) Positive role models
   (ii) Ethical culture & climate (living code of ethics)
   (iii) Awareness of social consensus, moral magnitude and intensity
   (iv) Communication of ethics code to high self-monitors
   (v) Inculcation of ethical principles within low self-monitors

(c) Ethical Outcomes
   (i) Greater member ethical decision-making
   (ii) Greater member prosocial behaviour

(d) Individual ethical characteristics
   (i) Take a non-denominational approach
   (ii) Develop all stakeholders
   (iii) Encourage many daily acts of kindness

(e) Societal responsibility & responsiveness
   (i) Set achievable standards and act responsibly from day one
   (ii) Gradually elevate all of the standards

(f) Societal responsibility & responsiveness
   (i) Promote positive legacies
   (ii) Transform the lives of others through visioning, role modeling, mentoring, trust, and empowerment

(2) Integrated Practices

(a) Altruistic calling
   (i) Cultivate genuine desires to make a positive difference
   (ii) Demonstrate generosity of spirit
   (iii) Pursue philanthropic purposes
   (iv) Put others’ interests ahead of one’s own
   (v) Diligently work to serve others’ needs

(b) Emotional healing
   (i) Foster emotional and spiritual healing and recovery from hardship and trauma
   (ii) Practice empathy and attentive listening
   (iii) Create environments that are safe to voice personal and professional issues
   (iv) Apply positive values to adapt to, change, or select new environments

(c) Wisdom
   (i) Cultivate awareness of surroundings
   (ii) Draw upon intelligence, creativity, and positivity
   (iii) Apply creative intelligence to generates ideas
   (iv) Use analytical intelligence to evaluate whether the ideas are good
   (v) Exercise practical intelligence to implement the ideas and persuade others of their worth
   (vi) Apply positive values to adapt to, change, or select new environments

(2) Implicit Wisdom

(a) Implicit wisdom’s life functions
   (i) Question life's meaning - which is spiritual in nature
   (ii) Pursue cognitive-moral and emotional growth
   (iii) Draw upon one’s life reviews to resolve dilemmas and make choices
   (iv) Advise others from one’s life experience
(g) Cultivate resonance between leader and member philosophies - beliefs, values, praxis

(iii) Less counterproductive member behaviour & negative deviance

(iv) Greater member satisfaction, motivation, & commitment

(6) Authentic Followership

(a) Cultivate members’ self awareness

(b) Encourage and develop members’ self regulation capacities

(c) Promote positive outcomes, including:

(i) Trust
(ii) Engagement
(iii) Well-being
(iv) Veritable, sustainable, high performance

(7) Positive Culture & Climate

(a) Be Inclusive

(b) Be Ethical

(c) Be Caring

(d) Emphasize positive human strengths

(ii) Anticipate consequences

(ii) Pick up cues from the environment and understand their implications

(iii) Combine the best of knowledge and utility

(v) Guide, lead, and manage wisely in society

(vi) Practice explicit wisdom

(vii) Adapt and resolve life’s challenges

(viii) Pursue development of implicit wisdom capacities

(d) Persuasive mapping

(i) Use sound reasoning & mental frameworks

(ii) Map issues and conceptualize greater possibilities

(iii) Encourage members to visualize the organization’s future

(iv) Be persuasive and compelling when articulating opportunities

(b) Implicit wisdom’s defining characteristics

(i) Appreciation of contextuality and the ill-structured, paradoxical nature of existence

(ii) Dialectical ability to hold multiple views in tension

(iii) Emotional intelligence and proficiency in interpersonal relations

(iv) Good judgment and communication skills

(v) Broad understanding of human social concerns

(vi) Capacity to respond compassionately

(vii) Well-developed and balanced personality

(viii) Postautonomous levels of ego development

(ix) Synthetic-relativistic and synthetic-dialectical thinking work together, to address ambiguity, uncertainty, paradox, contradiction, change, and indeterminism

(e) Organizational stewardship

(i) Make a positive contribution to society through organizational citizenship

(ii) Take responsibility for the well-being of the community, society, and the environment

(iii) Make sure that decisions, and actions do no harm, give back, and leave things better

(iv) Work to develop a community spirit in the workplace

(v) Leave a positive legacy
(d) Synthetic-relativistic thinking

(i) Considers and tolerates multiple points of view
(ii) Knowledge stems from one's viewpoint
(iii) No two people share exactly the same view
(iv) No one point of view is more valid
(v) Contradiction is inevitable and irresolvable
(vi) Peoples' points of view continually change
(vii) Relationships between the past, present, and future are unpredictable
(viii) Difficulty developing order, stability, and continuity, making choices and commitments
(ix) Positively correlated with creativity

(e) Synthetic-dialectical thinking

(i) Builds upon synthetic-dialectical thinking
(ii) Recognizes that everything is interdependent
(iii) Knowledge is constructed
(iv) Holds ongoing tensions between ideas created by paradox & contradictions
(v) These tensions move thinking towards resolution via synthesis
(vi) Resolving these tensions temporarily provides a new “deep structure”
(vii) New tensions arise and continue the cycle indefinitely
(viii) Most highly positively correlated with all dimensions of creativity

(f) Integrating wisdom, leadership, creativity, and spirituality

(i) Wise leadership and creativity go hand-in-hand
(ii) Creativity is not merely good problem solving
(iii) Flow is powerfully and positively associated with creativity
(iv) Individual & group flow tap into the deepest source of creativity – self-transcendent spirituality
Appendix E.2: Ethical and Fair/Just Managerial Conduct

(Source: Singer, 2000, pp. 194-195, 207)

Determinants of “ethical” work behaviour

1. Utility

1. Not acting solely out of self-interest
2. Thinking about the seriousness of the consequences of the act
3. Acting to intentionally benefit the community despite personal sacrifices
4. Acting out of a concern for people or environment, rather than for money
5. Acting to intentionally promote community welfare or collective interest

2. Rightness

1. Being honest and trustworthy
2. Being responsible to others
3. Not abusing power
4. Acting honourably
5. Observing a sense of public duty even when not legally bound
6. Respecting others’ rights

3. Justice

1. Being fair and just
2. Treating everyone the same and not discriminating

4. Care

1. Acting in a caring manner
2. Going beyond what is normally considered acceptable behaviour

5. Principle

1. Acting according to one’s conscience
2. Abiding by rules of business code of conduct
3. Acting on moral grounds despite personal financial loss
4. Putting “principle” before “profit”
Determinants of “fair/just” work behaviour

1. Procedure

1. Being unbiased
2. Being responsible to others
3. Putting employee welfare before profit
4. Treating everyone the same and not discriminating or showing favouritism
5. Keeping employees well informed of work-related information
6. Giving individuals the power to decide for him/herself
7. Being honest and trustworthy
8. Being thoughtful and considerate to others
9. “Including” others rather than “excluding” or “ignoring” others
10. Not under-valuing employees
11. Applying the same standards to all
12. Thinking about the seriousness of the consequences of the act
13. Being moral

2. Outcome

1. Giving what an individual deserves
2. Giving what an individual is entitled to
### Appendix E.3: Common Features of Spiritual and Servant Leadership

<table>
<thead>
<tr>
<th>Spiritual Leadership</th>
<th>Servant Leadership</th>
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</thead>
<tbody>
<tr>
<td>Appeals to virtuous leadership practices and intrinsic motivating factors to cultivate a sense of meaning, purpose, and interconnectedness in the workplace.</td>
<td>Barbuto &amp; Wheeler (2006)</td>
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<td></td>
<td>Liden, Wayne, Zhao &amp; Henderson (2008)</td>
</tr>
<tr>
<td></td>
<td>Barbuto &amp; Wheeler (2006)</td>
</tr>
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<td></td>
<td>Liden, Wayne, Zhao &amp; Henderson (2008)</td>
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<tr>
<td></td>
<td>Barbuto &amp; Wheeler (2006)</td>
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<td></td>
<td>Liden, Wayne, Zhao &amp; Henderson (2008)</td>
</tr>
<tr>
<td>Attempts to cultivate a holistic, integrated workplace where individuals engage in meaningful and intrinsically motivating work.</td>
<td>Barbuto &amp; Wheeler (2006)</td>
</tr>
<tr>
<td></td>
<td>Liden, Wayne, Zhao &amp; Henderson (2008)</td>
</tr>
<tr>
<td></td>
<td>Barbuto &amp; Wheeler (2006)</td>
</tr>
<tr>
<td></td>
<td>Liden, Wayne, Zhao &amp; Henderson (2008)</td>
</tr>
<tr>
<td>Finds expression through service, which at the same time becomes a source from which leaders derive meaning and purpose in life.</td>
<td>Barbuto &amp; Wheeler (2006)</td>
</tr>
<tr>
<td></td>
<td>Liden, Wayne, Zhao &amp; Henderson (2008)</td>
</tr>
<tr>
<td>Emphasizes the importance of vision, a sense for the unknowable and to foresee the unforeseeable.</td>
<td>Barbuto &amp; Wheeler (2006)</td>
</tr>
<tr>
<td>Holds as central, values related to altruistic love, hope and faith, trust, acceptance, humility, compassion, and perseverance.</td>
<td>Barbuto &amp; Wheeler (2006)</td>
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<tr>
<td></td>
<td>Liden, Wayne, Zhao &amp; Henderson (2008)</td>
</tr>
<tr>
<td>Acknowledges the virtues of authenticity and integrity to be of vital importance.</td>
<td>Barbuto &amp; Wheeler (2006)</td>
</tr>
<tr>
<td></td>
<td>Liden, Wayne, Zhao &amp; Henderson (2008)</td>
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<tr>
<td></td>
<td>Authentic Leadership Features</td>
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<td>---</td>
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</tr>
<tr>
<td>(1) Self leadership</td>
<td>(a) Behaviours</td>
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<td></td>
<td>(b) Natural rewards</td>
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<tr>
<td></td>
<td>(c) Constructive thoughts</td>
</tr>
<tr>
<td>(2) SuperLeadership</td>
<td>(a) Role-model self-leadership</td>
</tr>
<tr>
<td></td>
<td>(b) Cultivate self-leadership in others</td>
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<tr>
<td>(3) Five Disciplines</td>
<td>(a) Reflective praxis via: personal mastery, mental models, shared vision, team learning, systems thinking</td>
</tr>
<tr>
<td>(4) Contemplative Practice</td>
<td>(a) Practice contemplation to cultivate integrative consciousness, complexity, and flow</td>
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</table>
### (1) Functional Leadership

<table>
<thead>
<tr>
<th>Authentic Leadership Features</th>
<th>Moral Leadership Features</th>
<th>Spiritual Leadership Features</th>
<th>Servant Leadership Features</th>
<th>Wise Leadership Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Facilitate social problem solving</td>
<td>(4, 5, 6)</td>
<td>(1c, 1d, 2c, 2e)</td>
<td>(1a, 1b, 1c, 2b, 2c, 2d)</td>
<td>(1)</td>
</tr>
<tr>
<td>(b) Cultivate team capacities</td>
<td>(1a, 1b, 2a, 2d, 3, 4, 5)</td>
<td>(1, 2c, 2e)</td>
<td>(1, 2e)</td>
<td>(1, 2)</td>
</tr>
</tbody>
</table>

### (2) Adapt Participation

| (4, 5) | (1c, 2a) | (2c) | (1c, 2e) | (1c, 2b) |
| (5, 6) | (1c, 2a) | (2c) | (1c, 2e) | (1c, 2b) |

### (3) Cultivate High LMX

| (1, 2, 3, 4, 5) | (1a, 1f,) | (1a, 1c, 1d, 2b) | (1b, 1c, 1d, 2b) | (2) |
| (1, 2, 3, 4, 5) | (1a, 1f,) | (1a, 1c, 1d, 2b) | (1b, 1c, 1d, 2b) | (2) |

### (4) Facilitate Team Processes & Development

| (1, 2) | (1, 2) | (1, 2) |
| (1, 2) | (1, 2) | (1, 2) |

### (1) Managerial – Leadership

| (4, 5) | (1, 2, 3) | (1a, 1b, 2c) | (2c, 2d) | (1) |
| (4, 5) | (1, 2, 3) | (1a, 1b, 2c) | (2c, 2d) | (1) |

### (2) Transactional Leadership

| (4, 5) | (1, 2) | (1f, 2c, 2e) | (1b, 1c, 2c, 2d) | (1) |

### (3) Transformational Leadership

| (1, 2, 3) | (1, 2, 3) | (1, 2) | (1, 2) |
| (1, 2, 3) | (1, 2, 3) | (1, 2) | (1, 2) |

| (1, 2, 3) | (1, 2, 3) | (1, 2) | (1, 2) |
| (1, 2, 3) | (1, 2, 3) | (1, 2) | (1, 2) |

| (1, 2, 3) | (1, 2, 3) | (1, 2) | (1, 2) |
| (1, 2, 3) | (1, 2, 3) | (1, 2) | (1, 2) |

<p>| (1, 5, 6) | (1c, 1d, 2) | (2b, 2d) | (1c, 2b) | (1c, 2a) |
| (1, 5, 6) | (1c, 1d, 2) | (2b, 2d) | (1c, 2b) | (1c, 2a) |</p>
<table>
<thead>
<tr>
<th></th>
<th>Authentic Leadership Features</th>
<th>Moral Leadership Features</th>
<th>Spiritual Leadership Features</th>
<th>Servant Leadership Features</th>
<th>Wise Leadership Features</th>
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<tr>
<td>(1) Organizational Strategic Management</td>
<td>(4, 5, 6, 7)</td>
<td>(1, 2, 3)</td>
<td>(1a, 1b, 1c 1d, 2c, 2e)</td>
<td>(1, 2)</td>
<td>(1, 2)</td>
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<tr>
<td>(2) Visionary Neo-Charismatic Leadership</td>
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<tr>
<td>(a) Sensitivity to the environment</td>
<td>(4)</td>
<td>(1, 2)</td>
<td>(1a, 1d, 2d, 2e)</td>
<td>(1c, 1d, 1e, 2c, 2e)</td>
<td>(1, 2)</td>
</tr>
<tr>
<td>(b) Sensitivity to members' needs</td>
<td>(4)</td>
<td>(1, 2)</td>
<td>(1c, 1e, 2b, 2c)</td>
<td>(1c, 1d, 1e, 2b)</td>
<td>(1, 2)</td>
</tr>
<tr>
<td>(c) Strategic vision &amp; articulation</td>
<td>(3, 4, 5)</td>
<td>(1, 2, 3b)</td>
<td>(1a, 1c, 1d, 2e)</td>
<td>(1, 2)</td>
<td>(1, 2)</td>
</tr>
<tr>
<td>(d) Personal risk</td>
<td>(1, 2, 3, 5)</td>
<td>(1, 2, 3a)</td>
<td>(1a, 1c, 1d)</td>
<td>(1)</td>
<td>(1, 2)</td>
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<tr>
<td>(e) Unconventional behavior</td>
<td>(1, 2, 3, 5)</td>
<td>(1, 2, 3a)</td>
<td>(1)</td>
<td>(2)</td>
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<tr>
<td>Transformative Organization Development</td>
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<tr>
<td>(a) Cultivate constructive cultures</td>
<td>(5, 7)</td>
<td>(3)</td>
<td>(1, 2)</td>
<td>(1, 2)</td>
<td>(1, 2)</td>
</tr>
<tr>
<td>(b) Develop learning organizations</td>
<td>(5, 7)</td>
<td>(3)</td>
<td>(1a, 1b, 1d, 2d)</td>
<td>(1c, 2b, 2c, 2d)</td>
<td>(1, 2)</td>
</tr>
<tr>
<td>(c) Nurture transformative workplace learning</td>
<td>(5, 7)</td>
<td>(3)</td>
<td>(1, 2)</td>
<td>(1, 2)</td>
<td>(1, 2)</td>
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</tbody>
</table>
### Appendix F.1: IEL Managerial-Leadership and the UCF

(Source: Bartram, 2006, p.5; SHL Group Limited, 2008, pp. 8-9)

<table>
<thead>
<tr>
<th>Great Eight</th>
<th>Big 20 Competency Dimensions</th>
<th>112 Component Competencies</th>
</tr>
</thead>
</table>
| "Developing the Vision" | Learning & researching | i) Rapidly learns new tasks and quickly commits information to memory  
ii) Gathers comprehensive information to support decision making  
iii) Demonstrates a rapid understanding of newly presented information  
iv) Encourages a learning approach - learns from successes and failures and seeks staff and customer feedback |
| Transformational Focus: Creating & Conceptualizing | Creating & innovating | i) Produces new ideas, approaches or insights  
ii) Creates innovative products or designs  
iii) Produces a range of solutions to problems |
| | Formulating strategies & concepts | i) Works strategically to realize organizational goals  
ii) Sets and develops strategies  
iii) Identifies and develops positive and compelling visions of the organization’s potential future  
iv) Takes account of a wide range of issues across and related to the organization |
| Transactional Focus: Analyzing & Interpreting | Writing & reporting | i) Writes clearly, succinctly and correctly  
ii) Writes convincingly in an engaging and expressive manner  
iii) Avoids the unnecessary use of jargon or complicated language  
v) Structures information to meet the needs and understanding of the intended audience |
| | Applying expertise & technology | i) Applies specialist and detailed technical expertise to achieve work objectives  
ii) Develops job knowledge and expertise through continual professional development  
iii) Uses technology to achieve work objectives  
v) Demonstrates an understanding of different organizational departments and functions |
| | Analyzing | i) Analyzes numerical and verbal data and all other sources of information  
ii) Breaks information into component parts, patterns and relationships  
iii) Probes for further information or greater understanding of a problem  
v) Makes rational judgments from the available information and analysis  
v) Demonstrates an understanding of how one issue may be a part of a much larger system |
<table>
<thead>
<tr>
<th>Great Eight</th>
<th>Big 20 Competency Dimensions</th>
<th>112 Component Competencies</th>
</tr>
</thead>
</table>
| “Sharing the Goals” | Deciding & initiating action | i) Makes prompt, clear decisions which may involve tough choices or considered risks  
ii) Takes responsibility for actions, projects and people  
iii) Takes initiative, acts with confidence and works under own direction  
iv) Initiates and generates activity and introduces changes into work processes |
| Transformational Focus: | Leading & supervising | i) Provides others with a clear direction  
ii) Sets appropriate standards of behaviour  
iii) Motivates and empowers others  
iv) Provides staff with development opportunities and coaching  
v) Recruits staff of a high caliber |
| Leading & Deciding | i) Makes prompt, clear decisions which may involve tough choices or considered risks  
ii) Takes responsibility for actions, projects and people  
iii) Takes initiative, acts with confidence and works under own direction  
iv) Initiates and generates activity and introduces changes into work processes |
| Transactional Focus: | Relating & networking | i) Establishes good relationships with customers and staff  
ii) Builds wide and effective networks of contacts inside and outside the organization  
iii) Relates well to people at all levels  
iv) Uses humour appropriately to enhance relationships with others |
| Interacting & Presenting | Persuading & influencing | i) Makes a strong personal impression on others  
ii) Gains clear agreement and commitment from others by persuading, convincing and negotiating  
iii) Promotes ideas on behalf of self and others  
iv) Makes effective use of political processes to influence and persuade others  
v) Takes care to manage one’s impression on others |
| Presenting & communicating information | Presenting & communicating information | i) Speaks clearly and fluently  
ii) Expresses opinions, information and key points of an argument clearly  
iii) Make presentations and undertakes public speaking with skill and confidence  
iv) Responds quickly to the needs of an audience and to their reactions and feedback  
v) Projects credibility |
<table>
<thead>
<tr>
<th>Great Eight</th>
<th>Big 20 Competency Dimensions</th>
<th>112 Component Competencies</th>
</tr>
</thead>
</table>
| “Gaining Support” | Adapting & responding to change | i) Adapts to changing circumstances  
ii) Accepts new ideas and change initiatives  
iii) Adapts interpersonal style to suit different people or situations  
iv) Deals with ambiguity, making positive use of the opportunities that uncertainty presents  
j) Works productively in a high pressure environment  
ii) Keeps emotions under control during difficult situations  
iii) Balances the demands of work life and personal life  
iv) Maintains a positive outlook at work  
v) Handles criticism well and learns from it |
| Transformational Focus: |  |  |
| Adapting & Coping | Coping with pressures & setbacks |  |
| • Adapts and responds well to change.  
• Manages pressure effectively and copes well with setbacks. |  |  |
| Transactional Focus: |  |  |
| Supporting & Cooperating | Working with people | i) Shows respect for the views and contributions of other team members  
ii) Adapts to the team and fits in well  
iii) Builds team spirit and reconciles conflict  
iv) Listens, supports and cares for others  
v) Consults others and shares information and expertise with them  
v) Shows empathy |  |
| • Supports others and shows respect and positive regard for them in social situations.  
• Puts people first, working effectively with individuals and teams, clients and staff.  
• Behaves consistently with clear personal values that complement those of the organization. | Adhering to principles & values | i) Upholds ethics and values  
ii) Demonstrates integrity  
iii) Promotes and defends equal opportunities and builds diverse teams  
iv) Encourages organizational and individual responsibility towards the community and the environment |
## Appendix F.1: (continued)

<table>
<thead>
<tr>
<th>Great Eight</th>
<th>Big 20 Competency Dimensions</th>
<th>112 Component Competencies</th>
</tr>
</thead>
</table>
| “Delivering Success” | Achieving personal work goals & objectives | i) Accepts and tackles demanding goals with enthusiasm  
ii) Works hard and puts in longer hours when it is necessary  
iii) Identifies development strategies needed to achieve career goals and makes use of developmental or training opportunities  
iv) Seeks progression to roles of increased responsibility and influence |
| **Transformational Focus:** Enterprising & Performing | Entrepreneurial & commercial thinking | i) Keeps up to date with competitor information and market trends  
ii) Identifies business opportunities for the organization  
iii) Demonstrates financial awareness  
iv) Controls costs and thinks in terms of profit, loss and added value  
v) Maintains awareness of developments in the organizational structure and politics |
|                      | Planning & organizing | i) Sets clearly defined objectives  
ii) Plans activities and projects well in advance and takes account of possible changing circumstances  
iii) Manages time effectively  
iv) Identifies and organizes resources needed to accomplish tasks  
v) Monitors performance against deadlines and milestones |
|                      | Delivering results & meeting customer expectations | i) Focuses on customer needs and satisfaction  
ii) Sets high standards for quality and quantity  
iii) Monitors and maintains quality and productivity  
iv) Works in a systematic, methodical and orderly way  
v) Consistently achieves goals |
|                      | Following instructions & procedures | i) Appropriately follows instructions without unnecessarily challenging authority  
ii) Follows procedures and policies  
iii) Keeps to schedules  
iv) Arrives punctually for work and meetings  
v) Demonstrates commitment to the organization  
v) Complies with legal obligations and safety requirements |
| **Transactional Focus:** Organizing and Executing | Planning & organizing | i) Sets clearly defined objectives  
ii) Plans activities and projects well in advance and takes account of possible changing circumstances  
iii) Manages time effectively  
iv) Identifies and organizes resources needed to accomplish tasks  
v) Monitors performance against deadlines and milestones |
|                      | Delivering results & meeting customer expectations | i) Focuses on customer needs and satisfaction  
ii) Sets high standards for quality and quantity  
iii) Monitors and maintains quality and productivity  
iv) Works in a systematic, methodical and orderly way  
v) Consistently achieves goals |
|                      | Following instructions & procedures | i) Appropriately follows instructions without unnecessarily challenging authority  
ii) Follows procedures and policies  
iii) Keeps to schedules  
iv) Arrives punctually for work and meetings  
v) Demonstrates commitment to the organization  
v) Complies with legal obligations and safety requirements |
## Appendix F.2: General *IEL* Leadership Personality Traits

<table>
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<tbody>
<tr>
<td>Intelligence</td>
<td>Intelligen</td>
<td>Insight</td>
<td>Socialized-Power</td>
<td>Exercise of Power</td>
<td>Intelligence</td>
<td>Inductive &amp; Deductive Reasoning</td>
<td>Cognitive Skills</td>
<td>Cognitive Ability</td>
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<td>Alertness</td>
<td>Dominance</td>
<td>Influence</td>
<td>Achievement</td>
<td>Compete with Peers</td>
<td>Dominance</td>
<td>Socialized-Power</td>
<td>Emotional Stability</td>
<td>Drive</td>
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<td>Masculinity</td>
<td>Achievement</td>
<td>Affiliation (low)</td>
<td>Positive Regard for Authority</td>
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<td>Self-Confidence</td>
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<td>Internal Locus of Control</td>
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# Appendix F.3: Major Workplace Personality Questionnaires

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<th>16PF5</th>
<th>MBTI</th>
<th>RPQ</th>
<th>DISC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overview</strong></td>
<td>Most widely used personality questionnaire in the world – specifically designed for occupational context.</td>
<td>Now in its 5th edition, 16PF is used worldwide. Originally a US-based questionnaire used in clinical context, now includes workplace use.</td>
<td>A measure of personality type – used worldwide to describe individual personality types.</td>
<td>A quick, ‘broad brush’ approach to personality assessment. Measures the “Big Five” traits.</td>
</tr>
<tr>
<td><strong>Publisher</strong></td>
<td>SHL</td>
<td>ASE</td>
<td>CPP</td>
<td>PSL</td>
</tr>
<tr>
<td><strong>Applications</strong></td>
<td>Selection, promotion, personal &amp; leadership development, team-building, career guidance and counseling</td>
<td>Mainly recruitment and selection</td>
<td>Team building, personal &amp; leadership development</td>
<td>Mainly recruitment and selection for lower level roles</td>
</tr>
<tr>
<td><strong>Number of scales assessed</strong></td>
<td>32</td>
<td>16</td>
<td>4 bipolar scales, yielding 16 ‘types’</td>
<td>5</td>
</tr>
<tr>
<td><strong>Administration method</strong></td>
<td>Online, PC, pencil &amp; paper</td>
<td>PC, pencil &amp; paper</td>
<td>PC, pencil &amp; paper</td>
<td>PC, pencil &amp; paper</td>
</tr>
<tr>
<td><strong>Administration time</strong></td>
<td>45 minutes</td>
<td>45 minutes</td>
<td>15-25 minutes</td>
<td>15 minutes</td>
</tr>
<tr>
<td><strong>Format of questionnaire</strong></td>
<td>Normative (OPQ32n) and ipsative (OPQ32i).</td>
<td>Normative only</td>
<td>Normative only</td>
<td>Normative only</td>
</tr>
<tr>
<td><strong>Training requirements</strong></td>
<td>5+1 days</td>
<td>5 days or 3 days</td>
<td>4 day workshop</td>
<td>2 day workshop</td>
</tr>
<tr>
<td><strong>Target candidates</strong></td>
<td>All levels</td>
<td>Middle/Senior Managers</td>
<td>Middle/Senior Managers</td>
<td>Middle/Junior managers</td>
</tr>
</tbody>
</table>

Note: The information provided includes the key characteristics and features of each personality questionnaire, as well as their applications, publisher details, and the number of scales assessed. The table compares several major workplace personality questionnaires, including OPQ32, 16PF5, MBTI, RPQ, and DISC, highlighting their unique features and uses in the workplace.
### Appendix F.4: Influential Constructive Developmental Theories of Ego Development

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ego-Transcendent (&lt;0.2% adults)</td>
<td></td>
<td></td>
<td></td>
<td>6. Transcendence &amp; Wholeness (Implicit)</td>
<td>6. Unitive</td>
<td>6. Unitive</td>
</tr>
<tr>
<td>Postautonomous</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>7. Primary</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6. Pre-operational</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5. Sentential</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. Nominal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1. Sensorimotor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1-3. Sensorimotor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1. Symbiotic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>0. Incorporative</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1. Sensorimotor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1. Symbiotic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Appendix F.5: Autonomous vs. *IEL* Postautonomous Stages

Source: (adapted from Cook-Greuter, 1999, p. 266)

<table>
<thead>
<tr>
<th>Stage</th>
<th>Autonomous (5)</th>
<th>Construct-aware (5/6)</th>
<th>Unitive (6)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I am - a well-balanced professional human being, definitely on the path of self-actualization and self-fulfillment</td>
<td>I am - sensitive, honest, striving to always love others, reflective, sometimes to the point of being unable to get out of endless loops, striving to take responsibility for myself</td>
<td>I am - alive, trundling along, making sense as best as I can, diversifying &amp; expanding while consolidating &amp; contracting.</td>
</tr>
<tr>
<td>Focus</td>
<td>Self-development, self-actualization: creating a meaningful, coherent, objective self-identity</td>
<td>Exploring the habits and processes of the mind and the way one makes sense of experience through cognition and language</td>
<td>Non-evaluating, integrative witnessing of ongoing process of experience</td>
</tr>
<tr>
<td>Self-definition</td>
<td>Autonomous, multiple roles; self-generated core-identity; aware of many defenses and expression of inner conflict. Sense of self-esteem, empowerment</td>
<td>Complex matrix of self-identifications, at the same time questioning their adequacy. Description of self in stages (approximations) and critique of conventional labeling</td>
<td>Description of self as in constant flux and transformation; transcendent awareness: I am no(-)body, no(-)thing</td>
</tr>
<tr>
<td>Dominant center of awareness</td>
<td>Rational mind and intellect; thought as mediated through language (symbolic codification, representation)</td>
<td>Rational mind plus intimations of transcendent awareness, and intuitive knowledge during peak moments</td>
<td>Metarational, postrepresentational, immediate, integrative awareness and direct experience of what is</td>
</tr>
<tr>
<td>Range of awareness</td>
<td>Aware of body / mind as system, aware of context dependency and personal interpretation of internal and external events</td>
<td>Aware of the limits of symbolic codification and rational thought; aware of ego and conventional reality as constructs. Keenly aware of difference between map and territory</td>
<td>Aware of perceptual flux and changing levels of awareness; life as is; aware of &quot;illusion&quot; of permanent, individual self and object world. Cognizant of witness-Self</td>
</tr>
<tr>
<td>Method of knowing</td>
<td>Reasoning, rational analysis aided by some intuition: one assesses, evaluates, judges; compares, measures, contrasts, and predicts.</td>
<td>Rational analysis with awareness of the mechanics of thought, symbolic codification, construction of meaning, contemplation of limitations of present way of knowing (\rightarrow) existential paradox</td>
<td>Contemplation, witnessing of continuous flux; subjective experience of non-symbolic mode of direct knowing and apperception; intellect and intuition are used, but not overvalued.</td>
</tr>
<tr>
<td>Goal</td>
<td>To be the most one can be</td>
<td>To be aware</td>
<td>To be</td>
</tr>
</tbody>
</table>

Table adapted from Cook-Greuter, S. (1994). Rare forms of self-understanding in mature adults. In M. Miller & S. Cook-Greuter (Eds.). *Transcendence And Mature Thought In Adulthood* (pp. 119-146). New York: Praeger.
## Appendix F.6: VIA-IS Virtues and Character Strengths

(Source: MacDonald, Bore, & Munro, 2008, p. 788)

<table>
<thead>
<tr>
<th>Virtue</th>
<th>Character strengths</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wisdom and Knowledge</td>
<td>Creativity</td>
</tr>
<tr>
<td></td>
<td>Curiosity</td>
</tr>
<tr>
<td></td>
<td>Open-mindedness</td>
</tr>
<tr>
<td></td>
<td>Love of Learning</td>
</tr>
<tr>
<td></td>
<td>Perspective</td>
</tr>
<tr>
<td>Courage</td>
<td>Bravery</td>
</tr>
<tr>
<td></td>
<td>Persistence</td>
</tr>
<tr>
<td></td>
<td>Integrity</td>
</tr>
<tr>
<td></td>
<td>Vitality</td>
</tr>
<tr>
<td>Humanity</td>
<td>Love</td>
</tr>
<tr>
<td></td>
<td>Kindness</td>
</tr>
<tr>
<td></td>
<td>Social Intelligence</td>
</tr>
<tr>
<td>Justice</td>
<td>Citizenship</td>
</tr>
<tr>
<td></td>
<td>Fairness</td>
</tr>
<tr>
<td></td>
<td>Leadership</td>
</tr>
<tr>
<td>Temperance</td>
<td>Forgiveness and Mercy</td>
</tr>
<tr>
<td></td>
<td>Humility/Modesty</td>
</tr>
<tr>
<td></td>
<td>Prudence</td>
</tr>
<tr>
<td></td>
<td>Self-control</td>
</tr>
<tr>
<td>Transcendence</td>
<td>Appreciation of Beauty</td>
</tr>
<tr>
<td></td>
<td>Gratitude</td>
</tr>
<tr>
<td></td>
<td>Hope</td>
</tr>
<tr>
<td></td>
<td>Humour</td>
</tr>
<tr>
<td></td>
<td>Spirituality</td>
</tr>
</tbody>
</table>
Appendix F.7: Virtues and Character Strengths and the Five Factor Model (FFM)
(Source: MacDonald, Bore, & Munro, 2008, p. 789)

<table>
<thead>
<tr>
<th>Character strengths contained within the factor</th>
<th>Name given to factor</th>
<th>Reflected virtue</th>
<th>Theoretical FFM correlate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairness, Humility, Mercy, Prudence</td>
<td>Strengths of restraint</td>
<td>Temperance</td>
<td>Conscientiousness</td>
</tr>
<tr>
<td>Creativity, Curiosity, Love of Learning,</td>
<td>Intellectual strengths</td>
<td>Wisdom and</td>
<td>Openness</td>
</tr>
<tr>
<td>Appreciation of Beauty</td>
<td></td>
<td>Knowledge</td>
<td></td>
</tr>
<tr>
<td>Kindness, Love, Leadership, Teamwork, Playfulness</td>
<td>Interpersonal strengths</td>
<td>Humanity and</td>
<td>Agreeableness</td>
</tr>
<tr>
<td>Bravery, Hope, Self-control, Zest</td>
<td>Emotional strengths</td>
<td>Justice</td>
<td></td>
</tr>
<tr>
<td>Gratitude, Spirituality</td>
<td>Theological strengths</td>
<td>Courage</td>
<td>Opposite of Neuroticism (Emotional Stability)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transcendence</td>
<td>No FFM correlate</td>
</tr>
</tbody>
</table>
### Appendix G1: Merck & Co., Inc. Key Performance Indicators 1985-1994
(Source: Vagelos, 2006, p.118)

<table>
<thead>
<tr>
<th>Year</th>
<th>Earnings/share</th>
<th>Stock high</th>
<th>Stock low</th>
<th>Annual sales (in millions)</th>
<th>Profits after tax (in millions)</th>
<th>R&amp;D expenditures (in millions)</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>$0.42</td>
<td>22.96</td>
<td>15.05</td>
<td>$3,547.50</td>
<td>539.90</td>
<td>426.30</td>
<td>30,900</td>
</tr>
<tr>
<td>1986</td>
<td>$0.54</td>
<td>43.17</td>
<td>22.38</td>
<td>$4,128.90</td>
<td>675.70</td>
<td>479.80</td>
<td>30,700</td>
</tr>
<tr>
<td>1987</td>
<td>$0.74</td>
<td>74.33</td>
<td>40.67</td>
<td>$5,061.30</td>
<td>906.40</td>
<td>565.70</td>
<td>31,100</td>
</tr>
<tr>
<td>1988</td>
<td>$1.02</td>
<td>59.63</td>
<td>48</td>
<td>$5,939.50</td>
<td>1,206.80</td>
<td>668.80</td>
<td>32,000</td>
</tr>
<tr>
<td>1989</td>
<td>$1.26</td>
<td>80.75</td>
<td>56.25</td>
<td>$6,550.50</td>
<td>1,495.40</td>
<td>750.50</td>
<td>34,400</td>
</tr>
<tr>
<td>1990</td>
<td>$1.52</td>
<td>91.13</td>
<td>67</td>
<td>$7,671.50</td>
<td>1,781.20</td>
<td>854.00</td>
<td>36,900</td>
</tr>
<tr>
<td>1991</td>
<td>$1.83</td>
<td>167</td>
<td>82</td>
<td>$8,602.70</td>
<td>2,121.70</td>
<td>987.80</td>
<td>37,700</td>
</tr>
<tr>
<td>1992</td>
<td>$2.12</td>
<td>56.63</td>
<td>40.5*</td>
<td>$9,662.50</td>
<td>2,446.60</td>
<td>1,111.60</td>
<td>38,400</td>
</tr>
<tr>
<td>1993</td>
<td>$1.87</td>
<td>44.17</td>
<td>28.63</td>
<td>$10,498.20</td>
<td>2,166.20</td>
<td>1,172.80</td>
<td>47,100</td>
</tr>
<tr>
<td>1994</td>
<td>$2.38</td>
<td>39.5</td>
<td>28.17</td>
<td>$14,969.80</td>
<td>2,997.00</td>
<td>1,230.60</td>
<td>47,500</td>
</tr>
</tbody>
</table>

* Merck stock split 3/1, effective May 6, 1992. The common stock had previously been split 3/1, effective May 4, 1988.
Appendix G2: Merck & Co. Inc. Mission Statement

Our Mission

The mission of Merck is to provide society with superior products and services by developing innovations and solutions that improve the quality of life and satisfy customer needs, and to provide employees with meaningful work and advancement opportunities, and investors with a superior rate of return.

Our Values

1. Our business is preserving and improving human life. All of our actions must be measured by our success in achieving this goal. We value, above all, our ability to serve everyone who can benefit from the appropriate use of our products and services, thereby providing lasting consumer satisfaction.

2. We are committed to the highest standards of ethics and integrity. We are responsible to our customers, to Merck employees and their families, to the environments we inhabit, and to the societies we serve worldwide. In discharging our responsibilities, we do not take professional or ethical shortcuts. Our interactions with all segments of society must reflect the high standards we profess.

3. We are dedicated to the highest level of scientific excellence and commit our research to improving human and animal health and the quality of life. We strive to identify the most critical needs of consumers and customers, and we devote our resources to meeting those needs.

4. We expect profits, but only from work that satisfies customer needs and benefits humanity. Our ability to meet our responsibilities depends on maintaining a financial position that invites investment in leading-edge research and that makes possible effective delivery of research results.

5. We recognize that the ability to excel - to most competitively meet society's and customers' needs - depends on the integrity, knowledge, imagination, skill, diversity and teamwork of our employees, and we value these qualities most highly. To this end, we strive to create an environment of mutual respect, encouragement and teamwork - an environment that rewards commitment and performance and is responsive to the needs of our employees and their families.

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Sincerely

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