

The Internal Logic of Leadership

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Abstract

What drives real leadership? Our research is based on a story-completion tool called “Understanding My Leadership Logic”. A sample of 500 leaders in senior leadership positions in corporate, were asked to undertake this story completion survey. The research question was: “What are the Internal Action Logics of leaders in corporate?” An effort has been made to understand how leaders interpret their own actions and what action logics are followed by them. This research showed six internal leadership logics or leader’s dominant way of thinking. We found that the three types of leaders associated with below average corporate performance (The Controller, The Pacifier, and The Specialist) accounted for 57% of our sample. They were less effective at implementing organizational strategies than the 32% of the sample measured as Team Builders. Independent Thinkers form the next class with 8% of the sample following this action logic. Finally only the final 3% of managers in the sample are Strategic Thinkers who are transformational leaders with the consistent capacity to innovate and to successfully transform their organizations.

Keywords: Internal Logic, Strategy, Transformational Leadership

1. Introduction

Transformational Leadership is the basis of organizational development. It can happen when the leader has clarity about the mission and vision of his organization, is able to communicate this vision and mission to his team, gain their support, trust and acceptance for the goals and objectives derived from this mission and vision. A transformational leader puts team goals before his own goals, knows the art of communicating expectations effectively, provides intellectual stimulation by throwing challenges from time to time, gives personal attention and mentors, nurtures and coaches his team. Leadership is a complex cultural, interpersonal, and intrapersonal process and is not just skills, position, power, or personality. To be a successful leader a person must exhibit two important traits - expertise and empathy, these are traits that can be systematically cultivated in a person and are the foundations of leadership. There can be no leader who can achieve position without mastery over a particular functional area. Eventually as he or she moves up the ladder they manage

a broader and more general area. To develop such functional expertise one requires hard work since it is hard work that develops certain set of skills and forms the base for the leader. However we come across millions of people with great functional knowledge but with little leadership skills. What is it that they lack? It is their lack of empathy which is a vital quality for a leader.

Cultivating leadership in oneself and others is a step by step process. The first step in the process of developing good leadership skills is knowing yourself. What are your areas of expertise, what are your strengths and weaknesses? It is only after this type of self analysis that one can think of making a plan for personal transformation. Making an assessment of the raw material and drawing up a plan of action for developing your current skills and knowledge and overcoming your weaknesses could be a crucial factor in effective leadership. The second important aspect in leadership is learning how and what to communicate. Communication involves not only good oratorical skills but also good listening skills and the skill to understand body language.

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Each leader has his unique way of handling the complexities of leadership. It is difficult to find one common strain in all leaders – different ideas about leadership, different personalities, and different styles of management create differentiation in leadership style. However each leader has his or her logic for acting in a particular manner. This action logic – the reasoning that guides his decision making and communication is distinct for each leader. The curiosity to understand this action logic was the propelling force for this research. Action logic is about the way in which we interpret our surroundings and react to situations and challenges. Leaders need to go into a trip of self exploration, intense introspection about their behaviour, about how and why they react to situations and challenges in a particular manner. This trek into our souls and the journey of self exploration will make them understand their own action logic, and explore the possibility of changing it. Understanding this internal action logic will help leaders in making a transformation in their own capabilities and change the fate of their companies. Understanding what kind of leader you already are is the first step in self improvement. This research may help you understand the kind of leader you are and hopefully help you take a small step forward in the path of self improvement.

2. Research Methodology

Our research is based on a story-completion tool called “Understanding My Leadership Logic”. A sample of 500 leaders in senior leadership positions in corporate were asked to undertake this story completion survey. The research question was: “What are the Internal Action Logics of leaders in corporate?” An effort has been made to understand how leaders interpret their own actions what action logics are followed by them based on the story completed by the respondents. Trained evaluators were asked to interpret the story and provide the action logic of the leader. This research showed six internal leadership logics or leader’s dominant way of thinking.

3. The Six Internal Logics of Leadership

The Controller, The Pacifier, The Specialist, The Team Builder, The Independent Thinker and The Strategic Thinker - currently functions as a leader’s dominant way of thinking. What we found is that the levels of corporate

and individual performance vary according to action logic. Notably, we found that the three types of leaders associated with below average corporate performance (The Controller, The Pacifier, and The Specialist) accounted for 57% of our sample. They were significantly less effective at implementing organizational strategies than the 32% of the sample measured as Team Builders. Independent Thinkers form the next class with 8% of the sample following this action logic. Finally only the final 3% of managers in the sample are Strategic Thinkers who are transformational leaders with the consistent capacity to innovate and to successfully transform their organizations.

3.1 The Controller

It was observed that only 6% of the leaders in our sample were characterized by excessive control, distrust, egoistic and manipulative behavior. We call these leaders The Controllers. They have a tendency to focus on their own growth and victory and look at other people as opportunities to be exploited. Their approach towards a problem is dependent on their perception of control—their reaction to an event depends on whether or not they can direct the outcome of any decision or event. They treat other people as competitors who are out to pull them down and regard their bad behavior as legitimate in the cut throat dog-eat-dog-world. They dislike feedback, blame external forces or people for their mistakes, intimidate, are stingy with praise and react harshly to criticism. This type of action logic was the driving force for Larry Ellison in his early days. His management style was managing people by intimidation, bullying and ridicule. Such people are not open to an honest and open debate, take decisions individually based on their own perceptions, rarely consult others and use the power of their position to get work done. It is very difficult for them to succeed as leaders, unless they transform themselves (as Ellison had done). They break rules frequently, are poor team players, are self centered and feared more than respected or loved. All this makes them the kind of leader nobody wants to work with for the long term. Corporate environments that breed such leaders rarely grow and sooner than later they become a liability for the company.

3.2 The Pacifier

The Pacifier is more gentle and humane in his ways than The Controller, but this action logic can also have extremely negative repercussions. The Pacifier is a please-

all type and hates to be in a conflict situation. He serves the group loyally and sincerely, wishes to please higher-status colleagues while avoiding conflict. This action logic is focused on having a firm grasp and control of one's own behavior, unlike The Controller who works by gaining control of external events or other people. The Pacifier's action logic is that a leader gains more acceptance and influence by cooperating with group norms and by performing his daily roles well. They bond well with their colleagues and ensure that attention is paid to the needs of others, which is probably why the great majority of Pacifiers work at the most junior rungs of management, in jobs such as supervisor or customer service representative and have a lesser chance of being promoted. Their desire to avoid conflict is so strong that sometimes they end up becoming indecisive and weak. This makes them problematic in top leadership roles because they try to ignore conflict. They tend to be excessively polite and friendly and find it next to impossible to give challenging feedback to others. They are unable to initiate change as any change is accompanied with unavoidable conflicts and this represents a big threat to the Pacifier. He is not a transformational leader because he is not a change agent and this tendency to maintain the status quo sometimes leads to self-destruction. Suppose a Pacifier suddenly becomes the CEO of an organization due to his predecessor's sudden demise he would probably enjoy the ceremonial part of his job but would detest the conflicts and confrontations that accompany the CEO's role. As a Pacifier he would not be able to easily dismiss managers who had poor performance or team members who were resistant to the change program his predecessor had initiated. His fear of displeasing people and fear of confrontation would not let him take bold, controversial decisions and the organization will bear the cross of his docile and please-all nature. There is a quote, "If you try to please everybody, you end up pleasing nobody".

3.3 The Specialist

The largest category of leader is that of Specialists, who account for 35% of all professionals in our sample. Controllers, try to rule by controlling the world around them, Pacifiers try to rule by controlling their own behavior and trying to please everybody, Specialists try to control by perfecting their knowledge, both in their professional and personal lives. Watertight thinking is very important to them. Many accountants, investment analysts, marketing researchers, software engineers, and

consultants operate from this internal action logic. They focus more on what i.e. the knowledge component and how i.e. the method of doing things, than the why i.e. inquisitiveness and what if i.e. the creativity part of work. They get a sense of security from their knowledge and expertise and present hard data and logic in their efforts to gain approval. Specialists are great individual contributors due to their effort at continuous improvement, efficiency, and perfection but as managers, they can be problematic because they work with that attitude that they are always right. They may become my-way-or-the-highway type of leaders and view collaboration as a waste of time. They do not appreciate emotional intelligence. They are not team players, are not open to other people's opinions, since they are self opinionated due to their control over knowledge, so do not make transformational leaders.

3.4 The Team Builder

They are good collaborators and are good at working with teams and relationship building. They belong to a class of managers who both challenge and support their teams and create a positive team and interdepartmental atmosphere. The good news is that a large proportion, 32%, of the managers in our research was in this category. These leaders create a positive work environment and focus on deliverables but their style often blocks thinking outside the box. Since they believe in collaboration they are not good at trying out novel ideas. They welcome feedback, understanding the fact that the conflicts of everyday life are due to differences in interpretation and empathize with all types of personalities. They know that to creatively transform organization sensitivity to relationships and the ability to influence others is indispensable. The Team Builders had lower staff turnover, delegated more responsibility, and had practices that earned more annual revenues than those companies run by Specialists. The Team Builder was often clashing with Specialists. The Specialist subordinate finds the Team Builder hard to take because he cannot deny the reality of the team builder's success even though he feels superior.

3.5 The Independent Thinker

The Independent Thinker's action logic is seemingly abstract. He believes that all action logics are based on individual constructions of the world and situations. He believes that his destiny depends on his actions based on his and only his internal logic and cannot be influenced by

others. The Independent Thinkers are innovative because they think and act independently, they are not influenced by group norms and group behavior. This idea enables the 8% of Independent leaders to contribute unique practical value to their organizations. They also communicate well with people who have other action logics. They have a deep sense of awareness of a possible conflict between their principles and their actions, or between the organization's values and its implementation of those values and this sets them apart from Team Builders. This conflict is productive at times as it spurs creativity, and a desire for further development. The Independent Thinkers are not rule bound so they tend to ignore rules they regard as irrelevant, which sometimes creates irritation to both colleagues and bosses. We can understand an independent thinker with this example: An Independent Thinker who was a star performer in the team had been asked to set up an offshore shared service function in order to provide sales support to two separate and internally competitive divisions operating there. He formed a highly cohesive team within budget and far ahead of schedule. The trouble was that this man had a reputation within the organiza-

tion as an unpredictable and unreliable person. There was no doubting his intelligence and wisdom especially when it came to his individual projects but he created bad blood with many people in the larger organization because of his strange, rebellious, and non-conforming ways. Eventually, the CEO was called in (not for the first time) to resolve a problem created by his failure to acknowledge key organizational processes and people who weren't on his team. The CEO still decided to retain him because he was a star performer but did warn him to learn to be part of the team.

3.6 The Strategic Thinker: A Transformational Leader

They account for just 3% of leaders. They focus on the what, how, why, and what if questions in equal measure. They are good at making team members share their vision, motivating them to give their based to achieve their mission but they also understand organizational constraints. However they do not have limiting beliefs and work with the notion that organizational constraints are transform-

Table 1. The six action logics of leadership

Action Logic	Characteristics	Strengths	Percentage of Research Sample at this Action Logic
The Controller	Wants to win by hook or by crook. Self centred and manipulative, rules by using the power of his position.	Useful leader in emergencies and in sales opportunities.	6%
The Pacifier	A please all type. Avoids conflict. Wants to blend in and so rarely tries new things or challenge the status quo. Follows the group. Risk averse.	Useful as supportive glue within an office, keeps the team and other people together.	16%
The Specialist	Rational. Rules by logic and knowledge. Wishes for efficiency and rationality.	Good as an individual contributor.	35%
The Team Builder	Meets strategic goal by good team management. Effectively manages the team achieves goals through teams; able to manage well managerial duties and market demands.	Ideal for managerial roles, goal oriented and action oriented.	32%
The Independent Thinker	Is able to deftly strike a balance between competing personal and company action logics. Creates new and efficient structures to bridge the gulf between strategy and performance.	Good in venture and consulting roles.	8%
The Strategic Thinker	Transforms the Torganization and also capable of personal transformations. Uses the power of mutual inquiry, alertness, good at conflict handling. Is a change agent.	A transformational leader.	3%

Source and ideas credited to: "Seven Transformations of Leadership by David Rooke and William R. Torbert, Harvard business review".

able. They are excellent communicators and listen to their people. The Strategic Thinker masters communication with colleagues who have different action logics. He is also perfect at creating shared visions across different internal action logics - visions that lead to organizational transformations. He mentors, counsels, nurtures, and directs his team with the intention of empowering the team members. He is very comfortable dealing with conflict compared to leaders with other action logics, and is able to handle people's instinctive resistance to change. As a result, The Strategic Thinkers are very good change agents. We found confirmation of this in our study of six CEOs in four different industries. All of their organizations had the stated objective of transforming themselves. The Strategists succeeded in generating one or more organizational transformations over a five-year period; their companies' profitability, market share, and reputation all improved. They listen and pay attention, they challenge their team enhancing their creativity, they give targets and measure the targets from time to time. The Strategists are able to see the big picture, share larger perspective, clarify expectations, and play by the inherent abilities and strengths of their team members. Strategic Thinkers carry out their work in a highly collaborative manner. They seek to combine idealist visions with pragmatic, timely initiatives and principled actions.

4. Conclusion

Each person has his/her own, unique leadership style. We cannot compartmentalize leadership into watertight compartments. The desk research done while writing this paper threw up interesting insights and provided great learning. Each individual reacts to different situations in his unique way and this reaction is based on that individual's cognitive thinking which is shaped by his upbringing, life experiences, intelligence, common sense, belief in his convictions and his perception about people and himself. Different leaders possess different kinds of internal action logic. Yet there is a certain unique way people process problems, situations, and employees and a common thread may be found in this. We have taken this common thread and created categories after taking ideas from researchers who have worked intensively on leadership issues. The initial idea for our categorization has been sourced from the wonderful research done by David Rooke and William Torbert of Harvard business review. We validated the ideas by doing some primary research

and came across six types of internal action logics of leadership: The Controller, The Pacifier, The Specialist, The Team Builder, The Independent Thinker and The Strategic Thinker. The majority from our sample had an internal action logic that put them in the class of The Specialist (35%) and The Team Builder (32%). The least effective for organizational leadership are the Controller and Pacifier; the most effective, the Strategic Thinker. The Specialist, The Team Builder, and The Independent Thinker come somewhere in the middle of these two extremes.

To create more impact in our leadership style and be able to make a difference in our organization and our environment the first and foremost requirement is that we comprehend our style of leadership. There is no permanence to the style of leadership that we follow. Individuals can evolve, transform, improve, and be on a learning curve throughout their careers but that requires the ability to understand and accept our weaknesses and have the courage and conviction to improve ourselves. Each person has a leader inside himself/herself. The requirement is that we break open the shackles of our hearts, recognize our uniqueness and strengths, raise our bar, and rise up to our potential with confidence, courage, and conviction.

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