Volume IV | Issue II | Summer/Fall 2011

VALPARAISO UNIVERSITY

GRADUATE SCHOOL OF BUSINESS

SUSTAINABILITY CERTIFICATE

As we turn our focus to becoming a socially responsible university, the Valpo MBA program is now offering a Certificate in Sustainability. After completing a bachelor degree, or while enrolled in a VU master's program, a student may choose to take four additional courses – eight (8) additional credits – and receive the graduate Certificate in Sustainability. The four additional courses include:

- MBA 702 *Managing Sustainability* - 2Cr.
- MBA 703 *Forces Affecting Sustainability* - 2Cr.
- MBA 704 *Case Studies in Sustainability* - 2Cr.
- MBA 705 *Fieldwork in Sustainability* - 2Cr.

WHAT IS SUSTAINABILITY?

Sustainability is a vital answer to existence on this planet, but also to the existence of our economy. As we look for better answers to energy issues, the end of landfills, and clean air and water for future generations, we need the business model of efficiency and return on investment to be sure we are taking the best paths to improve the future.

PURSUING THE TRUTH.
CHANGING THE WORLD.

MBA Office
Urschel Hall, 104
1909 Chapel Drive
mba@valpo.edu
219-465-7952
219-464-5789

Valparaiso University

JOURNAL OF VALUES-BASED LEADERSHIP*

Summer/Fall 2011

Volume IV, Issue II

Editor-in-Chief: Elizabeth Gingerich
Associate Professor, Business Law
Valparaiso University
College of Business Administration
Valparaiso, Indiana 46383
(219) 464-5035
elizabeth.gingerich@valpo.edu

ISSN: 1948-0733 (online)
ISSN: 2153-019X (print)

Special Acknowledgement

The Journal of Values-Based Leadership (*JVBL*) **is sponsored by Bonnie ('70) and Peter ('65, '70) Raquet and the Raquet Family Foundation.**

JVBL Mission Statement

The mission of the *JVBL* is to promote ethical and moral leadership and behavior by serving as a forum for ideas and the sharing of "best practices." It serves as a resource for business and institutional leaders, educators, and students concerned about values-based leadership. The *JVBL* defines values-based leadership to include topics involving ethics in leadership, moral considerations in business decision-making, stewardship of our natural environment, and spirituality as a source of motivation. The Journal strives to publish articles that are intellectually rigorous yet of practical use to leaders, teachers, and entrepreneurs. In this way, the *JVBL* serves as a high quality, international journal focused on converging the practical, theoretical, and applicable ideas and experiences of scholars and practitioners. The *JVBL* provides leaders with a tool of ongoing self-critique and development, teachers with a resource of pedagogical support in instructing values-based leadership to their students, and entrepreneurs with examples of conscientious decision-making to be emulated within their own business environs.

Call for Papers

The *JVBL* invites you to submit manuscripts for review and possible publication. The *JVBL* is dedicated to supporting people who seek to create more ethically and socially-responsive organizations through leadership and education. The Journal publishes articles that provide knowledge that is intellectually well-developed and useful in practice. The *JVBL* is a peer-reviewed journal available in both electronic and print fora. The readership includes business leaders, academics, and students interested in the study and analysis of critical issues affecting the practice of values-based leadership. The *JVBL* is dedicated to publishing articles related to:

1. **Leading with integrity, credibility, and morality;**
2. **Creating ethical, values-based organizations;**
3. **Balancing the concerns of stakeholders, consumers, labor and management, and the environment; and**
4. **Teaching students how to understand their personal core values and how such values impact organizational performance.**

In addition to articles that bridge theory and practice, the *JVBL* is interested in book reviews, case studies, personal experience articles, and pedagogical papers. If you have a manuscript idea that addresses facets of principled or values-based leadership, but you are uncertain as to its propriety to the mission of the *JVBL,* please contact its editor. While manuscript length is not a major consideration in electronic publication, we encourage contributions of less than 20 pages of double-spaced narrative. As the *JVBL* is in electronic format, we especially encourage the submission of manuscripts which utilize visual text.

Manuscripts will be acknowledged immediately upon receipt. All efforts will be made to complete the review process within 4-6 weeks.

Review Process

The JVBL seeks work that is clearly written and relevant to the Journal's central theme, yet imbued with analytical and intellectual excellence. In this respect, the editorial review board shall consist of both leading scholars and respected high-level business leaders.
All manuscripts undergo a two-stage review process:

1) The editor and/or his or her representative will conduct a cursory review to determine if the manuscript is appropriate for inclusion in the *JVBL by examining the relevance* of the topic and its appeal to the Journal's target readership. The editor may: a) reject the manuscript outright, b) request submission of a revised manuscript which will then be subject to a comprehensive in-house review, or c) forward the manuscript for review pursuant to the provisions of the following paragraph.
2) The editor will send the manuscript to three reviewers consisting of at least one scholar and one practitioner. The third reviewer shall be chosen at the editor's discretion, depending upon the nature of the manuscript. Once reviews are returned, the editor may: a) accept the manuscript without modification, b) accept the document with specific changes noted, c) offer the author(s) the opportunity to revise and resubmit the manuscript in response to the reviewers' and editors' comments and notations, or d) reject the manuscript. To be considered publishable, the manuscript must be accepted by at least one of each type of reviewer.

Privacy Notice

Postal Information

The *Journal of Values-Based Leadership* is published on-line biannually in Winter/Spring and Summer/Fall by the College of Business Administration, Valparaiso University, 1909 Chapel Drive, Valparaiso, Indiana 46383. To receive a bound hard copy of any issue, please remit the sum of $10.00 per copy to the Valparaiso College of Business Administration – *JVBL*, and indicate which issue and the quantity of copies desired together with your current mailing address and telephone number.

For additional information, please visit the Journal at either http://www.valpo.edu/cba/jvbl or http://www.valuesbasedleadershipjournal.com.

To report a change of address, contact Valparaiso University College of Business Administration, 1909 Chapel Drive, Room 207, Valparaiso University, Valparaiso, Indiana 46383, (tel): 1.219.464.5044 or e-mail Elizabeth.Gingerich@valpo.edu.

Article Reprint Permission

No article may be republished in whole or in part without the written permission of the publisher. Send requests to reprint in writing to Editor Elizabeth Gingerich at 1909 Chapel Drive, Room 207, Valparaiso, Indiana 46383, Elizabeth.Gingerich@valpo.edu, 1.219.464.5044, fax: 1.219.464.5789.

Please remember that existing artwork or images that you may want to include in a new work may be protected under copyright law. The unauthorized incorporation of such material into your new work could be a violation of the rights of the copyright owner. Please be sure to obtain any permission required from the copyright owner.

Disclaimer

Articles, reports, and surveys contained herein reflect the views of the individual authors and, unless expressly so indicated in the text, do not necessarily represent the position of the Valparaiso University College of Business Administration.

Dedication and Remembrance

This issue is dedicated to the life, work, and prophecy of Ray C. Anderson (July 28, 1934 - August 8, 2011), dubbed by *Forbes* as "The Greenest CEO," founder and chairman of Interface, Inc. (the world's largest modular carpet manufacturer), and foremost sustainability pioneer. We were graced by his presence at Valparaiso University in October of 2009 and by his contributions to the *Journal of Values-Based Leadership*.

May we all continue to reflect on the future of planet and all of its inhabitants and wage the fight to use business as a restorative tool, allowing us to demonstrate that we can be good stewards of "God's currency."

Letter from the Editor

People pay for what they do, and still more, for what they have allowed themselves to become. And they pay for it simply: by the lives they lead. ~Edith Wharton

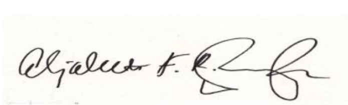
There appears to be a common term used in the business world more uniformly these days – "stakeholders." Many business trends, especially those involving organizations in the international market, have realized that the Friedman, single-goal emphasis of generating wealth for a company's shareholders, has expanded to include the concomitant instruction *while serving the greater needs of those affected by the operations of the business entity in a fair and equitable manner*. This new movement may just be a ploy to lure in would-be investors, or, due to socioeconomic and environmental factors and the increasing awareness of the world's collective needs and demands, be a genuine commitment to serve the greater good.

Making money does not necessarily imply eschewing generating wealth nor signal the complete abandonment of Friedman economics. Rather, whether through new enlightenment of leaders, infusion of spirituality, fear of litigation, the desire to seek a more prominent role in international transactions, or a hybrid of all, the customer, supplier, local community, distributor, government entity, media, and society as a whole are demanding recognition as active players in the operation of a business. And that business can no longer simply turn a blind eye and a deaf ear to avoid the needs of the larger stakeholder pool. The world is now so interconnected that abuses in a remote, developing country are universally publicized and invoke public outcry. Outsourcing businesses can no longer hide their exploitation of labor populations in faraway places. Economic boycotts ensue and even companies demand change. Steve Jobs of Apple was forced by public pressure to demand an end to the abuses committed by Foxconn, a Chinese electronics factory, which systematically underpaid and overworked its young workforce to the point of multiple suicides. As Foxconn is the exclusive manufacturer and supplier of the electronic components incorporated in Apple's iPads and Smartphones, such negative publicity had to be quelled through the development and institution of a comprehensive plan to ameliorate such untenable working conditions. While Foxconn has a long road of reform ahead, necessary changes have been instituted.

While much of this may be lip service and temporary in nature, it is undeniably occurring. Thus, whatever the source or motivation, businesses are becoming more cognizant of the effects their business operations are having on their stakeholders.

Several of the articles included in this issue explore this notion. Case studies and interviews conducted in Pakistan and India demonstrate the importance of community values and spirituality in accounting for the needs of stakeholders while continuing to foster company growth. Others emphasize the importance of accounting for cultural sensitivities and mutual respect in the global marketplace, jettisoning the former myopic rallying cry of *it's me against them*.

No – it is us. All of us.



— Elizabeth F. R. Gingerich, Ed.

CONTENTS

Articles

EMPLOYING THE SEVEN ARMY VALUES TO WIN HEARTS AND MINDS

1st LT. JONN KUSCH (SAN ANTONIO, TEXAS)
693rd ENGINEER SAPPER COMPANY, U.S. 7th ENGINEER BATTALION
FORT DRUM, NEW YORK

Introduction

From my first day at Basic Training to the writing of this article, the Army has taught and manifested the seven Army values into my life and the missions my fellow Soldiers and I conduct. They are: ***Loyalty***, ***Duty***, ***Respect***, ***Selfless Service***, ***Honor***, ***Integrity***, and ***Personal Courage***. These values are the bedrock upon which a modern Counterinsurgency (COIN) war can and is being won in places like Afghanistan. These values are the heart of the Army and from this, American Soldiers are able to

fight a faceless enemy surrounded by innocents in the most inhospitable locations on Earth. I believe these values can also be applied to the business realm.

Loyalty

Loyalty has been present in all warrior societies as exemplified by the Spartans at Thermopylae, the 182 Texans at the Alamo, or the several dozen U.S. Rangers in Mogadishu. Loyalty among Soldiers increases fighting effectiveness and ensures cohesion amidst chaotic situations. For Army leaders, this means taking an hour less sleep to listen; constantly looking for ways to improve operations; and fighting from the front with one's fellow Soldiers. In return, Soldiers follow difficult orders

– even life-endangering – to enable the unit to accomplish its mission. From this loyalty, Soldiers keep each other accountable and thus ensure the complex and hazardous guidelines given by higher command are followed. Loyalty is what motivates Soldiers to leave their armored vehicles and enter the town markets to buy Afghani produce or to have tea with local police. From these actions, the first step in building personal relationships with Afghans is accomplished and the COIN fight can begin.

In today's highly segmented business environment, I believe loyalty is a difficult, but beneficial quality, not only between employer and employee but with business and its customers. First, Americans are moving as a job requirement less currently than at any point in history according to the 2010 U.S. Census. If employees are remaining locally rooted, doesn't it make sense for businesses to return that loyalty and build upon that trust and as a propitious consequence, generate more productive workers? From a customer's point of view, the productive employee exhibits a greater willingness to serve and to form a personal relationship with the customer and as a result, the business acquires a competitive advantage in the modern marketplace. Why do I go to a certain BBQ restaurant in San Antonio? Because of the service. Why do so many Soldiers utilize U.S.A.A. financial services? Because of the service. In both cases, the working environment is very highly rated and the employees are extremely satisfied. This is manifested in outstanding job performances. Whether it's an IT technician or a M2 machine gunner, loyalty breeds effectiveness in the business place and the COIN fight in Afghanistan.

Duty

Duty is a challenging value in a COIN war zone, especially in a place with perilous terrain such as Afghanistan. There is no big motivational push, no enemy defensive line to breach, and no identifiable opposition leader who can sign a peace treaty. Instead, duty involves getting up before daylight for weeks on end and traveling across the countryside and into villages where danger may take a life or never appear at all. It's remaining vigilant for mortar and rocket attacks; repairing roads blown up by the enemy – all while under constant gunfire; knowingly travelling down a perilous road where a fellow Soldier has just lost his life; being mindful of suicide bombers; and delivering ballots through rugged terrain to remote places for those who may or may not cast a vote. And this is all accomplished dutifully, day after day, and if lucky, Soldiers return home to redeployment orders and eschew fanfare and nonexistent tickertape parades. I am amazed by my Soldiers; they know all this and yet get into their trucks, put their boots on, and begin ground patrol – never wavering in their duty despite ubiquitous imminent dangers. This commitment is strengthened by the resolute belief that America's all-volunteer forces will break the insurgency in Afghanistan.

There is a well-publicized insurgent manual that speaks of the differences between American and Soviet forces in Afghanistan. During the Cold War, the insurgents were taught to target Soviet troop leaders to render the entire unit combat-ineffective. In juxtaposition, the manual discourages targeting American troop leaders as the affected unit will keep pressing forward. It is the Non-Commissioned Officers of the Army that instill and sustain the value of duty within the ranks. Thus, even the most challenging of all military doctrines – the COIN fight – can be executed and accomplished: winning hearts and minds while combating an extremely lethal enemy.

I hear and read often that business leaders complain of the lack of a “work ethic” characterizing today’s employees. I do believe there is a fundamental issue facing America in this regard and a true sense of duty must be recaptured to compete on a global scale. Many factory workers in China believe that their work represents a collective sacrifice to strengthen their country and improve conditions for future generations. America has historically been one of the most efficient and hardest working nations in the modern era. I have seen this work ethic exemplified in the Army Corps and I know it is a fundamental characteristic of the American workforce. It is incumbent upon business leaders to inspire such a sense of duty in order to compete effectively in the global marketplace, understanding that the competition is no longer in Scranton or Chicago, but in Shanghai and Calcutta.

Respect

Respect is at the very heart of the COIN fight. The basic premise of COIN is that the battlefield does not consist of a piece of land or a natural resource, but rather the people inhabiting the Area of Operations. In this fight, the inhabitants have the choice to side with the insurgents – who wish to destabilize the country – or align themselves with coalition forces who wish to stabilize it and to provide proper governance. One key failing of the Soviet invasion of Afghanistan in the 1980s was the utter disrespect for and disdain of the local population. The U.S. Army in Afghanistan understands that respect is the cornerstone of winning the support of the people and thus the overall COIN fight. This is evident in the General Order #1 read to all Soldiers when they enter the Afghan theater. Repeatedly, the need for genuine respect of the local people, their culture, and their

religions, is constantly stressed. U.S. forces are prohibited from entering mosques unless under eminent threat and are fervently reminded to treat village elders with deference (e.g., U.S. bases will not serve pork products on Fridays).

Another example of respect of cultural differences involved a U.S. engineering unit assigned to repair a road destroyed by an Improvised Explosive Device (IED) crater on a particular Friday morning. The unit was approached by a village elder who complained about conducting work on the holy day. The U.S. Platoon Leader apologized for the oversight and promised to finish the work quickly, vowing to never again work in such a manner on the locally recognized holy days. Several days later, in the same village, the engineers were patrolling for IEDs, stopped, and purchased some watermelons. While doing so, they conversed with the village elder and again apologized for the construction on their holy Friday. The village elder accepted the public apology, thanked the engineers for their work on the road, and informed them of other IED blast holes located further south and east of the village. The engineers agreed to work on those in the future. The first time the engineers entered the village, they were shot at with Rocket-Propelled Grenades (RPGs) and mortars. But by the time all the road repairs were completed, they had not been engaged by insurgents in months. This is the power of respect in a COIN fight: by gaining the acceptance of the villagers, insurgents were no longer able to attack with impunity.

Selfless Service

Most Americans confuse this Army value with sacrifice. Sacrifice implies a final signature act. Selfless service may include that but it encompasses so much more. It is giving a piece of yourself, time after time, for the betterment of the Nation, the Army, the unit, and the Solider next to you. Selfless service is a Sergeant First Class, husband and father of two, deploying for the third time because he cares about Soldiers. Selfless service is a mechanic working through the frigid Afghan night to fix a vehicle because he knows his best friend will be driving it the next day. Selfless service is a skinny, pimple-faced Specialist carrying twenty pounds extra weight of defensive gear to protect his fellow dismounted Soldiers. This selfless service extends to the COIN fight. Whether it is building Afghani electrical poles, repairing IED-riddled roads, or providing candy to children, the U.S. engineering Solider is constantly helping those who view him with suspicion or even harbor ill. It is this selfless service that wins hearts and minds. I don't think most Americans understand the importance of this, nor do they appreciate the true difficulty. In the hedgerows of Normandy if a sniper shoots from a house, U.S. forces would usually call in artillery to destroy the entire building. In Afghanistan, such measures are generally not taken, and instead American forces put themselves at greater risk by closing in

on the enemy by foot, wearing up to 80 pounds of gear, to engage (or more likely scare off) the insurgent sniper. Why? To selflessly serve the innocent Afghan people, placing American lives at risk to ensure the safety of Afghans. The media rightly criticizes the Army for its failure to protect innocents and its unfortunate killing of some of them. However, these stories are the rare exception and not the rule and further pale in comparison to how many innocents are killed by insurgents. On too many occasions, U.S. Engineers witnessed innocent Afghans being struck by IEDs or watched errant insurgent RPGs strike homes and businesses. It is curious such stories are very rarely seen in the U.S. press.

Most progressive writers call for business leaders to take less income to reduce wage disparity, thus sacrificing compensation for the greater good of the workforce. I disagree with this entirely – people should be paid what they are worth. However, business leaders should consider their clients and customers. Is a CEO of a financial institution really doing all he or she can for shareholders and clients by taking an eight or nine figure compensation? Did Franklin Raines, former CEO of Fannie Mae, selflessly serve the American home-buying public? Today's business leadership should examine if they truly care about the businesses they lead, and if so, should consider the Army of Selfless Service to lead competitive ventures.

Honor

Honor, as a word, has lost its power and relevance in the modern world. In the wake of political, business, and real estate scandals, the idea of honor has diminished in American society. The idea of a deal being consummated by a handshake seems quaint at best in contemporary society. However, honor is still meaningful in the Army. Honor is scared among Soldiers, probably because its position as a personal covenant rises above the difficult realties of a war zone. It is not regulated by orders or law, but is a bond among warriors. In a Soldier's world full of dirt, cursing, diesel fuel, gun chatter, explosions, and long days – honor is rightly held in its lofty perch. Honoring a fallen Hero on a bitter cold November evening in a howling Afghan wind through antiquated military customs and courtesies gives meaning and respect to a truly tragic event in a way aggrandizing political speeches and consumerist offerings never could. That is why honor is so important to a line Soldier – perhaps the most important value. This sense of honor is how a COIN fight is maintained in the face of difficulties. It would be easy for an engineer unit who just lost one of their own to enter a dangerous village and seek vengeance. Reporters would never dare venture to such remote places, platoon reports could shroud the truth from higher command, and the unit would probably kill an insurgent

or at least some of those supporting the insurgents. But Honor does not allow this violation of duty. Honoring the fallen Solider – a brother and a friend – means doing the right thing out of respect to his ultimate selfless service. It means refraining from vengeful acts, continuing to respect the innocent villagers, and accomplishing the COIN mission – winning over the villagers without inflicting death and destruction. Honor is how American Soldiers keep their wits about them during the COIN fight.

Integrity

Doing what is right, even when no one is looking, is the Private's definition of integrity. Breaches of integrity in the U.S. Army, such as Abu Graib, are widely known. This is unfortunate. The publicity of these failures severely overshadows the daily successes. Breaches of integrity and their ensuing consequences are bitter reminders of the importance of integrity. I believe integrity to be the most difficult of the Army values. It must come from within and provide the fortitude to constantly fight apathy, stress, and fatigue – especially in a combat setting. Something as simple and routine as calibrating an M2 machine gun before a mission is at the heart of integrity. Soldiers of the platoon must trust that the M2 gunner has integrity. For when the moment comes, that M2 must engage the enemy. If the gunner fails, the repercussions from a Chinese-made RPG could last a lifetime. For Army leaders, integrity is just as important for non-combatants as it is for Soldiers. On a daily basis, thousands – perhaps tens of thousands – of decisions are made by Army Officers, who must choose the hard right over the easy wrong.

One such decision might involve whether to engage locals digging near the side of the road on a route known for the presence of IEDs. The gunner asks the Platoon's Lieutenant to engage; the radio traffic is filled with fear and anger. The Lieutenant, fully aware that one of his Soldiers died less than 500 meters from that location only several days prior, uses optics and detects two men digging in the road, But something doesn't feel right. It would be easy to advance, and even if these men are not insurgents, they are most likely opposition supporters. But that cannot be the answer. So, the platoon adopts a defensive posture and continues to monitor – increasing this mission's length and risk. Men are now more tired and stressed, but integrity must prevail. After an anxious wait, a group of women and children join the men; they gather wheat from the side of the road and all return to their Qalot home. No IED was emplaced; there was no danger to the Soldiers. The difficult decision to wait proved to be correct. Breaches of Army integrity are serious setbacks to the COIN mission and the values of the Army, however, the daily integrity successes are the path to victory in the modern COIN fight.

Enron, Fannie Mae, AIG, and the World News – without saying anything further everyone knows these are examples of integrity failures. Spanning the energy sector, government, banking and insurance, and even the media, the business community seems to be riddled with integrity lapses. If anything, these examples demonstrate that business cannot regulate itself. The motivation for business is to generate profits and earnings – not protect and nurture the greater good. We should never expect mythical businesses that put anything else before profits, for that cannot exist. Therefore, integrity should be insured through regulatory actions and the character of personnel.

Personal Courage

"You won't know how a Soldier will react until the moment comes." Sound advice from a crusty Platoon Sergeant with whom I had the honor of serving. This Army value is ephemeral in a combat zone. Sometimes RPK machine gun rounds will wiz by and you'll dive for cover behind a sand berm in the middle of a wadhi in Khowst province. Other times it will be a moonless frigid fall night in the Ghazni Province and possible insurgents are advancing upon your location where an IED has just struck one of your vehicles. You will stand your ground behind a Qalot wall and deny the enemy his ambush. Insurgents can be fearless because they believe there is nothing left in life for which to live. U.S. Soldiers have courage because they believe in the Army values. Furthermore, most writers are partially accurate when they state that Soldiers have courage and serve because of their fellow Soldiers. Regardless of religious, political, economic, social, and lifestyle differences, these men place themselves in grave danger because of a shared value system – the seven core Army values. This is the one true common thread.

Courage is capricious. Courage is critical to a Soldier. Courage is the noblest of the Army values and well-celebrated in public discourse and political speeches. And yet, true courage – not simple words – is what American enemies fear, her allies rely on, and what Soldiers never need to discuss. In a COIN fight, this fearlessness is what is required against an enemy that will purposely commit suicide to kill Soldiers or innocents. It is this courage that will defeat desperate insurgents where others have failed.

Courage is the heart of American business and the path towards promise. Courage drives entrepreneurs to open their doors and begin to compete. Courage motivates drug companies to search for cures and energy companies to seek new supplies, programmers to provide solutions, and investors to invest. The current international economic climate makes business courage difficult. American business can hunker behind a berm of protectionism or it can stand up, embrace the challenge, and meet the competition.

Final Remarks

The seven Army values of ***Loyalty, Duty, Respect, Selfless Service, Honor, Integrity,*** and ***Personal Courage*** are the basis of the American Army's modern character. Most of these can be extended and should be extended to the business world. Each Army value is tested daily in the COIN fight in Afghanistan – perhaps the most complex, personally dangerous, and nuanced modern military campaign. Without these values, an effective COIN fight could not be conducted. More than technology, grand strategy, or diplomatic initiatives, the core Army Values embedded within junior Soldiers, Non-Commissioned Officers, and junior Commissioned Officers on the ground ***are*** winning the hearts and minds – village by village, elder by elder, child by child – on a daily basis in the "graveyard of empires." It is these undefeatable values – not the sophisticated equipment or the words of the politicians or even the infusion of capital resources – that will bring peace and security to Afghanistan.

Author Biography

Jonn Kusch graduated from Valparaiso University in 2004 with a B.S. in Civil Engineering and History. He helped found the University's chapter of Engineers-Without-Borders and was part of the 2004 team who traveled to Turkana, Kenya to help construct wind-powered water systems to facilitate irrigated farming for the local villagers. Upon graduation, Mr. Kusch worked as a civil engineer for the AECOM corporation and subsequently for the City of San Antonio's Public Works Department. During this time, he earned his MBA in International Business from the University of Texas – San Antonio. In July of 2008, he joined the U.S. Army, commissioning as a 2nd Lieutenant through Officer Candidate School and was assigned to the 693rd Engineer Company (Sapper). The 693rd deployed to Afghanistan in May of 2010 and Lt. Kusch served as a platoon leader for Route Clearance Patrol 72 for nine months and then as the Company Intelligence Officer for the remaining three months. He is now a 1st Lieutenant with the 7th Engineer Battalion and is posted to Fort Drum, New York.

DEDICATION

This article is dedicated to SPC Blake D. Whipple of Buffalo, NY, killed in action on November 5, 2010, in the Ghazni Province of Afghanistan by an IED strike.

Commentary

The *Business* of Warfare: "Winning Hearts and Minds"

SUSANNAH MARIE GINGERICH-LARSON, DEPAUL UNIVERSITY, CHICAGO, ILLINOIS

The partnership of business and war is seemingly ironic, but certainly not a novel concept. In certain aspects, the fundamentals of business can be applied to the operations of war. Like a business venture, warfare involves risk factors, cost analyses, strategy, and tactics. War is often profitable from a sheer economic viewpoint. It may not be too surprising that U.S. weaponry is rivaling agricultural products as America's largest export.[1] The Norwegian nationalist who took over 75 lives on July 22, 2011, in his protest against immigration, obtained his ammunition via U.S. mail orders as the direct sale of these items is illegal in his home country.[2] World War II exemplified the uneasy reality that while the devastation of war is ubiquitous and indelible, an economy may be injected with new life through the creation of jobs and the increased production of weapons and supplies. And since the beginning of the war in Afghanistan on October 7, 2001, companies such as Raytheon – one of the largest defense contractors in the U.S. and in the world – greatly increased its production of bombs and missiles, realizing tremendous profits albeit at the expense of the lives of civilians and soldiers.[3] Lockheed Martin, also one of the world's largest defense contractors, received 74% of its revenue in 2009 from military sales with the Pentagon paying 7.1% of these funds. In fact, U.S. Government contracts generated $38.4 billion for the company in 2009 alone.[4]

After more than a decade at war in Afghanistan, the American economy is still suffering despite the extraordinary earnings of only a handful of companies. In fact, it is projected that by the end of the 2011 fiscal year, the total cost expended for U.S. efforts in Afghanistan will reach $118.6 million without a concomitant boost in the employment sector.[5] The war has also changed its focus since its start. The original mission was to find and capture members of the Taliban and Al Qaida in response to the attacks on September 11, 2001. More recently, the primary objectives have encompassed the rebuilding and restructuring of a

---

[1] Kimes, Mina (2011). America's Hottest Export: Weapons. *Fortune*. Last accessed August 3, 2011: http://money.cnn.com/2011/02/10/news/international/america_exports_weapons_full.fortune/index.htm

[2] The Norway Attacks, July 27, 2011. Last accessed August 3, 2011: http://www.boston.com/bigpicture/2011/07/the_norway_attacks.html

[3] Raytheon generates an annual average profit of $20 billion of which over 90% is generated through "no bid" defense contracts with the U.S State Department. Kenney, Dan (2009). "Can there be a 'Good' Military Contractor?" *Prairie Voice*, December 19, 2009.

[4] Hartung, William (2011). "Is Lockheed Martin Shadowing You?" *Mother Jones.* Last accessed July 10, 2011: http://motherjones.com/politics/2011/01/is_lockheed_martin_shadowing_you#xdm_e=http%3A%2F%2Fmotherjones.com&xdm

[4] Hartung, William (2011). "Is Lockheed Martin Shadowing You?" *Mother Jones.* Last accessed July 10, 2011: http://motherjones.com/politics/2011/01/is_lockheed_martin_shadowing_you#xdm_e=http%3A%2F%2Fmotherjones.com&xdm

[5] Cost of Iraq, Afghanistan and Anti-Terrorism Operations, *Journalist's Resource*. Last accessed July 10, 2011: http://journalistsresource.org/studies/government/international/cost-iraq-afghanistan-terror/

nation to promote a more democratic system of government through winning the trust and allegiance of the Afghani people. Although the goals of this war may seem to be more principled, measurable progress appears uncertain. As objectives change in this manner, queries still abound. Are the risks worth it?

In warfare, can this type of mission ever genuinely be accomplished? In an effort to rebuild the country, troops are helping to provide new schools, government buildings, roads, railroads, markets, and agricultural assistance among many other efforts. Conversely, roads and buildings – even mosques – have been destroyed in order to increase safety, eliminate enemy hiding places, and clear towns of explosives left by the Taliban. The local townspeople, however, have expressed mixed responses to these actions. Many are thankful, yet others have taken offense to the destruction and have little hope the efforts will end Taliban activity. In fact, some have opined that U.S. military presence ignites Taliban aggression and that the country would be in a more favorable position without such intervention, especially since the total Afghani civilian death and causality statistics have increased by 31% this year.[6]

While many still support U.S. presence, it is understandable why the Afghani population might not be so confident in such restructuring objectives since past interventions have failed, and in many cases, disastrously. In the 1970s, the Soviet Union attempted to restructure the Afghani nation, resulting in a 10-year occupation, the deaths of 2 million civilians[7] and the creation of 6 million refugees who relocated to neighboring countries.[8] Ostensibly, the citizens of Afghanistan have experienced incredible hardship whether the objectives of warfare have been territorial, terroristic, or designed with a more eleemosynary mission to offer long-lasting social assistance and governmental stability. The Taliban, of course, are a dangerous group who cannot be ignored, but at what cost? This new brand of warfare which attempts to win Afghani loyalty in order to change an unstable governmental and societal system is accompanied by extraordinarily high risks. Can this process authentically be branded a more principled business operation when it involves altering the entire operations under which a country is led? Can human suffering and cultural manipulation even be considered something worth putting one life at risk to reach the targeted goal – i.e., the bottom line – especially when the bottom line is far from accomplishment and the tactics of achieving same are perceived as controversial by many? One thing is certain. The business of war has been historically profitable to certain companies and sectors of society.

The business *ethics* of warfare, however, are nebulous and amorphous at best.

---

[6] "The Battle for Afghan Hearts and Minds," *National Public Radio*, August 10, 2010. Last accessed July 10, 2011: http://www.npr.org/templates/story/story.php?storyId=129112351

[7] Afghanistan (1979-2001), *Users.erols.com.* Last accessed July 10, 2011: http://users.erols. com/mwhite28/warstat2.htm#Afghanistan

[8] "Refugee Admissions Program for Near East and South Asia," *Bureau of Population, Refugees, and Migration*. Last accessed July 10, 2011: http://www.state.gov/g/prm/rls/117283.htm

Chief among the virtues claimed by individualist philosophers is self-realization. Each person is viewed as having a unique set of talents and potentials. The translation of these potentials into actuality is considered the highest purpose to which one can devote one's life. The striving for self-realization is accompanied by a subjective sense of righteousness and personal well-being.

Conflict Resolution: *Cultural Understanding Imperative*

LIVINGSTON S. TINDAL
REGENT UNIVERSITY
SCHOOL OF LEADERSHIP STUDIES
NORFOLK, VIRGINIA

Introduction

Cultural differences must be taken into consideration when resolving conflict because it contributes to how a person thinks and acts (Elmer, 1993). As a child growing up in various multi-cultural environments in California and New York, I was introduced to many different perspectives on life. These different perspectives were culturally produced and often resulted in conflict which I was not aware of at the time, but now looking back I can understand why the issues arose and how we could have resolved them some more peacefully than we did.

Gudykunst and Kim (1997) state that individualism-collectivism is a major dimension of cultural variability used to explain cross-cultural differences in communication across cultures. They further state that the communication differences that dominate individualistic and collectivistic cultures are contained in the context, making context understanding a needed quality when dealing with conflict resolution. In 1976, Hall stated that context is where the importance of the information of the conversation is placed which produces its meaning, thereby facilitating action (Palmer & Schoorman, 1998).

Westerners are often referred to as "low context" (direct) and the same follows in regard to conflict and resolution. Language in North America is direct and manifested through an active voice (Elmer, 1993). This type of approach separates the person from the issue which provides a false sense of freedom to criticize (Elmer, 1993). Contrarily, a majority of the rest of the world is more indirect or deemed "high context." They view relationships as important to the nature, development, and resolution of the issue. They do not like directness because they believe it is disrespectful and cruel (Elmer, 1993). In those cultures, language and speech is passive where there is no real blame attributed to the person but rather the focus is on the situation itself.

Many failures in international cooperation and conflict resolution are related to cultural differences manifested through communication, or the lack thereof. Reversing this nonproductive interaction can be effected by establishing realistic, proper, and effective communication based on mutual cultural understanding and goodwill (Najafbagy, 2008). Global leaders should seek cultural understanding that focuses on individualism-collectivism along with context to ensure they know the perspectives of the parties involved when dealing with cross-cultural conflict resolution. "Extraordinary leaders — Gandhi and Churchill, Jack Welch and Bill Gates — have always lifted their gaze beyond their own borders to include the globe (Zweifel, 2003, p. 2)."

Individualism-Collectivism

"What is it that people don't even know they don't know? That is culture (Zweifel, 2003, p. 38)." Many studies are continually being conducted concerning individualism and collectivism ("I/C") as a culture-level variable, however recently it is being treated more as an individual-level variable (Rego & Cunha, 2007). Gudykunst and Kim (1997) state that I/C are the dimension with the clearest individual-level equivalents of cultural-level tendencies which make it a major cultural variability utilized to explain differences in cross-cultural communication and conflict resolution.

Individualistic people place a greater emphasis on self-interest and personal achievement; they are more inclined to compete, be assertive, and place little importance on group harmony (Rego & Cunha, 2007). Individualists may cooperate within a group, but mainly to the extent that such cooperation is instrumental to the attainment of individual goals that cannot be obtained by working alone, and where that cooperation is a means to accomplish individual interests and goals (Rego & Cunha, 2007). Individualistic cultures promote self-realization. Waterman (1984) stated that:

> ***Chief among the virtues claimed by individualist philosophers is self-realization. Each person is viewed as having a unique set of talents and potentials. The translation of these potentials into actuality is considered the highest purpose to which one can devote one's life. The striving for self-realization is accompanied by a subjective sense of righteousness and personal well-being (Gudykunst & Kim, 1997, p. 56).***

In contrast, collectivistic cultures require individuals to fit into a group; the subordination of one's personal objectives is forsaken for that of the collective's welfare and the goals of the group to which they belong (Rego & Cunha, 2007). Collectivists are more passive and willing to cooperate, avoid conflict, and emphasize harmony (Rego & Cunha, 2007). The group's interests are placed ahead of personal goals as a paramount end to be attained (Elmer, 1993). Saleh & Gufwoli (1982) demonstrated this well in their depiction of a Kenyan culture:

> *In Kenyan tribes nobody is an isolated individual. Rather, his or her uniqueness is a secondary fact... First, and foremost, he or she is several people's contemporary. His or her life is founded on these facts economically, socially and physically. In this system group activities are dominant, responsibility is shared and accountability is collective.... Because of the emphasis on collectivity, harmony and cooperation among the group tend to be emphasized more than individual function and responsibility (Gudykunst & Kim, 1997, p. 56).*

These cultural-level values are mediated through three characteristics: personality orientations, individual values, and self-construal. These characteristics influence the cultural individualism-collectivism which manifests itself through communication.

Personal orientation is the effect of cultural I/C on communication mediated by our personalities (Gudykunst & Kim, 1997). Triandis, et al (1985) propose that idiocentrism and allocentrism are the two personality orientations that are learned in I/C cultures: idiocentrism related to individualism and allocentrism related to collectivism (Gudykunst & Kim, 1997). In the United States, the more idiocentric people are, the less sensitive they are to others' behaviors; however, the more idiocentric Japanese are, the less sensitive they are to others' behaviors, the less they pay attention to others' status characteristics, and the less concerned they are with socially acceptable behavior. This is also true in Chinese and English cultures as well (Gudykunst & Kim, 1997).

diocentric individuals in individualistic cultures believe it is natural to "do their own thing" and disregard the group's needs, while allocentric individuals are concerned about their "in-groups" (Gudykunst & Kim, 1997). "Yamaguchi (1994) argued that collectivism at the individual level includes the tendency to give priority to the collective self over the private self, especially when the two are in conflict (Gudykunst & Kim, 1997, p. 61)." Additionally he found that the more collectivistic Japanese are, the more sensitive they are to others and the less they have a tendency to want to be unique; these tendencies extend to Korea and the United States as shown by Yamaguchi et al (Gudykunst & Kim, 1997).

The second influence is individual values, which are the core of our personalities; they help us to maintain and enhance our self-esteem (Gudykunst & Kim, 1997). Our values play an important part of who we are and influence how we handle situations; however, they are not tied to specific situations (Gudykunst & Kim, 1997). Values help to preserve interpersonal relationships, maintain harmony, minimize potential conflict, restore solidarity, and facilitate communication between levels of society (Elmer, 1993). Schwartz (1992) introduced 11 motivational domains of values whose interests can be individualistic, collectivistic, or mixed. They are self-direction, stimulation, hedonism, achievement, power, security, conformity, tradition, spirituality, benevolence, and universalism. He further suggested that the values of stimulation, hedonism, power, achievement, and self-direction serve individualism; the values of tradition, conformity, and benevolence serve the collective; and the values of security, universalism, and spirituality serves mixed interests (Gudykunst & Kim, 1997). Although individuals can contain any combination of these values, one type will dominate. This is the case in the United States where although many subcultures are collectivistic, most still hold individualistic values (Gudykunst & Kim, 1997).

The third manner in which cultural I/C influence communication is through the way we see ourselves via self-construal (Gudykunst & Kim, 1997). Self-construal is important because how persons conceive themselves is a determining factor to understanding behavior, which is characterized either as independent or interdependent. Gudykunst & Kim (1997) state that the independent construal of self dominates in individualistic cultures while the interdependent construal of self dominates in collectivistic cultures. This is supported by the individualistic culture's view of itself as a unique and independent entity and the collectivistic culture's view of itself as a part of an encompassing social relationship; one's behavior is determined, contingent on, and in support of, the larger in-group. Self-esteem is derived from the two perspectives: the individualistic is based on one's own abilities to succeed and prosper while collectivistic relies on the ability to adjust to others to maintain harmony in the social context (Gudykunst & Kim, 1997). However, it is important to note that we all have both independent and interdependent self construal of self, and depending on the situation, one will be dominate and that is where the understanding is really required. "In other cultures, especially in Europe, people's first priority is not to express themselves but to understand (Zweifel, 2003, p. 62)."

Context

Zweifel (2003, p. 24) states that "language is the house of being. It reflects cultural essence." According to Hall (1990), understanding a messages context is very important because it's in the context that the meaning is formulated (Palmer & Schoorman, 1998). And it is from that vantage point that a person relates the information that is the important part of communication. Palmer & Schoorman (1998) identify that the main difference and most critical distinction between "low" and "high" context communication is the location of the meaning within the text. In low-context communication, a majority of the information and meaning are contained in the message. The message is direct and active voice is used. Contrarily, in high-context communication, the information and meaning are embedded in the "information that surrounds the event; it is inextricably bound up with the meaning of that event." The message is indirect and the passive voice is used (Palmer & Schoorman, p. 325).

The United States is a low-context culture, where the meaning of a text is explicit and contained within the text; whereas Spain, India, and Japan are examples of high-context cultures where the meaning of the text is implicit and contained outside of the text and more focus is on the relationships formed because of the event (Palmer & Schoorman, 1998).

Hall (1976, p. 98) further states that: people raised in high-context systems expect more of others than do the participants in low-context systems. When talking about something that they have on their minds, a high-context individual will expect his [or her] interlocutor to know what's bothering him [or her], so that he [or she] doesn't have to be specific. The result is that he [or she] will talk around the point, in effect putting all the pieces in place except the crucial one. Placing it properly—this keystone—is the role of his [or her] interlocutor. (Gudykunst & Kim, 1997, p.65)

Context often manifests itself in cultural differences making it imperative for understanding, especially when dealing with conflict resolution. For example, a person from the United States, a low-context culture, often separates the message from the messenger allowing more freedom to criticize ideas, behaviors, and failures of others (Elmer, 1993). Although this separation is not always distinctive, it is still allowed. Conversely, a person from Japan, a high-context culture, where person and action are interrelated, would not be able to separate the two and thereby see the person as being blamed along with the action which would be treated as a disgrace or public humiliation (Elmer, 1993). Personal information is not as important as group-based information in high-context cultures, whereas in low-context cultures, it is the basis for determining behavior (Gudykunst & Kim, 1997).

High-context communication can be characterized as being ambiguous, passive, indirect, and understated, with speakers who are sensitive to listeners and reserved in nature. Conversely, low- context communication can be characterized as being direct, open, explicit, precise, and consistent with one's feelings (Gudykunst & Kim, 1997). These communication patterns are compatible with collectivism and individualism, respectively. "Singelis and Brown (1995) report that interdependent self construals are related to using high-context communication styles, while independent self construals are not related to using high-context communication styles (Gudykunst & Kim, 1997, p. 69)." Independent self construals correlate negatively to embarrassment and social anxiety, while seen positively influencing the use of dramatic communication in individualistic cultures (Gudykunst & Kim, 1997).

Although high and low-context cultures align respectively to collectivism and individualism, they are capable of being utilized by either culture depending on the situation. Remembering that one size does not fit all applies to these patterns as well. Not all members of an individualistic culture are individualists and not all collectivists are within a collectivistic culture (Gudykunst & Kim, 1997). Context is very important to cultural understanding but then again so too does the situation because it can dictate context usage. Therefore, leaders who desire to communicate globally must fully understand their context and that of their audience otherwise they might be misunderstood and thereby misrepresented among other things which can be disastrous, especially when formulating a new alliance. "...[I]t is essential to communicate, communicate, communicate (Zweifel, 2003, p. 55)."

Conclusion

Many failures in international cooperation and conflict resolution are related to cultural differences manifested through miscommunication, which can be overcome by understanding. Cultural differences must be taken into consideration when resolving conflict because it contributes to how a person thinks and acts (Elmer, 1993).

Gudykunst and Kim (1997) hold that individualism-collectivism is a major dimension of cultural variability used to explain cross-cultural differences in communication across cultures. They further state that the communication differences that dominate individualistic and collectivistic cultures are contained in the context — making context understanding a needed quality when dealing with conflict resolution. The United States is the most recognized, low-context society — direct, active voice, explicit, individualistic culture. Conversely, Japan is the most recognized high-context setting — indirect, passive voice, implicit, collectivistic culture. And throughout the years, we have witnessed their respective conflicts, however they have effectively managed to resolve their conflicts and become two world powers that are continually working with and for each other in order to garner mutual respect and betterment.

The U.S. and Japan have found that understanding each other's culture was necessary to forge an alliance where each other's vested interests would be viewed and accounted for in strategic management and operations. Through cultural understanding, they were able to leverage the strengths of each other; subsequently making each one better and more efficient. Their alliance provides global leaders of tomorrow an example of how understanding, accepting, and in some cases, adopting another's cultural attributes, can help improve a business, an organization, or even a country. "Understanding the other side is not merely nice and morally right; it is a strategic necessity (Zweifel, 2003, p. xvii)."

Christian leaders should seek a cultural understanding which focuses on the individualism-collectivism variable along with context to ensure they know the perspective of the parties involved when attempting to resolve cross-cultural conflict.

References

Elmer, D. (1993). *Cross-cultural conflict: Building relationships for effective ministry*. Downers Grove, IL: Intervarsity.

Gudykunst, W., & Kim, Y. (1997). *Communicating with strangers: An approach to intercultural communication* (3rd ed.). Boston, MA: McGraw-Hill.

Najafbagy, R. (2008). Problems of effective cross-cultural communication and conflict resolution. *Palestine-Israel Journal of Politics, Economics & Culture*, 15/16 (4/1), 146-150.

Palmer, D. & Schoorman, F. (1999). Unpackaging the multiple aspects of time in polychronicity. *Journal of Managerial Psychology,* 14, 3/4, 323-344.

Rego, A. & Cunha, M. (2007). How individualism–collectivism orientations predict happiness in a collectivistic context. *Springer Science+Business Media B.V.*, 19-35.

Zweifel, T. D. (2003). *Culture clash: Managing the global high-performance team*. New York: SelectBooks.

Author Biography

Livingston Tindal is a retired Senior Chief Petty Officer of the United States Navy who has led many great men and women in peace and wartime. He has traveled extensively and takes pride in empowering others wherever and whenever possible. He currently is employed as a Naval Training System Plans Program Manager for the Naval Education and Training Command. He is responsible for ensuring the life-cycle training and management for all acquisition purchases throughout the U.S. Navy. As a doctoral student of organizational leadership in Regent University's School of Global Leadership & Entrepreneurship, his interests include social entrepreneurship, strategic leadership, and leadership application and personal development.
He can be contacted directly at livitin@regent.edu.

> *"Values are those conceptions of the desirable which motivate individuals and collective groups to act in particular ways to achieve particular ends. They reflect an individual's basic motivations, and shape the attitudes and reveal the intention behind actions."*
>
> **— P.T. Begley**

THE PERSONAL VALUES OF SCHOOL LEADERS IN PAKISTAN: *A Contextual Model of Regulation and Influence*

SHARIFULLAH BAIG, FACULTY MEMBER
PROFESSIONAL DEVELOPMENT CENTRE NORTH
INSTITUTE FOR EDUCATIONAL DEVELOPMENT
AGA KHAN UNIVERSITY, PAKISTAN

Abstract

This paper illuminates the sources of personal values and their influence on the leadership practices of two school head teachers in the particular context of Pakistan. A comparative case study method has been followed within the qualitative research paradigm where semi-structured interviews, observations, and document analyses were used as the main data collection tools. This study finds that the types of personal values and the motivational bases for the acquisition of such values are very much contextually-centered. The data for both principals, despite the exceedingly different characteristics of their childhood communities, reveals that the inherent religious and communal values of their divergent communities remain a strong motivational base for each head teacher. Their leadership practices are considerably influenced by their personal values in terms of cultivating a school culture, establishing structures, and fostering relationships with the external community. Based on the study's findings, a contextualized model has been proposed.

Introduction

The all-embracing involvement of head teachers in the technical, social, and moral aspects of school life is exerting enormous pressure on their time and energies as leaders. Johnson, Mac- Creery and Castelli (2000) maintain that, "Headship can clearly be seen not as some technical exercise but as being about social, moral, and educational values and their playing out in action" (p.400). In this complex arena of social, moral, and educational values, these head teachers are extensively involved in decision-making and problem-solving which eventually engage them in a continuous process of selecting preferred alternatives and rejecting others. During this process of selection and rejection of alternatives, they are mostly dealing with values involved in the social environment of the school. In this sense, the schools are value-laden rather than value-saturated places in which school leaders are exceedingly involved in tackling and grappling with various forms of values.

Furthermore, the rapid modernity and cultural globalization has additionally intensified and deepened the involvement of values and values-based conflicts among the stakeholders in a school milieu. The increasing diversity and pluralism in different societies has raised the number of competing values and value-laden conflicts. Explaining this kind of situation, Begley (2002) maintains that, "One very obvious outcome is the increase in the value conflicts that occur in school environments" (p.49). These value-laden conflicts are growing more frequently and becoming more complex among the stakeholders of the school. The nature of such emerging conflicts can be of different types. It may arise as an outcome of the interaction between two or more stakeholders of the school. Values-based conflicts can appear in different forms: personal, professional, and organizational. Any stakeholder of the school can develop a personal value repertoire contradictory to that of the organizational value structure.

This situation offers a challenging and complex scenario to the educational leaders of the school in terms of dealing with a variety of competing values, value-laden conflicts, and a range of value orientations. As captain of the ship, the head teacher has to accommodate the variety of values and stabilize the value-saturated complex environment of a school in order to ensure maximum effectiveness and efficiency. Dealing with the values and value-laden conflicts of the other stakeholders, the important aspects of head teacher's own personal values come into play. Law, Walker, and Dimmock (2003) maintain that, "Values act as powerful motivators or filters, which predispose principals toward seeing situations in certain ways and taking certain courses of actions" (p.505). Similarly, Hodgkinson (1999) argues, "In an important sense the leader just is a historically unique complex of values. And this value orientation affects everything" (p. xii). In exercising leadership duties, head teachers normally aspire to see things happening in accordance with their own personal values resulting in the formation of a distinctive school culture. The personal values of head teachers play a critical role in balancing and moderating all the other kind of values in the school milieu. Hence, these personal values intentionally or unintentionally influence the leadership practices of the head teachers. Therefore, deeming schools as value-laden or even value-saturated places, this study intended to explore the influence of personal values of the head teachers on their leadership practices in the context of two private secondary schools in Karachi, Pakistan.

Literature Review

With respect to school leadership literature, there is a growing tendency to use the words "ethics" and "morals" synonymously with values-related concepts (Sergiovanni, 1992). Other scholars, including Leonard (1999), Begley (2001), and Hodgkinson (1978), reserve the terms "ethics" and "principles" for a particular category of trans-rational values, while they use the word "values" as an all-encompassing term for all forms of the desirable. In the view of Willower (1999), "The study of values traditionally has dealt with what is good or desirable with the kind of behaviour that one should engage in to be virtuous" (p.121). Correspondingly, Begley (1999) maintains that, "Values are those conceptions of the desirable which motivate individuals and collective groups to act in particular ways to achieve particular ends. They reflect an individual's basic motivations, and shape the attitudes and reveal the intention behind actions" (p. 237). However, Parsons and Shils, as cited in Begley (1999), have provided a more comprehensive and concise definition. Accordingly, values are: "Conceptions explicit or implicit distinctive of any individual or characteristic of a group of the desirable which influences the selection from available modes, means and ends of action" (p.240).

Values and Educational Leadership

It is often believed that the culture of any school starts with the values and beliefs of the head teachers who seek to promote them among their school staff and students. Hicks (2003) argues that, "All employees bring some set of values and some wider world view with them when they enter the work place" (p.107). Therefore, as employees, head teachers also bring in their personal values and world views to the school. In this connection, Begley (2001) maintains that, "All leaders consciously or unconsciously employ values as guides in interpreting situations and suggesting appropriate administrative action. This is the artistry of leadership" (p.364). The studies in the developing societies have also confirmed the interconnectivity of school leadership and values. For example, Khaki (2005) maintains, "The heads' histories, beliefs and values influence how the heads exercise their management and leadership role. These factors provide a background to which the heads refer when explaining why they do certain things, the way they do" (p. 227). Russell (2001) reviewed the important literature about personal values. He maintained that values significantly impact leadership by affecting moral reasoning, behaviour, and leadership style. Values profoundly influence personal and organizational decision-making and the values of the leaders ultimately permeate the organizations they lead. He further maintains that leaders primarily shape the cultures of their organizations through modeling important values. Ultimately, values serve as the foundational essence of leadership.

Leithwood and Steinbach, (1991, 1993) stress that values influence the problem-solving process both directly and indirectly. In direct influence, values act as preferences and dictate the school leaders' actions. With respect to indirect influence, values act as filters for determining the saliency of external factors in problem-solving. Likewise, Campbell, Gold, and Lunt (2003) explored that in different ways, the school leaders suggest that the ethnic, religious, and socio-economic characteristics of the local communities influence processes and practices within the school. They also explored that the school leader's values often involve attempts to change values and practices in the community rather than mirror or reinforce community values. These leaders aspire and try to articulate their values and discuss them with their staff and expect them to follow and in return, they are highly valued by the school leaders.

Similarly, Gurr, Drysdale, and Mulford (2006) explain that successful school leaders promote a culture of collegiality, collaboration, support, and trust and that this culture was firmly rooted in their democratic and social justice values and beliefs. Also, Gold, Evans, Earley, Halpin, and Collarbone (2003) conducted a study to explore how the "outstanding" principals translate their educational values into management and leadership practices. It explored that their leadership was clearly values-driven. The study provides insights into how some of these values and beliefs were demonstrated through the words and deeds of the school leaders.

In the Asian context, Law, Walker, and Dimmock (2003) conducted a study in the Protestant secondary school of Hong Kong. This research study focused on the principals' values and their impact on the principals' perceptions and management of problems. This study reveals that the links between values and problems are influenced by personal and organizational characteristics. Personal characteristics include the principal's age, gender, experiences, and strength of religious beliefs. Thus, organizational characteristics include the school's religious atmosphere and history, as well as the values shared by staff and principals and their autonomy to influence.

Methodology

The qualitative approach has been employed in this study to obtain in-depth and descriptive data about the personal values of the head teachers in the natural setting of their respective schools. Within the qualitative research paradigm, the comparative case study method was adopted in this research. Bogdan and Biklen (1998) state that, "...researchers do comparative studies; two or more case studies are done and then compared and contrasted" (p.62). In order to attain more breadth and depth, this research study is comprised of two case studies which focus on the head teachers of two different schools. After thoroughly analysing the individual cases, this study presents a comparative analytical view. Yin (2003) supports that analytic conclusion independently arising from two cases will be more powerful than those coming from a single case. Therefore, this research adopts this dual, comparative case study approach.

Two community-based high schools were selected as the research sites and their head teachers as the research participants in the cosmopolitan city of Karachi, Pakistan. The rationale behind pursuing the community-based secondary schools stemmed from their passion for serving their community and upholding particular values all of which could potentially provide rich data about values, the valuation process, and sources of values (Johnson, McCreery, and Castelli, 2000). Secondly, the principals of community-based, private secondary schools have greater powers and influence in their school affairs. Simkins, Sisum, and Memon (2003) maintain that, "Non- government heads generally had considerable powers over the management of staffing (including appointment, discipline, and in some cases, pay) and finance; whereas, the government heads had no such powers" (p.280). Hence, a greater level of power and influence may provide greater autonomy and opportunity to the principals for articulating and explicating their personal values.

This study employed semi-structured interviews and observations as the main tools for data collection. In order to ensure that the interviews were exclusively collecting the perspectives of the research participants, this study employed a four-round, specifically designed set of semi- structured interviews. The first round of the interview was more of an open conversation intended to understand their personal backgrounds, to assess their respective motivation levels, and generally to develop rapport. During the second phase, principals were asked to articulate the achievements and accomplishments in which they took pride. During the third round, both principals were asked to describe the most challenging dilemmas they had encountered during their professional careers and ultimately, the manners and tools they used to resolve same. They had further been asked to articulate some of the frequent problems experienced. The fourth and final rounds of interviews were mainly focused on the relationships that the principals forged with their students, teachers, and the wider parent community.

Gray (2004) maintains that, "Observation involves the systematic viewing of people's actions and the recording, analysis and interpretation of their behaviour" (p.239). In this regard, the organizational culture of the school, i.e., the nature of the relationships, the norms of practices, and the characteristics of the interactions among people with special reference to their relations and connections with the head teacher, delineated essential areas for observations. The quotes on the walls, the context of the paintings, the notices on the display boards, and the individual dress codes were all of critical importance. Observation and semi-structured interviews mutually enriched the data generated. At times, the observations provided useful insight needed to formulate additional questions during the semi-structured interviews while simultaneously some of the interview responses guided further observations.

This study was influenced by the grounded theory approach by reading and re-reading the data to extract themes (Merriam, 1998) for data analysis. The process of organizing, general sense making, coding, drawing themes, and finally interpreting the collected data (Cresswell, 2003) was employed in this study.

The research participants were informed about the nature, purpose, time, method, and the possible risks involved in the study. Secondly, the participants had been selected with their voluntary consent for participating in the study. The research participants enjoyed the right to withdraw from the study at any time if so desired. Furthermore, participants were permitted to review the interview transcripts for any clarification or adjustments which they believed deviated from their views as originally expressed. In order to maintain confidentiality, pseudonyms for the research participants and their respective institutions were used.

Discussion and Findings

"The Blessing School" and "Mr. Barkat"

The Blessing School, established in 2001, is a community-based institution aimed at providing quality education to the children of that particular community. The school started its journey from pre-primary and is now a secondary school, under the supervision of a board of trustees. Currently, there are 15 staff members including teaching staff and non-teaching staff serving 482 students from pre-primary to secondary classes. Mr. Barkat, my research participant, is its principal.

As an orphaned child, Mr. Barkat gained his initial education in his community-based orphanage, consequently, developing a strong commitment and connectivity to the religious beliefs of his community. His preliminary value orientation appears to have been predominantly structured in the milieu of the orphanage as the initial place for his social interaction. The orphanage belonged to a particular religious community hence the religious environment deeply influenced his upbringing and values orientation. This following statement taken from his interview reflects his personal values orientation and the motivational bases for acquiring such values:

> *Every time, when I was on the road walking alone, something from inside me was praying, "Lord I want to serve you; I want to serve your people." How? I don't know. This was a continual prayer inside of me; it was not that I was doing it willingly.... Sometimes, I would say, "I am not going to do this but every time some kind of force inside me [prevailed otherwise] (Interview, 19/01/2009).*

Mr. Barkat frequently pointed towards the divine force: his Lord as the motivation and aspiration for all his activities. To use his own words, "My motivation is my Lord... it says serve the lord with your whole heart, your soul. So that's my motivation that I have to serve the lord and serve our neighbours" (Interview, 19/01/2009).

Mr. Barkat is a prominent social worker in his community and resides in a socially and economically unprivileged area. The majority of the community members is economically poor and adhere to unprivileged professions. He and his school aim to educate the children of this particular community. Mr. Barkat seems deeply concerned for the low socio-economic status of the community inhabitants and is passionately determined to improve the status of his people by primarily focusing on educating the young. He seems to understand the plight of a poor family. As a reformer, he strives for an improved future for the community children through education:

> *Because I have grown up as an orphan child and I have seen all the mess in my life, many things we wanted to get it but we couldn't..., but you see you are an orphan child wishing for a [better life] ... we didn't get it because we are poor. I [realized] that [this was] something I have to do for the community (Interview, 19/01/2009).*

"The Al-Azhar School" and "Mr. Hayder"

The Al-Azhar school, established in 1982, is part of a community-based schooling system aimed at providing quality education to the local children. The school began as pre-primary and has expanded to an institution offering both Matric and O-Level systems of education under the supervision of a board of trustees. Currently, there are 86 staff members including teaching staff and non-teaching staff, serving 653 students from pre-primary to class O Level. Mr. Hayder is the school's headmaster.

The community of Mr. Hayder resides in a privileged area of Karachi and most of its citizens are business entrepreneurs. Hence, he aspires especially for the young children to follow the communal traditions with a sense of pride and belonging. Mr. Hayder's initial upbringing took place in a middle-class business family who strongly believed in upholding the communal traditions of and providing services to the community proper. Mr. Hayder feels proud to be part of his community and at times showed his complete selfless devotion to serving its needs. This sense of service, in turn, generated self motivation. He opined that: "The strongest motivation is, I believe, that this is my *khidmat* (service). This *khidmat* concept always motivates me" (Interview, 21/01/2009). Mr. Hayder regards people from his community as his role models, maintaining that, "A role model is always in our mind. I have seen my senior teachers, the way they were working when I was in *Jamia* (Community University). Always I had a dream ... that I have to be like them" (Interview, 21/01/2009). He gained his masters degree from his community-based university and attributes the formation of his values from the communal values at the university.

The Influence of Personal Values on Leadership Practices

School Culture

The school culture seems to reflect many of the values Mr. Barkat professes. He attempts to inspire his teachers to value the services to God and to the community, consequently constructing a particular school culture which regards teaching as a contribution to the sacred cause of educating the young generation of his community.

> *This is not a place where you are going to come and do a job. You are here to serve. If you think you can serve the community and the Lord then this is the place for you…. Every time we sit here – 7:45 to 8 o'clock is our devotion time – the staff is here to pray and definitely while praying we ask the Lord to help us in serving Him and the community and work for the sacred cause of educating the youth (Interview, January 19, 2009).*

Mr. Barkat is enthusiastic and committed to acting as a role model for both his teachers and students (Kouzes and Posner, 1997). He firmly believes that: "I have to be the inspiration for my staff. I have to look after them, take initiatives …I serve my staff and then I expect them to serve the children" (Interview, February 9, 2009).

It appears that Mr. Barkat strongly relies on the inculcation of a distinctive school culture which is predominantly based on service to God and to the community. All members of the school community are expected to realize that they are part of a team which is striving for the attainment of a sacred cause.

With respect to Mr. Hayder, the school culture seems to predominately reflect the communal values of the immediate religious community. The inspirational prayers in the morning assembly, the typical communal dress code for both teachers and students, and the particular eating and drinking style all mirror these values. In an informal discussion, Mr. Shabir, a teacher, mentioned, "See – this is not only a school. It is the extension of the home culture and we are proud of it" (Observation, February 16, 2009).

During morning prayer, Mr. Hayder and his teachers dress in the traditional garb and strictly follow the rules observed by their community, reflecting their efforts to be role models of communal culture (Observation, February 16, 2009). It appears that Mr. Hayder is inspired to cultivate a school culture which reflects both his personal and the communal values.

Both the cases of Mr. Barkat and Mr. Hayder appear to agree with Campbell, Gold, and Lunt (2003), who found that in different ways, the ethnic, religious, and socio-economic characteristics of the local communities influence processes and practices within their respective schools. Further, conformity is demonstrated by the values exhibited by the school leaders who, in turn, expect their staff to replicate same.

School Structure

In the Blessing School of Mr. Barkat, the curriculum is an amalgamation of both secular and religious instruction. In this regard, Mr. Barkat explains,

> *We are arranging a three-year religious graduation programme. It will be so that before the completion of Matric, my students will graduate in religious education… we have chalked out a curriculum for it like any other subject like English or Urdu (Interview, 27/2/2009).*

Mr. Barkat has established various programmes to keep the students who have completed their education in contact with the school:

> *I keep in touch with them and every month we talk. After Matric Exam…I don't let them sit; I have a four-month [course of] vocational training in the school which is composed of sewing classes, beautician courses, English language classes, computer IT, and literacy programme[s]…. In*

summer vacations for (class) 7, 8, 9 we have summer camps where they come and play. We have cooking classes, just to keep them involved (Interview, January, 19, 2009).

The school structure of Mr. Barkat is predominantly aimed at detaching the students from the local culture in order to make them change agents for the future. His rationale for building such a structure is to provide a safe environment to prevent the students from reverting to the local culture. Campbell, Gold, and Lunt (2003), support this point of view by maintaining that school leaders are seeking to work in ways which develop their students and encourage community development, often involving attempts to change values and practices in the community rather than mirroring or reinforcing them. Succinctly, Mr. Barkat appears to strive for developing a distinctive school structure, in which the curricula, parental involvement, student nurturing, and teacher empowerment have their own particular characteristics which are predominantly in conformity with his personal values.

In the case of Mr. Hayder, the school system has embedded religious and secular education into a single package (School Website Analysis). In an informal discussion about such a distinctive curriculum, Tahira Bahan, a section head, stated: "We want our students to carry a single compact briefcase in life, instead of two separate briefcases: one for *Din* [religious] and one for *Dunya* [secular]" (Observation, January 21, 2009). Mr. Hayder appeared to be in direct connection with the processes of teaching and learning by personally teaching classes and developing a system of coordination among the section and department heads as well as with the teachers. Monitoring and guidance seemed to be his forte as demonstrated during his regular classroom observations and weekly meetings with all the teachers. "I did not stop my teaching. I teach and like to teach…in this way I develop an interaction with the students and they tell me many things. The teachers also come in close contact. You see it also helps in monitoring" (Interview, January 21, 2009).

There are section heads, subject coordinators, and teacher leaders exercising their responsibilities at various levels. Mr. Hayder seems to value consulting his subordinates as well as his higher authorities before making any decision, explaining that: "I always consult with the concerned section heads and ask, 'I am planning to do this, what is your opinion?'" (Interview, January 21, 2009). Consequently, Mr. Hayder seems to play an active role in establishing a school structure which is in line with the school organizational values, the broader community values, and his personal values. Thus, in concluding that the school structures reflect the respective personal values of Mr. Barkat and Mr. Hayder, it is equally true that such values are inextricably influenced by the broader community values.

Relationship with the Community

Mr. Barkat's critical role as a reformist and a change agent (Kouzes and Posner, 1997) enables him to cultivate an intimate and compassionate relationship with his community. Elaborating on his role in bringing about an improvement in the life of his community, he maintained:

I mean overall our role in the development of community is that we are educating these children. When they will go back to their houses each and every family will have more educated people in the family and then the whole community will start developing. Not only financially but morally and ethically they will be educated and will start developing (Interview, February 9, 2009).

Mr. Barkat appears to be involved in the social life of his community. As a prominent social worker, he is not only in close contact with the local community for the education of their children but also for resolving other emerging social issues in the society. In this regard Mr. Barkat narrated an event in the following lines,

> *They [his community people] don't know how to live a better life and help each other… last Sunday there was a fight. One party was taken by the police to the police station and in the morning, I called both parties and I sat with them and made them reach reconciliation (Interview, February 9, 2009).*

As an inspired member of his community, Mr. Hayder seems to believe in cultivating a deep-rooted and wide-ranged interaction with the parent community and the two levels of management authorities in the school. His interaction with the parent community is not confined to the premises of the school. He remains in contact with parents at various social gatherings and occasions which take place in the community:

> *This school belongs to the community; we only allow our community children to come and study in this school so our biggest stakeholders are our community members …We also meet in community occasions. They are from the same community, but at the same time, they are parents also so I try to be very polite with them and always consider parents as a priority (Interview January 21, 2009).*

Apart from informal interactions with the parent community at social gatherings, Mr. Hayder has established a formal system of keeping parents engaged:

> *We have a yearly plan in which we arrange three or four open days with parents to discuss problems. Apart from those open days, we have a science fair when we call parents. We organize an annual sports day and at this juncture we call parents. We organize different stage programmes, we started two years back… Apart from this, if we face any behavioural problem, academic problem, we involve parents and we discuss (Interview February 16, 2009).*

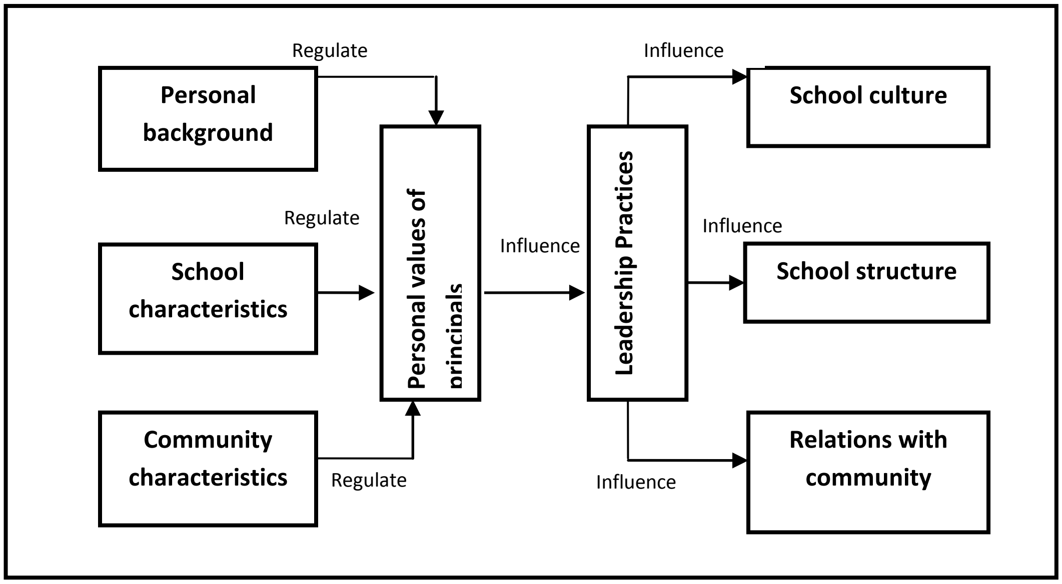
Succinctly, the personal values of both the principals appear to be influencing the nature and kind of relationship they cultivate with the external community. In both the cases of Mr. Barkat and Mr. Hayder, the findings appear to be in line with England and Lee (1974) who have pointed out that the values affect leaders' perceptions of situations and play a role in their interpersonal relationships.

Conclusions

The Model of Influence and Regulation

Based on the study findings, a contextual model is proposed to illuminate the factors that regulate the personal value orientation of the principals and the translation of these values through the art of leadership in developing the school culture, structure, and the relationship with the surrounding community. In Figure 1, the first level shows how the personal background of the principals, the organizational characteristics of their respective schools, and the characteristics of the target community regulate the personal value orientation of the principals. The second level illustrates how the personal values of the principals affect certain areas of school life such as the school culture, school structures, and relationships with the parent community by influencing their leadership practices.

Figure 1



The personal background emerged as the prominent regulator for both Mr. Barkat and Mr. Hayder in acquiring their personal values (Law, Walker & Dimmock, 2003). As an orphaned child, Mr. Barkat's personal values were predominantly shaped and ordered in the milieu of the orphanage as the initial plane for his social interaction (Begley, 2003). The orphanage belonged to a particular religious community; hence the religious environment deeply influenced the upbringing and value orientations of Mr. Barkat. Conversely, Mr. Hayder experienced his initial nurturing in a middle-class business family who strongly believe in upholding the cultural traditions and services of their particular community. Accordingly, his value orientations have been chiefly shaped by his family and the surrounding community (Begley, 2003). He feels proud to be a part of his community and at times showed his complete self-devotion to the services of his community. In both cases, the orientations of their personal values seem strongly rooted in their respective personal backgrounds.

The economic status of the community seems to be another element that regulates the valuation process of these principals. In the case of Mr. Barket, he and his Blessing School are part of a community which is predominantly comprised of a low socio-economic population. Therefore, his personal values are primarily focused on changing the existing status of his community. In contrast, Mr. Hayder and his Al Azhar school are part of a community which enjoys a comparatively higher socio-economic status and possesses an organized structure of communal tradition. Hence, with a sense of pride, he values devotion and services to his community. The basis for their value orientation of the two principals seems to be in a continuous struggle for balancing between cultural identities, enduring traditional values, and the modern market demands for economic development of their communities (Sapre, 2000). It seems that due to increasing globalization, the market model of educational leadership is also playing a part (Portin, 1998) in the value orientation of these school leaders but did not emerge as strong as the religious and cultural factors. Arguably, the value dimension obtained from this study may not be similar to that of the developed world (Routamaa and Hautala, 2008).

The organizational characteristics of the school emerged as another regulating factor for the acquisition of personal values by Mr. Barkat and Mr. Hayder (Law, Walker, and Dimmock, 2003). The Blessing School is independently operating as a smaller entity. Although there is a board of trustees elected by the local community, the personal values of Mr. Barkat remain the dominating, guiding force. In contrast, the Al Azhar School is part of an international schooling system. Hence, the management hierarchy, distribution of leadership, and policies and procedures are comparatively well-defined. Therefore, Mr. Hayder's personal values, at times, showed their alignment with the organizational values.

The data revealed that the personal values of both the principals appear to be influencing the nature and kinds of relationships they cultivate with the external community. The school structures were predominantly in line with the personal values of Mr. Barkat and Mr. Hayder. Similarly, the school culture seems to reflect many of the values the two principals uphold. The personal values of these school leaders seem to affect their perceptions of situations and play a role in their interpersonal relationships. In both cases, yet in different ways, the ethnic, religious, and socio-economic characteristics of the local communities influence processes and practices within the school. These school leaders convey their values in all their actions and expect their staff to conform accordingly.

References

Begley, P.T. (1999). Value preferences, ethics and conflicts in school administration. *Values and educational leadership,* 237-252. New York: State University of New York Press.

Begley, P.T. (2001). In pursuit of authentic school leadership practices. *International Journal of Leadership in Education,* 4(4), 353-365.

Begley, P. T. (2002). Western-Centric Perspectives on Values and Leadership. *School Leadership and Administration*, 45-61. London: Routledge Falmer.

Begley, P.T. (2003). In pursuit of authentic school leadership practices. *The ethical dimension of school leadership,* 1-12. Netherlands: Kluwer Academic Publishers.

Bogdan, R. C., & Biklen, S. K. (1998). *Qualitative Research for Education: An introduction to theory and methods*, 3rd Ed., Boston: Allyn and Bacon.

Branson, C. M. (2005). Exploring the concept of values-led principalship. *Leading & Managing,* 11 (1), 14-31.

Campbell, C., Gold, A & Lunt, I. (2003). Articulating leadership values in action: Conversations with school leaders. *International Journal for Leadership in Education,* 6(3), 203–221.

Creswell, J. W. (2003). *Research design*: *Qualitative, quantitative, mixed method approaches.* 2nd Ed. California: Sage Publication.

D, Arbon, T., Duignan, P., & Duncan, D. (2002). Planning for future leadership of school: An Australian study, *Journal of Educational Administration.* 40(5), 469-485.

England, G.W. & Lee, R. (1974). The relationship between managerial values and managerial success in the United States, Japan, India, and Australia. *Journal of Applied Psychology, 59(4), 411-19.*

Gurr, D. Drysdale, L. & Mulford, B.(2006). Models of successful principal Leadership. *School Leadership and Management, 26(4), 371-395.*

Hodgkinson, C. (1978). *Towards a philosophy of Administration.* New York: St. Martin's Press.

Hodgkinson, C. (1999). Foreword. In P.T. Begley (Ed.), *Values and educational leadership* (pp. xi- xiii). New York: State University of New York press.

Hodgkinson, C. (1999).The will to power. *Values and Educational Leadership,* 139-150. New York: State University of New York Press.

Johnson, H., McCreery, E., & Castelli, M. (2000). The role of head teacher in developing children holistically- Perspective from Anglicans and Catholics, *Educational Management and Administration, 28(4),* 389-403.

Khaki, J. (2005). *Exploring beliefs and behaviours of effective head teachers in government schools in Pakistan.* Unpublished doctoral dissertation, University of Toronto, Canada.

Kouzes, J. M. and Posner, B. Z. (1997). *Leadership Practices Inventory [LPI]: Participant's Workbook,* 2nd Ed. San Francisco, CA: Jossey-Bass Pfeiffer.

Law, L. Walker, A. & Dimmock, C. (2003). The influence of principals' values on their perception and management of school problems. *Journal of Educational Administration,* 41(5), 498-523.

Leonard, P. T. (1999). Examining Educational purposes and underlying value orientations in schools. In P.T. Begley (Ed.), *Values and educational leadership,* 217-236. New York: State University of New York Press.

Leithwood, K., Steinbach, R. and Raun, T. (1993). Superintendents' group problem-solving processes. *Educational Administration Quarterly,* 29(3), 364–391.

Merriam, S. (1998). *Qualitative Research and Case Study Applications in Education,* California: Jossey-Bass.

Portin, B. (1998). International Challenges and Transitions in School leadership, *International Journal of Educational Research*, 29(4), 293-391.

Routamaa, V and Hautala, T. M. (2008). Understanding Cultural Differences: The values in a Cross Cultural Context. *International Review of Business Research Paper,* 4(5), 129-137.

Ryan, J. (1999). Beyond the veil: moral educational administration and inquiry in a post-modern world. In P.T. Begley (Ed.), *Values and educational leadership,* 73-96. New York: State University of New York Press.

Sapre, P.M. (2000). Realizing the potential of leadership and management: towards a synthesis of Western and indigenous perspectives in the modernization of non-Western societies. *International Journal of Leadership in Education,* 3(3), 293-305.

Shafa, M. (2003). *Understanding how a government secondary school head teacher addresses school improvement challenges in the Northern Areas of Pakistan*. Unpublished doctoral dissertation, University of Toronto, Canada.

Walker, A & Dimmock, C.(2000). Exploring principals' dilemmas in Hong Kong :Increasing Cross Cultural Understanding of school leadership. *International Journal of Educational Reforms*, 8(1), 15-24.

Yin, A. K. (2003). *Case study research design and method,* (3rd Ed.). London: Sage Publications.

Biography

The author is a faculty member of the Professional Development Center North (PDCN), a component of the Aga Khan University, Pakistan. He is also a member of the Research and Policy Studies of the Institute for Educational Development of the University. Having experience of more than fifteen years in the profession of teaching and learning, the author is engaged in educational research, particularly in the field of human values and student behaviour management. In this connection he has disseminated many research works through international journals focused on educational development.

Contact: sharifullah94@yahoo.com

THE CHARACTER X FACTOR IN SELECTING LEADERS: *Beyond ethics, virtues, and values*

DR. ROBERT MCKENNA, MBA, PH.D
CHAIR, DEPT. OF I/O PSYCHOLOGY
SEATTLE PACIFIC UNIVERSITY

G. VICTORIA CAMPBELL, M.A.
DOCTORAL CANDIDATE, I/O PSYCHOLOGY
SEATTLE PACIFIC UNIVERSITY

Abstract

This paper discusses a model for leading with character, referred to as the character X factor. This model suggests that in order for leaders to lead with character, they must be aware of the tension between two seemingly positive traits, of conflicting virtues. Specifically, they must be aware of the tensions between humility and conviction, reluctance and courage, and vulnerability and integrity. Each of these six traits is ideal to a certain extent, but we argue that it is possible to have too much of a good thing. These virtues are ideal in moderation, but in excess may hamper leader performance. This balancing act of conflicting virtues is what defines leaders of character. The paper concludes with considerations of how to interview and select leaders with this character X factor.

Introduction

There is no doubt that selecting competent leaders is important. We need people who have the skills and competencies to get the job done. However, hiring manager after hiring manager will tell you that hiring based on competency alone is a horrible trap. We are lured by track records of results and leadership competencies, and the hope that a person will produce for us, and produce fast. So why is it so dangerous to stop the conversation with competence? The fact is that a hiring decision that may have taken days or weeks to make, based solely on skills and competencies, can take several more weeks and even months to undo. And, the sad truth is that hiring a competent person with questionable character can be more damaging than hiring a less competent person who may be the right person in other ways. Stated differently, would you rather hire a competent snake, or an incompetent angel? We would obviously love to hire competent angels, but the fact is that the snake is tempting, and we simply don't have time to fall into the competency trap.

The danger is that we begin to think of the process of selecting people for jobs more as stuffing competencies and skills into those jobs, and not human beings. Rather than hire leaders on competence alone, organizations must be looking for something more. Competence is about the ability to perform and get it done (Competence, 2010). However, leaders with the right stuff are more than what they do. Who they are, how they deal with difficulty and challenge, and work through the complex realities of leading are just as, if not more important, than what they do. This is the essence of character, or "who we are on the inside" (Gavin et al., 2003, p. 169). But, if character is about who we are, how do we evaluate the character of a person? How would we capture who a person is in a normal job interview, and what would we be looking for? What is that X factor and how will we know it when we see it? Character is certainly more than a list of virtues, values, and ethics. Character, especially as it relates to leadership, is inherently complex, paradoxical, and occurs and develops through relationships, challenging experiences, and situations where the answers aren't always clear. For that reason, we are suggesting that our current definitions of character, while valuable in starting the conversation, must be further developed to capture the complex nature of the character of a person, how they make decisions, and how they deal with the realities of life and work. This will increase the possibility that better selection decisions will be made and the right leaders chosen to lead.

A review of the research on character highlights the fact that character is not easily understood. There are many definitions of character. However, most center on the idea of doing what is morally right. For example, Likona (1991) defines character as the ability to do what is right despite external pressures to do otherwise. Moreover, character involves three components —moral knowing, feeling, and action. That is, before leaders can act in the right way, they must first know *what* that right way is. Likewise, they must also feel compelled to act in such ways —to feel convicted. It seems, then, that character is partially reflected in the decisions we make, what we decide to do, and how we decide to act.

The decisions we make are often interpreted as yes or no, this or that, to do it or not to do it, etc. Moreover, what we decide to do or how we decide to act is ultimately an indication of virtue. Virtue is derived from the Latin word *virtus* meaning "strength" (Cawley, Martin, & Johnson, 2000). To act with character is to reveal virtue (McCullough & Snyder, 2000), especially during times of stress. It is times of stress that test leaders because their instinct is to react in ways that minimize that pressure, often in ways that lack thought, foresight, and acting with conviction (McKenna & Yost, 2004). But, what does acting with character look like? How is virtue revealed in the decisions we make? Several virtues have been associated with character, and one who possesses these character virtues — or strengths — is thought to possess character. In particular, courage, integrity, and humility are often included as core components of character. While many other virtues have been associated with character such as cooperativeness, self-responsibility, and self-transcendence (Sperry, 1999), it is our intention to highlight the necessity of viewing character virtues as interconnected, interdependent, and each as necessary, but not sufficient on its own.

First, there is ***courage*** (Barker & Coy, 2003; Hartman, 2006; Leonard, 1997; Sarros & Barker, 2003; Sarros, Cooper, & Hartican, 2006). Courage is defined as setting a direction for the long term and taking people in that direction without being hampered by fear (Sarros & Barker, 2003). Courage allows us to take a stand, to move, and to act in spite of fear.

Then, there is ***integrity***, which is often thought to be an important piece of what it means to be a person of character. Integrity is described as a consistent adherence to a moral, ethical code, or standard (Barlow et al., 2003). A person with integrity consistently chooses to do the "right thing" when faced with alternative choices. Integrity has also been defined as staying true to universal moral standards independent of social norms or society's standards (Leonard, 1997).

Another virtue that is consistently noted as a part of character is ***humility***. Humility has been defined as the quality of being humble or a modest sense of one's own significance (Sarros & Barker; Leonard, 1997; Likona, 1991). Humility is grounded in our willingness to see our limitations, to take responsibility for our mistakes, and see ourselves as valuable, but yet not better than others. When you consider courage, integrity, and humility together, it becomes apparent that they are interdependent parts of a person. Any of these virtues on its own represents something that character is not. Courage without humility or integrity becomes careless. Integrity without courage and humility becomes rigid. And even humility, without courage and integrity, becomes martyrdom.

Character has been referred to as the standard pattern of thought and action with respect to one's own and others' well-being and other major concerns and commitments (Hartman, 2006). Character includes consideration for the health and wellness of not only yourself, but of others and your organization. It is an understanding and fulfillment of your own needs, wants, and convictions, and a connection to the needs, wants, and convictions of others (McKenna & Yost, 2004). But, what is this "standard pattern of thought and action"? Where did the standards originate? Who defines what is right? A comprehensive definition of character must include the criteria against which we evaluate those standards.

Finally, character most certainly includes ***personal integrity*** (Gardner, 2007; Gavin et al., as cited in Sarros & Cooper, 2006). That is, an individual with integrity is undivided in his or her fundamental beliefs and attitudes, presenting those values to everyone. However, what happens when a person's integrity is confronted by the realities of multiple beliefs and perceptions and by the realities of working and leading in complex organizational systems made up of diverse people with a diversity of opinions? These complex realities, presented to a leader as multiple tensions and dilemmas in the reality of being human, are the foundation upon which we are building our case for a more complex, and yet more realistic, understanding of character.

The Paradox of Character in Context

Paradox is a constant reality for leaders who are responsible for the work and development of someone else (Manz, Anand, Joshi, & Manz, 2008; McKenna, 2008). Thought and action do not happen in a relational or personal vacuum, but in the context of complex human relationships. Although we are encouraged to assess our actions and behaviors by comparing them to a moral standard, and to use that standard as a guide to dictate action, character also includes the awareness of when it is time to allow ourselves to be pulled in the other direction. The tension between your convictions and those of others is constantly at play. When do you decide to adhere to your personal convictions, and when do you decide to let context and environment shape your actions?

Clearly, character development happens in the context of the socialization process (Hogan & Sinclair, 1997). In other words, character is knowing when to adjust or accommodate to rules and expectations, and when and how to respond to social expectations (Leonard, 1997). Moreover, because one's environment is constantly changing, it is sensible to presume that character is ever-evolving and developing. Like children first taught right and wrong in the context of the homes in which they were raised, what is right and wrong may change depending on the mission and vision of the organizations in which they work. This is what separates character from ethics. Ethics is defined as "the discipline dealing with what is good and bad and with moral duty and obligation" (Ethics, 2010). It is focused on making the "right" decision and taking the "right" action in a particular setting or situation. Character is more complex in that it develops through experiences that have imprinted on a person and culminates in the way they show up in the daily events of their world. What a person learns about how he or she should act or behave in social or interpersonal situations may vary. For this reason, character selection and development is better defined in the context of an awareness of the inherent tensions in the experience of leaders, rather than the simple adherence to a common set of virtues. The key is knowing what values or virtues are malleable and open to revision (states), and which ones are set in stone (traits), regardless of the context.

Character is something you cannot perform, so we can separate performance from the assessment of character. Character goes beyond the content of the problem and deeper into the context of ourselves in relationship to ourselves, to the people around us, and to our experiences. How we see our reality is just as important as how we perform.

Selecting for Character

Unfortunately, when we evaluate candidates for leadership positions, we do a much better job assessing competence than we do assessing character. Because of the various tensions that exist, it becomes tricky to evaluate a leader for character. What we are really looking for is an awareness of the inherent tensions in leading, and a willingness to weigh the possibilities, and take personal responsibility for success and failures. The problem is that we often create systems where it is virtually impossible for a person to take responsibility for past failures without presenting himself as weak or incompetent. To complicate leadership selection even more, we often fail to accurately define our selection criteria when it comes to character, or we err on the side of linear lists of character virtues and ignore the paradoxical components of character. In addition, candidates often project an image they think we want to see — a projection of their competence and a picture of their character that fits with our internal working model (Sarros et al., 2006). They may portray a certain version of themselves. We are all guilty of this. We project ourselves differently depending on who we are around; we have our parent selves, our son or daughter selves, our friend selves, our spouse selves, our employee selves, and our leader selves. Many selection processes aren't sufficiently discerning to sniff out false character from persons representing themselves true to their characters (Levashina & Campion, 2007).

In spite of the difficulties in defining the complexity of character and in accurately assessing it when we see it, there is hope. Character is something you cannot perform, so we can separate performance from the assessment of character. Character goes beyond the content of the problem and deeper into the context of ourselves in relationship to ourselves, to the people around us, and to our experiences. How we see our reality is just as important as how we perform. While we are not suggesting that character is a random mix of virtues and values that are at the whim of the particular convictions of the leader, we are suggesting that character must be considered as the product of a set of conflicting virtues — or tensions. These tensions are the building blocks of a person's character, representing the realities of living and leading as a human being.

The Character Model

Our review of the current literature on character highlights its complexity as a part of the human experience, and in leadership specifically. This theme is centered on tension — tension between right and wrong, what to do and what not to do, strengths and weaknesses, yourself versus others, and ultimately, person versus organization (Amado & Elsner, 2007; Huxham & Beech, 2003; Manz et al., 2008). It is not just about acting one way vis-à-vis another, but about the process: what is going on inside you that compels you to act a certain way. What are you thinking? What costs and benefits are you weighing? What is pulling you in either direction? For example, when you have your own reputation on the line, how do you sacrifice that for the sake of doing what is right? How do you balance doing what you want to do or even should do for yourself with doing what you want to do or should do for others?

While character certainly includes significant moral components (Hartman, 2006; Hogan & Sinclair, 1997), our purpose here is not to define those components, but to rebuild the foundations upon which character is built. We strongly suggest that the character of a person is deeply connected to the concepts of service, sacrifice, compassion, and the value of others. However, our focus here is on the tensions that have been underplayed in our current definitions of character. Ultimately, character is the *awareness* of the inherent tensions in the human experience and a willingness to act on that awareness in potentially sacrificial ways. These tensions are present regardless of where you work. They transcend any organization's values or mission. The set of inherent contradictions fall between dimensions that are more solid, clear, realistic, and grounded in the strength of a person, and dimensions that are permeable, connected, open, and grounded in the reality of being human, fearful, hopeful, and having made mistakes but not necessarily being defined by them. To that end, it is our hope to identify several of these character tensions and highlight the strengths of creating a more holistic paradigm for studying, selecting, and developing leaders of character.

PERMEABILITY OF CHARACTER	STRENGTH OF CHARACTER
Humility	Conviction
Reluctance	Courage
Vulnerability	Integrity

Humility vs. Conviction

Humility is the state of being humble, or of having a modest sense of one's own significance (Sarros & Barker; Leonard, 1997). It is characterized by other-oriented, pro-social, altruistic motives, modesty, willingness to honestly accept strengths and weaknesses, and not act or feel prideful, arrogant, or narcissistically entitled (Worthington Jr., 2008). But, the reality is that humility, in the life and character of a leader, is always in healthy tension with a clear and convicted voice that comes from the leader. Conviction is different from courage in that it is not necessarily about having the guts to make the tough decisions and to act in spite of fear, but more about what your gut is telling you is that right thing to do (Conviction, 2010). Conviction is that clear sense of what the leader wants to see happen, and of what matters to her.

In many ways, conviction is what makes humility interesting. In spite of the fact that a leader knows what he wants, he is still willing to admit that he has weaknesses, and that he is no better than anyone else. It is a fine line between being seen as convicted and humble, but neither arrogant nor submissive. Whether or not a leader is viewed as convicted or arrogant, humility or submissiveness can have important implications for those he or she leads. In leaders, we want individuals who can do the job well, but if they are not performing, we want them to feel comfortable admitting they need help. If they make a mistake, we want them to have the courage to take responsibility. In the same way, humility makes conviction interesting because without humility, a leader's conviction becomes dangerous, overly confident, and open to the possibility of trampling others through blame, power-mongering, and a blind sense of confidence in the leader's wants and desires.

Reluctance vs. Courage

Possibly the most important tension from which a leader's character is built is between the tensions of courage and reluctance. As stated earlier, courage is defined as setting a direction for the long term and taking people in that direction without being hampered by fear (Sarros & Barker, 2003). But, the courage to act in a certain way, absent a realistic connection to what there is to fear, is only half of what we are suggesting character is about. Courage without fear is not courage at all, but simply blind, bullish action. Courage requires an awareness of fear, and the willingness to act in spite of that fear. By that definition, taking a direction or stand without being hampered by fear is not enough. True courage is about action in the presence of fear. Therefore, it is necessary to consider courage in healthy tension with something else — a sense of reluctance about taking an action or direction.

Leadership reluctance includes a healthy sense of the stakes in the job of leading. Or stated another way, reluctance is a connection to the high stakes for followers and for leaders themselves. There is always some cost that may have to be paid for any decision we make. Leaders who are connected to those stakes must be given permission to communicate both courage and conviction, and a healthy sense of reluctance. In many cases, the worst hiring decisions we could make would be based on courage alone. Giving leaders the freedom to communicate a healthy reluctance to lead in the same space as the courage to lead gives us insight into the very real complexity of any leader as a human being. Stated differently, we need leaders who want the job, but understand the potential costs that they or others may have to pay.

Vulnerability vs. Integrity

As suggested earlier, leaders with integrity are undivided (Sarros & Barker, 2003; Sarros & Cooper, 2006) and have a sense of structural strength and completeness as to who they are. Like a building with structural integrity, leaders whose character has integrity are often unshakeable, and without cracks and creases. Like that building, leaders with structural integrity are consistent, predictable, reliable, and act in accordance with their values. However, as has been suggested, integrity is not sufficient; singularly, it can produce leaders who are defined by rigidity, stubbornness, and an inability to receive feedback and input from others. Concerning character, integrity is not enough. Integrity, as a function of leadership character, is always in healthy tension with vulnerability.

Vulnerability, or the openness to attack or damage (Vulnerability, 2010), is the willingness to open oneself up to feedback, and even to feedback that may be difficult to hear. Vulnerability is a willingness to let one's guard down, to admit one's imperfections and to let other people know the real you. While this may sound trivial, the act of being vulnerable is not easy for most leaders. They are rewarded for strength and integrity, so the idea of letting people inside implies weakness. And, weakness is not a popular leadership characteristic. However, vulnerability, in the presence of integrity is not weaknesses. It is a virtue that must remain in constant tension with strong foundation of integrity.

The Fabric of Character

As we have suggested, character must be considered as a complex, yet undeniably practical and relevant, concept in the selection and development of our leaders. Like a fine quilt which is carefully and artfully sewn together by its maker, character includes individual elements similar to joining sections of material which, when sewn together, create an interdependent tapestry of who we are and what we will do. We have selected certain components of character in order to increase our understanding of the complexity, relevance, and interdependent nature of character virtues.

Certain virtues and their inherent tensions were selected because of their prevalence in the literature. Humility (Sarros & Barker; Leonard; Likona, 1991), courage (Barker & Coy, 2003; Hartman, 2006; Leonard, 1997; Sarros & Barker, 2003), and integrity (Barlow et al., 2003; Leonard, 1997; Sarros, Cooper, Hartican, 2006) have been discussed at length, and their counterparts (confidence, reluctance, and vulnerability, respectively) represent the intuitive tensions on the other side.

While several other virtues such as compassion, humor, passion, and wisdom (Barker and Coy, 2003) were considered, we have chosen to focus specifically on these three tensions. And, we see each of these factors represented in our current tensions in some way. For example, humility certainly includes some sense of humor, or more specifically, the ability to laugh at oneself. Instead of focusing on passion as an emotional state that may change and is separated from conviction, we focus on conviction as strength of thought, belief, and direction that is more stable in the character of a person. Lastly, although wisdom and discernment are vitally important, wisdom comes with experience, and may be difficult to assess in people who have not had the life experiences necessary to acquire wisdom.

What makes the three aforementioned tensions unique is that if the individual characteristics of courage, reluctance, humility, conviction, integrity and vulnerability are considered on their own, they do not reflect good or evil, or right or wrong. They represent characteristics of a person that are desirable and that make persons who they are. We want both sides of these tensions present in the leaders we select. How much of each is preferable is another question. Too much reluctance without courage gives us a leader who will never take a risk. Too little conviction gives us a leader who may take responsibility for mistakes, but lacks a sense of who she is and what she stands for. How do you look for leaders who are aware of the need to find that balance in the tensions? When situations arise that call for conviction and humility in leaders, are they aware of those tensions of stepping back and stepping forward, taking a risk or being afraid, and when to remain resolute and firm in conviction or be open and vulnerable? These decisions are challenging, but represent the realities of leading well as a person of character.

Conclusion

It isn't enough to simply expect people to exhibit a set of character virtues and call it a day. When we're looking for character in people, we are looking for an awareness of the complexity of life, and the complexity of decision-making that impacts both the person making the decision and other people who have a stake in the final outcome. For that reason, the most important component or litmus test is the awareness of the tensions, and a willingness to express both sides in relationship to high stakes situations. While most of the tensions included here are attractive to most organizations and to leaders and followers alike, the most controversial are *vulnerability* and *reluctance*. Vulnerability is controversial because at its deepest levels, it implies an awareness of the person's vices, deepest mistakes, and need for confession of wrongs committed, often at the expense of other people involved. We don't encourage people to take responsibility at that level and rarely, if ever, know what to do with people when they admit their big mistakes and hidden sins. Reluctance is controversial for the same reason. When we interview leaders for high stakes jobs, we often miss the opportunity to create space for them to communicate a true reluctance because we interpret reluctance as wishy-washy, weakness, or as a lack of conviction. A leader who is reluctant can still have strong convictions, but is fully aware of all that is at stake for those he or she leads, or for others involved. Therefore, a leader who has calculated the costs of leading will be reluctant.

While interviewing and selecting leaders of the highest character, it is imperative to listen to interviewees' answers, tuning in to whether or not there is an awareness of the character tensions. You can search for this awareness by encouraging individuals to talk about high stakes situations that did not go well, that involved other people, and where there were great personal stakes for the person. The person can simply be asked to describe the situation, why it was so important, who else was involved, and what mistakes he or she made. While few people are sufficiently aware to communicate the tensions with perfect balance, high risk (low character) interviewees will communicate one side much more strongly than the other. We are suggesting that those with the character we desire are those who are aware and address this tension openly and honestly.

There is little doubt that character is the X factor we are looking for in leaders, yet our understanding of what we are looking for has been oversimplified. Few things in life are so difficult to define and so challenging to systematically identify as character in leaders. Yet, most of us would say we know it when we see it and we want it in our leaders. Thus, we are encouraging those searching for leaders with character, to be aware of their own limitations and abilities, and to realize that character may, in fact, be harder to detect than previously thought.

References

Amado, G. & Elsner, R. (2007). *Leaders in transitions: The tensions at work as new leaders take charge.* London: Karnac Books.

Barker, C. and Coy, R. (2003). *The 7 heavenly virtues of leadership, Management Today Series*. Sydney: McGraw-Hill.

Cawley, M.J., Martin, J.E., & Johnson, J.A. (2000). A virtues approach to personality. *Personality and Individual Differences, 28*, 997-1013.

Competence. (2010). In *Merriam-Webster Online Dictionary*. *Retrieved* November 30, 2010, from http://www.merriam-webster.com/dictionary/competence.

Conviction. (2010). In *Merriam-Webster Online Dictionary*. *Retrieved* November 30, 2010, from http://www.merriam-webster.com/dictionary/conviction.

Ethics. (2010). In *Merriam-Webster Online Dictionary*. *Retrieved* April 12, 2010, from http://www.merriam-webster.com/dictionary/ethics.

Gardner, H. (2007, March). The ethical mind. *Harvard Business Review*, 51-56.

Hartman, E. M. (2006). Can we teach character? An Aristotelian answer. *Academy of Management Learning & Education*, *5*, 68–81.

Hogan & Sinclair (1997). For love or money? Character dynamics in consultation. *Consulting Psychology Journal: Practice and Research,* 49, 256-267.

Levashina, J., & Campion, M. (2007). Measuring faking in the employment interview: Development and validation of an interview faking behavior scale. *Journal of Applied Psychology, 92,* 1638-1656.

Leonard, H. S. (1997). The many faces of character. *Consulting Psychology Journal: Practice and Research, 49,* 235-245.

Likona, T. (1991). Educating for Character. Bantam Books: New York, NY.

Manz, C. C., Anand, V., Joshi, M., & Manz, K. P. (2008). Emerging paradoxes in executive leadership: A theoretical interpretation of the tensions between corruption and virtuous values. *The Leadership Quarterly*, *19*, 385-392.

McCullough, M.E. & Snyder, C.R. (2000). Classical sources of human strength: Revisiting an old home and building a new one. *Journal of Social and Clinical Psychology, 19*, 1-10.

McKenna, R. B., & Yost, P. R. (2004). The differentiated leader: Specific strategies for handling today's adverse situations. *Organizational Dynamics, 33, Special issue: New leadership for a new time*, 292-306.

Sarros, J. & Barker, C. (2003). Virtuous Leadership Scale. Australian Management Character Survey, Australian Institute of Management/Monash University study, *available* http://www.ai.com.au/research/amcs.html.

Sarros, J. C. & Cooper, B. K. (2006). Building character: A leadership essential. *Journal of Business and Psychology, 21*, 1-23.

Sarros, J. C., Cooper, B. K., & Hartican, A. M. (2006). Leadership and character. *Leadership & Organization Development Journal, 27*, 682-699.

Sperry, L. (1999). Character assessment in the executive selection process. *Consulting Psychology Journal: Practice and Research, 51*, 211-217.

Vulnerability. (2010). In *Merriam-Webster Online Dictionary*. *Retrieved* November 30, 2010, from http://www.merriam-webster.com/dictionary/vulnerability.

Worthington Jr., E. L. (2008). Humility: The quiet virtue. *Journal of Psychology and Christianity, 27*, 270-273.

Author Biographies

Dr. Robert B. McKenna, MBA, PH.D.
Dr. McKenna is Director of the Center for Leadership Research & Development and Chair of Industrial/Organizational Psychology at Seattle Pacific University. His book *Dying to Lead: Sacrificial Leadership in a Self-Centered World* highlights the pressure on all leaders to lead well without making it all about them. He is also the founder of Real Time Development Strategies, and creator of badbobby.com, a real-time development tool for leaders and people just like you.

G. Victoria Campbell, M.A.
Victoria is a doctoral candidate in the Industrial/Organizational Psychology program at Seattle Pacific University where she completed her M.A. in Industrial/Organizational Psychology. Her primary research interests include the impact of gender on the relationship between various work behaviors and work outcomes such as salary negotiation, self-efficacy, and salary amount. Her other research interests include ethical leadership, work engagement, meaning-making, and work-life balance. She earned her B.S. in Psychology from the University of Washington.

The Needs of the Stakeholders are the Seeds of Growth for the Organisation:

Vignettes of Wisdom from Mr. G. Narayana

G. Narayana, Chairman Emeritus of Excel Industries Ltd.

SHASHANK SHAH, PH.D. (INTERVIEWER/AUTHOR)
POST-DOCTORAL FELLOW
DEPARTMENT OF MANAGEMENT STUDIES, FACULTY OF MANAGEMENT & COMMERCE
SRI SATHYA SAI INSTITUTE OF HIGHER LEARNING
PRASHANTI NILAYAM, ANANTAPUR DISTRICT, ANDHRA PRADESH, INDIA

Introduction

Mr. G. Narayana is the Chairman Emeritus of Excel Industries Ltd. (Excel) and also served as its Executive Chairman and prior to that, as a Director since 1987. Besides Excel Industries, he also serves as the Chairman of Yash Papers Ltd. and Punjab Chemicals & Crop Protection Ltd. He has been the Director of Punjab Chemicals & Crop Protection Ltd. since March, 1997. Among the other positions held by Mr. Narayana during his long career in the field of business and management consultancy include Engineer, Voltas; General Manager, New India; Owner and CEO, Pro-Con; Owner and CEO, Prism; and Management Consultant (own consultancy). Additionally, he has been an honorary mentor to several small and medium enterprises as well as to various non-profit organisations. He has held leadership positions in organisations and industries for more than four decades. He has earned degrees in Electrical and Electronics Engineering from the Institution of Engineers, India and from the Institution of Electronic and Radio Engineers, England. His post-graduate work was in the field of Operations and Factory Management at Bombay University, India.

Mr. Narayana is credited for having brought spirituality into the boardroom.[1] A committed spiritual practitioner, he is known for his ability to positively motivate people. His methods are characterized by a type of kindness which has earned him the respect of his employees and acquaintances. At Excel, people refer to him as *Narayan Guruji* (a spiritual guide). Warm, exuberant and humble, Mr. Narayana is said to have made the Board an object of

[1] Based on an article in the magazine *Life Positive* (2001), accessed at http://www.lifepositive.com/mind/work/corporate-management/g-narayana.asp.

worship with a philosophy of management that integrates the scientific principles of the West with the profound thought of Indian scriptures. His personal involvement in the lives of other people has led to the spiritual transformation of nearly 100 managers. He is involved in a movement called *Indian Ethos*, which strives to bring values found in the scriptures into modern management. Through his association with the Ramakrishna Mission,[2] the Ahmedabad Management Association, and other organizations in India, he works to propagate the ideas of this movement. Given his direct application of spiritual principles in management, he was invited to speak at Vision 2000, a conference held in Washington and Chicago in 1993 to commemorate Swami Vivekanand's speech at the World Parliament of Religions in 1893. He has authored a number of books integrating Indian philosophy with business, management, and leadership principles.[3] In the traditional Indian phraseology, he can be referred to as a *Rajarishi* – a king with the traits of a wise sage.

Excel Industries Ltd., the company where Mr. Narayana serves as Chairman, is a manufacturer of industrial and agro chemicals. Apart from being a profitable producer of chemicals, Excel is well known for its social service projects in many parts of the states of Maharashtra and Gujarat. It was founded as a partnership in 1941 by the Shroff family with the belief that technology could not only be developed in India, but also could be implemented using ordinary equipment in inexpensive plants. Excel thus started as a kitchen laboratory producing zinc chloride solution from brass foundry waste. In 1960, Excel was registered and incorporated as a private limited company. Gradually, Excel added a number of inorganic chemicals to its range of products. In 1965, Excel sold 17% of its capital to two leading industrial groups, namely the Tatas family and Fison. Even today, the Tatas hold their stake in Excel through their company – Tata Chemicals Ltd. Excel became a public limited company in 1965. Over the years, Excel has grown and presently produces a number of products for diverse industrial sectors including agro-chemical, pharmaceutical, textile, dye, paper, automotive, tube oil additives, water treatment, and specialty chemical. Recently, Excel has received praise for its focus on developing environmentally-friendly bio-pesticides and solid waste management as well as for its spiritually-based leadership. In 2004, it was awarded the International Spirit at Work Award.[4]

In this interview, Mr. Narayana expresses his opinions on varied aspects of business and management. He has, in his own unique style, integrated the concepts of Indian culture, spirituality and ethos into the very fabric of business and its management. He has given a new perspective to the contemporary concepts of Corporate Social Responsibility, Corporate Stakeholders' Management, Values-based Management and Leadership. The depth of his understanding of Organisational Behaviour and Employee and Stakeholder Psychology emerges through the interview. He has very succinctly linked personal life to organisational life, and personal value systems to organisational value systems. He is one of those few

[2] The Ramakrishna Mission is a philanthropic, volunteer organization founded by the chief disciple of Sri Ramakrishna Paramahamsa (1836-1886; a highly revered saint and mystic from Bengal) Swami Vivekananda on May 1, 1897. The Mission conducts extensive work in health care, disaster relief, rural management, tribal welfare, elementary and higher education and culture. It uses the combined efforts of hundreds of ordered monks and thousands of householder disciples.

[3] Several of the most acclaimed books he has authored include *Appropriated Integrated Management*, *Transformation to Transcendence – Breakthrough Ideas for Leadership in the New Millennium*; *Stairway to Excellence,* and *Responsible Leadership in the Gita.*

[4] Pruzan, P. et al. (2007). *Leading with Wisdom: Spiritual-based Leadership in Business.* New Delhi: Sage Publications, pp.155-156.

business thinkers who espouses the conviction that stakeholder welfare is the best route to organisational welfare, growth, and success.

The Interview

Q. In your opinion, what is the basic purpose of business?

In my opinion, the basic purpose of business is to create and share value addition. I will give five points for this: (1) Protect the existing wealth; (2) Enhance the existing wealth; (3) Add new wealth; (4) Take care of all the stakeholders; and (5) Be a source of continuous improvement. This is Chanakya's[5] definition of business.

Q. In his book, *Capitalism and Freedom*, Milton Friedman wrote, *"… Few trends could so thoroughly undermine the foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their shareholders as possible."* What is your opinion of this?

This is only a limited view. The comprehensive view is as I have told you. The purpose of business is to create and share the wealth. Unless you share the wealth and the stakeholders' success occurs, society's success occurs, contributors' success occurs, the feedback will not come, and business will be negatively affected. So the fundamental responsibility of business is not even to make profits, but to generate wealth and share it. Wealth here refers to money, resources, culture of the organisation, and all that. However, finance is required to run a business. *Artha* (wealth) is required. *Dharma* (righteousness) without *Artha* (wealth)[6] is powerless. Finance is no doubt essential for business operations. However, just finance is not sufficient. Creation of wealth is just one part. Sharing that wealth with all the stakeholders it is very important.

Q. With an increasing focus on stakeholder interests in recent times, do you feel your organisation is under pressure to cater to the fulfillment of stakeholder interests?

---

[5] Chanakya (350 – 283 BCE) was an adviser to the first Maurya Emperor Chandragupta (c. 340–293 BCE), and was the chief architect of his rise to power. Chanakya is considered to be the author of the landmark treatise on Politics and Economics titled – Arthashastra. Chanakya has been considered as the pioneer of the field of economics and political science. In the Western world, he has been referred to as "The Indian Machiavelli," although Chanakya's works predate Machiavelli by about 1,800 years. Chanakya was a teacher in the Takshashila University, an ancient centre of learning in the then northwestern part of India, and was responsible for the creation of Mauryan Empire, the first of its kind on the Indian subcontinent. His works were said to have been lost near the end of the Gupta dynasty and not rediscovered until 1915.

[6] According to Indian scriptures, the four goals of human life (*Purusharthas*) are *Dharma* (righteous conduct), *Artha* (righteous wealth), *Kama* (righteous desires), and *Moksha* (liberation).

Catering to the stakeholders' needs and interests is a philosophy of Excel Industries right from the beginning. It is not that someone is asking us to do. Even before the new Corporate Governance rules came into place, we were already practicing the same and had External Directors on our Board. So it is not by force. It is not enforced but it is 'in'forced.[7]

Q. You mentioned earlier that finance is required for running a business and wealth creation is important. In your opinion, what are the factors which will have to be considered while planning for profits?

According to me, the following factors are very important. They are a mix of financial and non-financial factors which facilitate in profit-making as well.

- **Customer peace and love** – One needs to move beyond customer satisfaction and delight.
- **Investor fulfillment** – The investors need to be provided not only with the right returns and dividends, but they should be fulfilled and satisfied for having associated with your organisation.
- **Member's (people's)[8] growth** – While organisations provide the required remuneration to the employees, they should also focus on and work towards helping them to grow – both personally and professionally.
- **Suppliers' attention and success** – Suppliers are not less than customers. They are as important for the organisation. Contributing to their success helps the organisation in being successful.
- **Society approval and community well-being** – The society's well-being is the organisation's responsibility (to the extent possible). The initiatives of the organisation should not harm the local community and society – both physically and psychologically. Their approval in this regard is very crucial.

Q. Excel Industries is a part of the Chemicals and Fertilisers Industry category. In your opinion what are the critical success factors in this industry category?

Critical success factors for an organisation in this industry would be:

- **Investor Continuity** – The investors should continue to show trust in you. They will continue with you only if the organisation's value is going up.
- **People (Employee) Happiness** – People come with their skills and capabilities but they also come with their needs and necessities. It is important for the organisation to fulfill these and work towards the people's happiness.
- **Customer Joy** – Your customer should become successful because of you. That should be the goal of the organisation.

[7] Here the interviewee puns on the word to indicate that the motivation of implementing such practices is a voluntary initiative from within the organisation.

[8] The interviewee refers to employees as members of the organisation or people in the organisation to avoid the typical and contractual feeling of the employer-employee relationship.

- **Supplier Peace** – The company should ensure that supplier payments are made in time, they get continuity of business with you and that you give them feedback for improvement. The organisation should ensure that the suppliers grow with it.

Trust and agreement should be there in the organisation's relationship with all the stakeholders. Only if these are there then the stakeholders become your partners. All stakeholders should be your partners. If you go through the vision statement of Excel Industries, this is reflected therein.[9]

Q. What should be the core values of a stakeholder-focused organisation?

The core values of a stakeholder focused organisation should be: ***Ethics***, ***Energy***, ***Excellence, Economy***, ***Ecology.*** Energy becomes a value because it is limited. So utilise the Energy optimally within the guidelines of Ethics to create Excellence along with Economy (value addition and profitability) without disturbing the Ecology.

In my opinion, Ethics and Ecology are the two cover pages of a book. Energy, Excellence, and Economy are the three chapters. I always suggest four values in life for all people. They are:

- Time in the physical dimension;
- Love in the emotional dimension;
- Truth in the intellectual dimension;
- Responsibility in the spiritual dimension.

Responsibility has the highest value, even more than truth. Sometimes when you have responsibility, you may not tell the truth. For example, if some people come running into my house and hide in my bedroom and behind them three terrorists come and ask me whether I have seen the other four people, I would say that they have crossed the wall and gone ahead. In this case, though I am not telling the truth, but yet I am doing the right thing. So responsibility has a higher value than truth.

Time is very important for physical success. Profitability and all other business success parameters are dependent on time. But relationships are dependent on love. If you love someone, then you will give time to the individual or the institution.

Q. How can the culture of a stakeholder-focused organisation be sustained in the face of changing leadership within an organisation?

Culture is of two types. One is "agriculture" and the other is "horticulture." Agriculture is how much sales the organisation made, how much profits are made, what new things have come, etc. In agriculture, you plant the seeds and then the plant grows and then in order to

[9] The Company's Vision Statement is: "*We the Members of Excel Parivaar* (family) *visualise Excel as a responsible, respected and sound corporate citizen serving India and the world through its knowledge, services, products and solutions; through a holistic approach integrating Chemistry, Chemical Technology, Pharma Technology, Biology, Soil Management, Water Management, City and Farm Waste Management to serve industry, agriculture and horticulture with growth, value addition, wealth generation, customer joy, investor fulfillment, society satisfaction and enrichment of its people.*" (Accessed from the Company website in March 2011 – http://www.excelind.co.in).

get the grain, you cut the whole plant. In horticulture, for the first five years after sowing the seeds, nothing is yielded. Thereafter, you get unending fruits. So you have to build the culture of the organisation by building people with those values. It is not sufficient if the head of the organisation alone has values. The leader has to ensure that the values sink into the blood and the being of the people within the organisation. It is then that the company becomes a society, a community, and a civilisation. Then the values will continue. Whoever joins the company will adopt them.

Because of the Indian culture and heritage, all Indians, to whatever extent, believe in the Karma theory[10] and in the power of *Dharma* (righteous action).[11] This is because it is built into us right from the beginning. The culture of the organisation is built on the stories told of the organisation. So whichever new employee comes to the organisation, knows of these, and then follows it. Lots of stories are told in Excel about the founding fathers of the organisation. Thus, creating valuable habits is a culture.

Q. You have emphasised the importance of people's growth, enrichment, and satisfaction. Could you share, based on your experience, some of the people-focused initiatives which have given positive results?

I shall give you examples and processes based on my experience across many organisations. Some of these are:

- **Morning Prayer** – In this, all the members of the organisation from the Chairman to the workmen are involved. After the prayer for 5 minutes or so, the common problems are discussed informally.
- **Group Decisions** – All decisions are taken in a group. Teamwork is just not taking tea together, it is deciding together. Laugh together, cry together, fail together, and finally succeed together. A company means good togetherness. This is there in Excel's Mission Statement.[12]
- **Open Door Policy** – Anyone can see you anytime. The employees should have easy access to the top management.
- **Eating together** – From Chairman to workmen, all should eat a vegetarian lunch together on several occasions.
- **No Strikes, no Lockouts** – In Excel, we have 8 unions and since 68 years, not a single day is lost in strike or lockout. There have to be discussions. If necessary we can even fight verbally, but our policy is that of "No Strikes."

---

[10] The theory of Karma stresses the Newtonian principle that every action produces an equal and opposite reaction. Every time we think or do something, we create a cause which in time will bear its corresponding effects. This cyclical cause and effect generates the concepts of *Samsara* (world) and birth and reincarnation. It is the personality of a human being with its positive and negative actions that causes the Karma. The doctrine of Karma, the corollary of rebirth, and the principle of Divine incarnation for emancipation of mankind are the triune fundamentals of the Indian philosophical system.

[11] The Indian scriptures declare: *Dharma Eva Hatohanti, Dharmo Rakshati Rakshitaha*. This means that the power of righteous actions protects those who follow the righteous path and punishes those who transgress it.

[12] The Company's Mission Statement can be accessed at http://www.excelind.co.in/mission.html.

- **Appreciation and Celebration, Team Enjoyment** – We should be able to appreciate each other's work and even celebrate our successes together as a group, as one single team.

Q. You have shared this new concept of "Customer Love." Can you elaborate?

The organisation must go beyond customer happiness and customer delight to customer trust and customer love. This can be done if we are ready to do anything for the customer. If the customer is in trouble, we should be able to run and help him/her. No difficulty is sufficient to make the customer happy. If there are any mistakes on the organisation's side, they must be immediately acted upon and the company must improve upon them. This is "Customer Love" – true love for the customer.

Q. What can and should an organisation do for its investors?

The company must be able to give a good return to the investors; not only giving dividends, but also creating value for the investors. At Excel, we have given 100% dividends and over 5 bonus issues.

The other and very important practice is that of Ethics in Business. Nobody should take money in any manner. The money should remain in the system. If you utilise money for wasteful practices, selfish, and underground practices, only then there is a problem. If you add value and retain value for the company, then you will be able to reward everybody. Ethical practices help you to contribute more. Unethical practices will not help you to contribute more to the company, its investors, and other stakeholders.

Q. How can an organisation take care of the interests of its suppliers?

The organisation should ensure that the suppliers should grow along with it; growth in all aspects – physically, mentally, and emotionally. What the company wants its customers to do for it; it should do the same for its suppliers. The company should give the right feedback to its suppliers for their improvement. It should build strong relation with its suppliers so that at least some of them will stand by the organisation at all times.

Q. What are some of the social initiatives undertaken at Excel?

I opine that one must contribute for social contributions and voluntary organisations. Vivekananda Research and Training Institutes (VRTI) [13] have built several dams. Whenever

[13] The Vivekananda Research and Training Institute (VRTI) at Mandvi in Western Gujarat was established in 1975 under the valuable guidance of Mr. Kantisen Shroff (one of the founding fathers of Excel Industries). It is working in 225 villages in the Kutch District with 110 staff members. The main objective of the Institute is to promote sustainable rural development with community participation in areas like rainwater harvesting, creating drinking water distribution

calamities strike the country, Excel has always lent its support and gone to those places. However, providing food, clothing, and shelter is not sufficient. All this has to be given with respect. Then the whole purpose of the act becomes sacrosanct. Among the other social initiatives at Excel, we have built values-based schools, vocational training centres, a women development centre where training is given to 400 women, etc.

Q. In your talks and writings, you give a new perspective to competitors. Could you highlight the philosophy behind that?

Respect the competitors, give them a tough fight, and accept their tough fight. For example, for a particular product, some of the companies in our industry were bitter enemies. But then, I formed a common industry association and all of us came together. We are all friends now.

Companies can fight in the market, but we must support the product. For example, if two individuals are fighting, at the department level, they become one. If two departments are fighting at the division level, they become one. If two divisions are fighting at the company level, they become one. If two companies are fighting at the country level, they become one. What we need to do is just to increase their level by just one to bring about unity. That is the underlying philosophy.

Q. For organisations working in the Chemical and Fertiliser industry, the natural environment becomes an important stakeholder. What are your views about this silent stakeholder?

Among the important initiatives that a company can undertake for protection of the natural environment is to educate the final customer about the right use of the product. In our case, the final customer is the farmer. The company must educate the farmers about the right use of the pesticides. They should be advised not to use them in excess. Use only what is required. Besides this, the company must continue to do research for safer pesticides. As per the tests conducted, for the purpose for which the pesticides are made, our pesticides are very safe. Unless the customers use it for drinking!

Q. Sometimes, while dealing with the government, there are difficulties implementing the regulations. What do you do in such a scenario?

Firstly, we wholeheartedly implement what the government and regulatory authorities suggest. Then we give suggestions. With our positive and proactive approach, we have developed friendships with many governments and have got permission to do things in the

---

resources, watershed development, prevention of salinity ingress, developing salinity resistant crops, disaster management, livelihood, health and hygiene, education, and capacity-building programmes at the village level. Environmentally-friendly activities like tree plantation, eco-clubs, and smokeless chullas are also being carried out. The vision of the Institute is to develop sustainable economic activities based on agriculture, animal husbandry, and rural arts and crafts. More details can be accessed at http://www.vrti.org.

most difficult circumstances. I always suggest that the best way forward is to go to them and approach them, to be open and ask them for their advice – "*Sir we want to do this, can we do it, and how do we do it?*" Don't try to find the bypass route. Then they would show the way out from the existing problems. Respect them. After all, the government is also a stakeholder in any organisation.

Q. You have been associated with a number of turnaround initiatives in corporate organisations. Please tell me what, in your opinion, is the key to success in such initiatives?

In any organisation, there are two things – spirit and system. In my opinion, Indian companies are spirited and less systematic. Western companies are systematic but less spirited. Spirit and system have to be balanced. So I have to teach spirit to ABB and system to Excel. If balance is not there, the company will not be able to make profits or serve. In the last few decades, there were two turnarounds at Excel.

The 1987 Turnaround at Excel: In 1987 there was a problem at Excel and the company was continuously making losses for 6 months. Then I joined the company as I was associated with a certain group company. In the next 6 months we made Rs. 3 crores[14] profit and in the next 3 years we made Rs. 40 crores profit. Today it has achieved more than Rs. 600 crores profit."[15]

I feel that any turnaround is through people. This turnaround was through G.O.D. We discovered G.O.D. and G.O.D. helped us. Here, G.O.D. stands for Group, Organisation, and Direction – *Sangha, Vyavastha,* and *Disha*. We formed groups and then they decided what should be done to solve the problems. When the group gets together, impossible becomes possible. Eight General Managers of the Company sat together, ate together, and worked together. Systems, technology, and everything else come through the group. Collectively and connectivity are the essence of such an initiative. All turnarounds in 8 companies that I have done so far are only through people, teams, and leadership. Individuals have a great tendency of underestimating themselves and overestimating the problem. A problem is actually smaller than what it appears to be. People think that they are smaller than what they actually are. This is the major problem.

The recent turnaround at Excel was when we split the company into two through joint ventures and also did a very good Voluntary Retirement Scheme (VRS) for the employees.

Q. Have there been any dilemmas that you have dealt with effectively which will attempt to do justice to all the stakeholders of the Company?

We thought that all our employees should become members of the company. So they all should become shareholders of the company. At that time, the share price of the company's shares was Rs. 700. We made a special issue for all employees irrespective of the position

[14] 1 crore = 10 million

[15] As per the Annual Report of the Company, the net profit of Excel Industries for the year ending March 31, 2010 was Rs. 796.59 crores.

they held, but based on the number of years they had worked in the organisation. So if an employee had worked for 5 years in the company then (s)he was entitled to 50 shares, 10 years – 75 shares right up to 200 shares. This was done at the face value of Rs. 10.

On the day of the Annual General Meeting, some of us Board Members discussed whether this methodology was fair. The market price of the shares then was Rs. 700. Were we not taking away the value from the shareholders and giving it to the employees? Then we said that market value does not belong to shareholders; the book value belongs to the shareholders. So we gave the shares to the employees at Rs. 67 per share, instead of Rs. 10. We also gave the employees loans for this purpose. After this step, the shareholders would not complain. If we would have given the shares at face value to the employees, then the net asset value for the shareholders would come down. But we gave the shares at book value to the employees. Thus we were fair to both the stakeholders – the shareholders and the employees.

Q. What are the criteria used at the time of evaluating Research & Development (R&D) projects at Excel Industries?

R&D projects should give us a new dimension, new value, new technology. Excellence should be enhanced through R&D. Enhancing the existing wealth aspect of business as highlighted in the first question of this interaction, will be done through R&D.

Q. India has had a spiritual culture and tradition for centuries. An analogy can be drawn between the kings of the yore and the corporate heads of today. It is an established fact that the righteous kings of yore had *Praja Palan* – welfare of all his subjects as his primary goal/objective and not only of those who used to be regular tax payers/providers of funds for the effective functioning of the kingdom. If we extrapolate the same to today's times, one might rephrase this by saying that the duty of the successful corporate organisations is to ensure the welfare of all its stakeholders and not only of those who provide funds to the organisation for its effective functioning via the shareholders/providers of capital. If you agree with this, how do you feel can corporate executives implement this *Praja Palan*?

The needs of the organisational stakeholders are the seeds. One's personal needs are the weeds. **One must go beyond one's needs to see the needs of the stakeholders which are the seeds of growth for the organisation**. It is then that the growth will occur. What is good for all the stakeholders is good for the leader and the organisation. *Palan* should mean taking care of the stakeholders and not ruling over them. Just as a mother does *Palan* of her children, the leader must take care of the stakeholders. One must not attempt to become the *Malik* (owner) but become the *Mali* (gardener).

Q. What are your personal convictions on the concept of Trusteeship? This concept owes its origin to all the major religions of the world.

What does the word "Trustee" mean? It means that the property or asset or business does not belong to the individual. The individual is just the caretaker or a watchman for it. The 5 points that I stated in the beginning are actually Trusteeship. The scriptures declare, *Isavasyam Idam Sarvam* – "All the creation is created by God and belongs to Him." The founders of Excel Industries were participants in the Indian freedom struggle and believed in the concept of Trusteeship.

They believed in the concept of the *Isavasyopanishad*[16] which states:

Isavasyam Idam Sarvam Yat Kinca Jagatyam Jagat Tena Tyaktena Bhunjitha Ma Grdhah Kasya Svid Dhanam —

"Everything animate or inanimate that is within the universe is controlled and owned by the Lord. One should therefore accept only those things necessary for oneself, which are set aside as one's quota, and one should not accept other things, knowing well to whom they belong."

Author Biography

Dr. Shashank Shah completed his Ph.D. in the area of *Corporate Stakeholders Management* from the School of Business Management, Sri Sathya Sai Institute of Higher Learning (Deemed to be University), Prashanti Nilayam, Andhra Pradesh, India, and was selected for the *Association of Indian Management Scholars International Outstanding Doctoral Management Student Award 2010.* He was also awarded the *HR College Golden Alumnus Award* by the Honourable Sheriff of Mumbai for his outstanding research achievements in 2011. He has been awarded the *Governor's Gold Medal* for standing first at the Master of Philosophy in Business Management Programme and the *President of India Gold Medal* for standing first at the MBA Programme at the Institute. He has published over 55 research-based papers in reputed national and international journals and conferences in the areas of Corporate Governance, Corporate Social Responsibility, Corporate Stakeholders Management, and Values-Based Education. He has also co-authored 3 books in the areas of Corporate Social Responsibility, Corporate Stakeholders Management, and Integral Education; compiled and edited over 12 books in the areas of Indian Culture, Spirituality, and Values-Based Management, and Education; and is the Coordinator and Editor for the Institute Hostel Publications Division.

[16] The Upanishads are philosophical texts considered to be an early source of the Hindu religion. Of the more than 200 known Upanishads, the first dozen or so, the oldest and the most important ones, are said to have been composed during the pre-Buddhist era of India, while the others are said to have been composed after the 5th century BC. The *Isavasyopanishad* or the *Isa Upanishad* is one of the principle Upanishads containing just 18 verses, and is said to be putting forward the essence of all knowledge that has been contemplated and experienced by Indian thinkers and philosophers.

Dedication

The author humbly dedicates this endeavour to the Revered Founder Chancellor, Sri Sathya Sai Institute of Higher Learning – Sri Sathya Sai Baba.

Acknowledgements

The author would like to express his gratitude to Prof. A. Sudhir Bhaskar, Dean, Faculty of Management and Commerce, Sri Sathya Sai Institute of Higher Learning; and to Professor Peter Pruzan, Professor Emeritus, Copenhagen Business School, Denmark, and Visiting Faculty, Sri Sathya Sai Institute of Higher Learning, Prashanti Nilayam, for their guidance. The author would also like to put on record the cooperation given by Mr. Narayana during the course of the interview, and also for sharing a number of books authored by him in the field of Values in Business, Management, and Leadership.

A Model for Implementing a Successful Sustainability Strategy

Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat." — Sun Tzu

DAVID B. BRAUER
FOUNDER AND CEO OF BEECHERS GELATO AND GOURMET COFFEE, LLC
FAMILY SUSTAINABLE BUSINESS CONSULTANT
PITTSBURGH, PENNSYLVANIA

Introduction

April 20, 2010 will forever be a date Americans remember. It will be especially remembered if you live along the Gulf Coast. That is the date of the "Deepwater Horizon oil spill" or the "BP oil disaster" tragically occurred. It would become the largest oil spill in history. We may never obtain an exact figure of the amount of oil that gushed into the Gulf of Mexico from the sea floor, but it will ostensibly exceed hundreds of millions of gallons.

The resulting oil slick covered over 2,500 square miles and was visible from space. The BP oil disaster had and will continue to have immense impact on human, marine, and wildlife habitats and behavioral patterns. Just as Exxon will be forever associated with the Valdez oil spill in 1989, BP will never jettison its new corporate identity. BP has spent more on newspaper ads pronouncing its commitment to righting this wrong than it invested in installing preventative safeguards to have avoided this disaster altogether.

The full effect of the BP oil spill on the psyche of the consuming public has not yet been revealed. The attitude of the consuming public will be sickened by the loss created in years and decades to come by unchecked mismanagement fueled by corporate greed. Long-term consequences may signal a cessation of business partnerships and consumers with Bp as well as with other organizations operating without the overriding goal of achieving sustainability in its business operations. Robert Johnson points out in *The Business Review* that: "No company wants a reputation for being a discriminating employer, tolerating unsafe working conditions, or being an environmental polluter. It is difficult, costly, and time consuming trying to live down a bad reputation and recreate a good one" (Johnson, 2009).
A *Consumer Report*-type analysis of an organization's level of sustainability in its operations has already become a motivating reason influencing the consumer to purchase a product or

service or a potential investor to execute a financial commitment. There are already established global metrics such as the Global Reporting Initiative (GRI) used to assess the social, economic, and environmental performance standards of an industry, albeit much of the reporting is not always audited for accuracy.

Michael Hopkins wrote in the fall of 2009 that one-way sustainability will change management and that “businesses won’t be able to keep from ‘bumping into’ it – and being forced to change as a result” (Hopkins, 2009). Hopkins further emphasizes how many organizations are being motivated to address the issue of sustainability before it becomes a part of their strategic agenda.

Companies who readily embraced sustainability as a core factor of their systems management will prosper over those who are forced to change because of consumer pressure or additional, avoidable disasters. This is a current saying the “if you have not been invited to the dinner, you will be on the menu.” This warning is a key motivator in doing the “right thing.” Hopkins asserts that there would be “first mover” advantages associated with leading your industry in this direction. Experts often “argue that when sustainability impacts an industry, its effects are more pervasive than typical market-changing forces. Being ahead, they say, will matter more” (Hopkins, 2009).

> **[W]hen sustainability impacts an industry, its effects are more pervasive than typical market-changing forces.**

All real change is grounded in new ways of thinking and perceiving (Senge, 2008). As Charles Kettering opined, “The world hates change, yet it is the only thing that has brought us progress”(Cook, 1993). The way consumers viewed products and services were already undergoing change and events such as the BP oil disaster has expedited the changeover process. What might have been a few years away is now going to happen more suddenly. In 2007, 68% of the top 250 global companies listed in the Fortune 500 embraced corporate responsibility and sustainability as primary objectives (Colbert, et al, 2007). BP was among one of the adopting companies, aptly demonstrating that the talk has not yet been walked. However, consumer pressure will increasingly demand proactive action and genuine change.

Role of Human Resources (HR)

The role of HR will change to reflect the strategic contribution that must be embraced for an organization to prosper. “Vickers (2005) stated that human resource management is the organizational area that presents the greatest potential for incorporating sustainability” (Jabbour, et al, 2008). Losey and colleagues (2005) visualized many opportunities where HR could improve its company’s commitment to achieve more sustainable operations by adding critical operational competencies and exerting strategic leadership (Wirtenberg, et al, 2008). Jabbour and Santos argued that this perspective is reinforced by Eisenstat (1996) who stated that “the human resource functions have a central role in organizations” (Jabbour, et al, 2008). I believe their analyses fall short of arguing that human resources must be an integral part of the executive committee and not just function as an administrative, subordinate branch.

Colbert and Kurucz hold that by linking HR principles to the company’s triple bottom line sustainability objectives, the company would experience a lasting industrial advantage while building capabilities for positive change (Colbert, et al, 2007). Different leadership disciplines espouse varying concepts defining sustainability with respect to their organizational operations. Financial groups regard sustainability differently than human resource management groups. Therein lies a critical role for the HR professional to perform:

- Create awareness of the impact of sustainability on the organization of today and tomorrow.
- Foster a uniform understanding within the organization regarding the purpose of sustainability.
- Develop and implement the best plan of operational sustainability that will create organizational alignment and long-lasting adherence.
- Create and implement leadership development programs.
- Find and develop talent management.
- Monitor and make changes in cultural diversity awareness and programs.
- Foster an atmosphere of cooperation and teamwork.
- Develop and monitor appropriate guideline metrics.
- Identify and engage all stakeholders associated with the organization.
- Communicate the company's objectives to all levels of its workforce.

"Forward thinking HR leaders in triple bottom line sustainability focused organizations can use the framework" they have at their disposal "to bring clarity to the strategic dialogue in their companies, and can help build the alignment capacity to convert dialogue into action" (Colbert, et al, 2007). Very few HR professionals are well skilled in sustainability. "As a result, business decisions about critically important sustainability issues may be missing the input of those who have a deep understanding of implicit HR challenges." (Wirtenberg, et al, 2008).

HR specialists are not typically perceived as top business leaders. In an organization that has already embraced sustainability, the role of HR is most likely recognized and utilized, although it does not possess a position of leadership. HR professionals need to develop their own competencies to become better equipped for these challenges. It is often viewed that HR is a reactive function. Once assigned a task, HR will simply perform what has been dictated from the top echelon. "I see little initiative from the HR area. They are reactive; if they are given something, they'll do it, but they are not the leaders in the company." This statement was given by one leader of a company in a study conducted for an article published in *Human Resource Planning 30.1*. (Wirtenberg, et al, 2008). Deutsche Telecom has moved sustainability from its HR department to the office of the CEO (Lacy, et al, 2010). To best summarize this situation, Robert Louis Stevenson pronounced that:

"Wherever we are, it is but a stage on the way to something else, and whatever we do, however well we do it. It is preparation to do something else that shall be different"
(Cook, 2007).

This statement applies to all change, at any time. One of the difficulties of change is its lack of permanence. It is also one of the greatest wonders of change. This is the challenge of implementing a sustainable strategy in any organization. It will be a temporary implementation subject to improvement. What will not change is the imbedding of sustainability as a core value of an organization.

For change to take root and prosper requires the belief of all involved that this is supported by senior and middle management and that it benefits everyone. This is where HR's role becomes vital to the success of the program. "Because of the lack of HR involvement in most sustainability efforts, many organizations are making many unnecessary implementation mistakes" (Wirtenberg, et al, 2008).

The process of creating an effective sustainability plan and the ability to execute the strategy associated with it comes down to "people systems, education and training, change management, and employee and stakeholder engagement – [which] falls squarely in the 'sweet spot' of the HR function" (Harmon, et al, 2009). Professionals in the HR field will need to step forward to engage their respective organizations in moving forward toward a sustainable strategic strategy. "HR now has the possibility to redefine its charter and to lead the way on a journey where there are few maps and few experts" (Rimanoczy, et al, 2009).

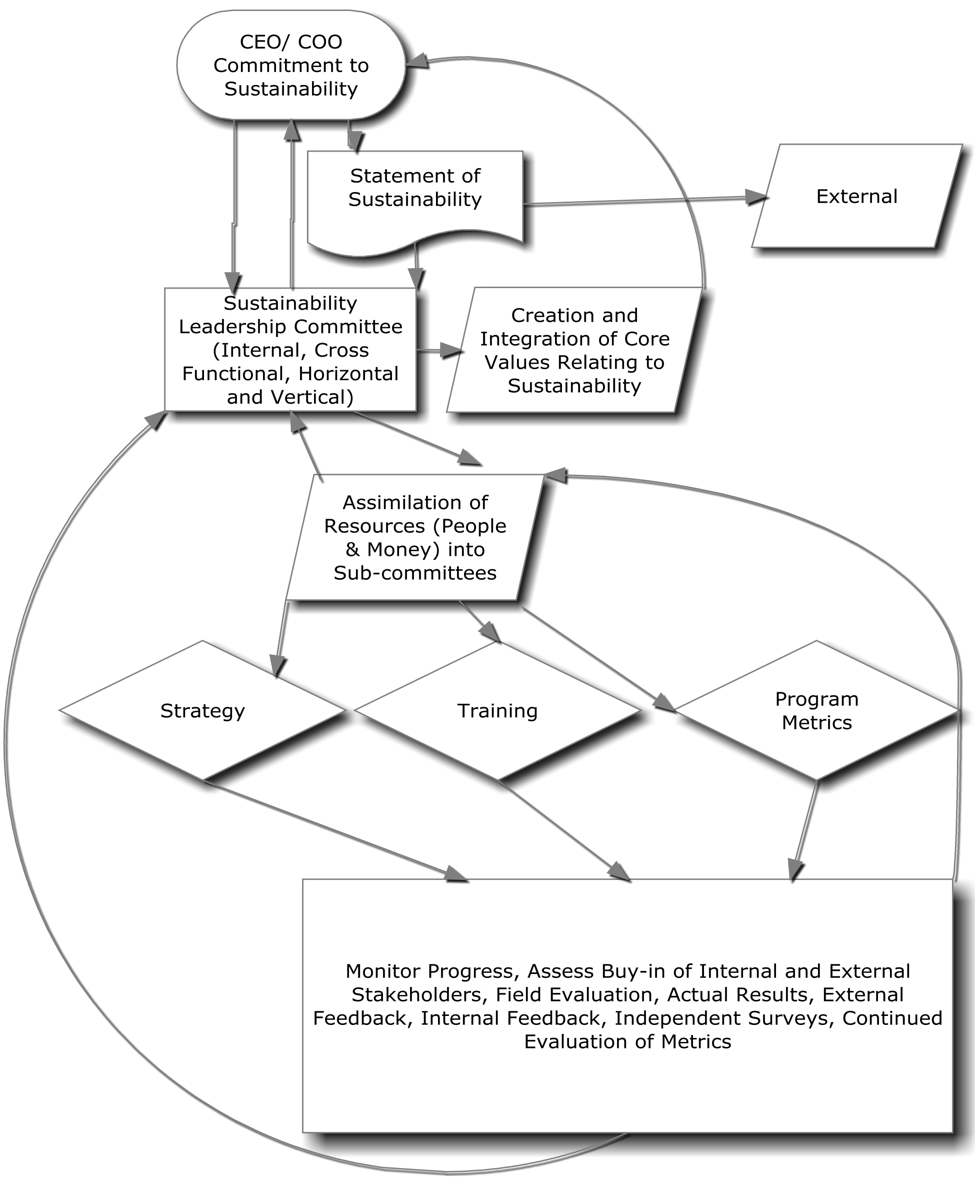


Diagram 1: Critical Attributes of the Successful Implementation of a Sustainability Strategy

Successful implementation of a sustainability culture in any organization would include the following several critical attributes:

A. Acceptance, support, and passion of senior management.
B. Sustainability must be a core strategic value for the organization.
C. Processes and procedures must be aligned around sustainability throughout the organization and be integrated across all functions.
D. These processes and procedures must be associated with measurable targets that are assessed regularly.
E. Employees require communication, training, and encouragement.
F. All stakeholders should be engaged.
G. Sustainability should become second nature to everyone associated with the organization.
H. Communication.

Acceptance, Support, and Passion of Senior Management

A business executive spoke of new business models with sustainability as a major strategy, the challenges presented, and the dual requirements of patience and persistence: "The other thing you have to remember is that you have to have a lot of tenacity, and patience too. This is not a one-trick pony. You can't do it for a day, a month, you can't do it for a year – you have to really believe in it" (Colbert, et al 2006). My father was employed in the insurance industry and regularly communicated with CEO and CFOs. It was the rare and outstanding organization that refused to turn on the car engine unless everyone had a seat belt or that insisted on wearing a hard hat and ear plugs when simply taking a shortcut through a plant. Safety and loss prevention were core values of that organization. Those passionate executives led by example, prompting the next level of employees to emulate their ways…until it simply became a way of doing business.

Change begins at the top. "It always starts at the top" (Johnson, 2009). Universities change direction when deans change, businesses change direction when CEOs change, and nations change direction when the leaders change. The State of the Union Address proclaims the direction of the new administration; it is filled with various statements and promises — all imbued with the essence of change. From an organization viewpoint, all the company's stakeholders should be informed about the CEO's vision and implementation of concrete efforts integrating sustainability in the work environment. Several firms now use a particular letter template to accomplish these objectives. Many university leaders have endorsed and joined the American College & University President's Climate Commitment. However, despite good intentions, many statements issued and actions undertaken by well-meaning institutions are inevitably mere marketing tools and lack the necessary commitment to implement real change.

Statements intended to integrate sustainability throughout an organization should:

- Be concise, authentic, and sincere;
- Be free of jargon and ambiguities;
- Clearly explain expectations;
- Align with managerial actions; and
- Motivate and encourage all stakeholders.

The following is a proposed declaration addressed to an organization's stakeholders which could be used by companies to communicate a strong position and adequately relate its efforts to embrace and develop sustainability:

Statement of Sustainability

Our organization continually works to achieve and maintain business success. Illegal, unethical, or unsustainable practices are not acceptable and will never be tolerated. Our reputation is earned every day by the manner in which we conduct ourselves, both by words and actions. We are citizens of the planet and we will do what is right. And that is the only way we will conduct business.

"To conduct our business with integrity in a lawful and responsible manner, we have to be alert to situations that pose ethical questions. We need to have a good understanding of our values and the laws that are pertinent to the work we do and the decisions we make. And most important[ly], we must use good judgment in deciding what course of action is most appropriate" (White, 2009). We will not accept plans that have potential harmful environmental consequences to achieve better returns. We will achieve these returns in a manner respectful to future generations.

I cannot reduce to written format all the rules and guidelines we all must follow for all situations that will arise. I have to rely on you to protect our name and our environment through the exercise of good judgment. If you encounter an inability to address a particular situation, you are encouraged to seek guidance from the company's leaders as to the proper course of action. If the necessary, do not hesitate to contact me personally. It is imperative that the right course of action is always followed.

Many of you occupy customer-related positions. We must respond to their needs in a positive fashion. We believe that it is vital to have consistency between short-term goals and long-term strategy. It is critical to balance our growth and efficacy in society. Balance does not mean compromise, but does require adaptation to change. In this manner, we will become good stewards of the resources we have been given and preserve them for future generations to also use, enjoy, protect, and preserve.

Sustainability is one of our core characteristics. We have established the following strategies and correlating objectives which we will strive to fulfill within the next 36 months. I will report to you on a quarterly basis as to our progress.

- *Derive 25% of our income derived from sustainable, innovative activities.*
- *Reduce waste by 35%.*
- *Improve energy efficiency by 50%.*
- *Reduce Co2 emissions by 75%.*
- *Reduce lost workdays.*
- *Hire a sustainability development officer by the end of this year.*
- *Double the resources currently allocated to our social responsibility programs.*
- *Develop programs to assist our stakeholders to make sustainability an integral part of their lives.*

I am committed to making sustainability as one of our key core values to be achieved and practiced not only by our associates but by our managers and leaders as well. We all need to constantly measure and reassess our sustainability practices and programs.

Let us hear from you. Together we will create a better organization and serve as an example to others. Sincerely, President and CEO

Sustainability as a Core Strategy

In an effort to measure sustainability, in 2010 the United Nations Global Impact Initiative conducted a survey of its 766 Global Compact member CEOs and conducted an additional 50 interviews of other senior business leaders around the world (Lacy, et al, 2010). A principal conclusion drawn was that sustainability will not only be a separate business initiative, but it will become fully integrated into the strategy and operations of an organization (Lacy, et al, 2010).

A core value is part of the essence of an organization. It remains unflinching when everything else changes. Companies such as Proctor & Gamble have come to view sustainability as a critical component of its business paradigm and strategic values. P&G has posted its purposes, values, and principles (PVP) throughout its facilities and in its literature. In this manner, employees are reminded of and guided by the core values of P&G. The PVP is described as "the DNA of the company" (White, 2009).[1]

In 2007, P&G's PVP were changed to reflect the importance of sustainability as a core value:

> ***"We provide branded products and services of superior quality and value that improve the lives of the world's consumers, now and for generations to come."***

To further clarify this statement, its commitment to sustainability was specifically added:

"We incorporate sustainability into our products, packaging, and operations" (White, 2009).

Natura Cosmeticos is a cosmetics company based in São Paulo, Brazil. Sales exceed 2.3 billon USD annually and have increased by over 40% within the last three years since incorporating sustainability as a core value of its business strategy. "Placing sustainability at the core of its business strategy has given Natura a significant advantage in promoting its brand and reputation, and has helped the company to grow from a small local enterprise to become Brazil's largest cosmetics firm" (Lacy, et al, 2010).

Sung-joo Kim is the Chairperson and CEO of Sungjoo, a South Korean luxury goods and fashion retailer. She has stated that: "Sustainability started as a moral obligation, but has now become a key differentiator for consumers" (Lacy, et al, 2010). If an organization fails to recognize the needs and desires of its customers and incorporate these as part of their core values, it is placing itself at a tremendous disadvantage, both short and long term. According to Idar Kreutzer of Storebrand ASA ,"The risk of inaction is the greatest risk facing business" (Lacy, et al, 2010).

When an organization assumes the task of changing its purpose, it is a defining statement. It demonstrates that something is so important that it has to be made clear that the position change is what defines the organization. Incorporating sustainability as a part of the "DNA" of an organization will drive decisions and behaviors at all levels of the company's operations.

When A.G. Lafley, CEO of Proctor & Gamble, emphasized his company's resolute position on sustainability, he opined that P&G had fashioned a clear business strategy: "Our focus is on providing products and services that don't require consumers to make choices between sustainability and their needs for performance and value" (White, 2009).

---

[1] P&G's PVP are fully stated at http://www.pg.com/sr.

Uniform Integration of Sustainability

One way to impede the success of any strategy is to have it solely "owned, controlled, and dictated" by corporate management. Changing this is viewed by the CEOs interviewed by the Global Compact as the most difficult challenge to the implementation of sustainability (Lacy, et al, 2010). The opposite position holds the key. The strategy must be owned, controlled, and integrated into the various business units and departments of the company and embraced by all of the company's stakeholders. Proctor & Gamble would label this tactic as its "enabling strategy" (White, 2009). Such strategy engages and equips each employee with the tools needed to integrate sustainability-thinking into their daily activities. Although the overall corporate strategy remains the bedrock of the business paradigm, the individual units, departments, and employees must additionally develop their own sustainability goals.

Accomplishing great things generates and the commitment to do more. It is exciting and infectious, especially when the participant witnesses the importance of his or her input and contribution. This type of "enabling strategy," employed by P&G, is delineated in three goals:

- ❖ Raise awareness of the sustainability initiative and the internal programs adopted by the organization.
- ❖ Actively engage employees in achieving this objective.
- ❖ Provide training for all relevant functions demonstrating how sustainability is part of the responsibility of all stakeholders.

In its efforts to facilitate the integration process, P&G established a Global Sustainability Leadership Council. The purposes of the Council are to assist in developing corporate strategy and to resolve integration issues between units, departments, or individuals.

Often operating units and subsidiaries became part of an organization through mergers or acquisitions. These issues can then become an indispensible part of the different entities with the proper planning and over time.

Measurable Targets

Simultaneously with changing the company's purpose, P&G launched a corporate sustainability strategy and five-year goals associated with such strategy:

> "Strategy 1. Delight the consumer with sustainable innovations that improve the environmental profile of our products" (White, 2009). By 2012, P&G planned to develop and market $20 billion in cumulative sales of sustainable innovation products. This objective qualifies as a measurable target.
>
> "Strategy 2. Improve the environmental profile of our own operations" (White, 2009). By 2012, there would be a 10% reduction — per unit produced — of energy and water consumed, Co2 emitted, and disposal waste.
>
> "Strategy 3. Improve lives through our social sustainability programs" (White, 2009). By 2012, 250 million children would be reached through P&G's "Live, Learn, and Thrive" programs and 2 billion liters of clean water would be furnished to those in need (White, 2009).
>
> "Strategy 4. Engage and equip all P&G employees to build sustainability thinking into their everyday work" (White, 2009). This is the "enabling" section previously discussed.

> "Strategy 5. Shape the future by working transparently with stakeholders to enable continued freedom to innovate in a responsible way" (White, 2009). Good ideas can come from many places and P&G's partners have collaborated to develop new ideas under an open innovation strategy. The associated goal was that by 2012, 50% of the innovations marketed would be derived outside the company.

When individuals are engaged in a process and witness the benefit to them and to others, exciting things occur. At P&G, 2 years after the aforementioned targets were established, others were added or intensified.

Communication, Training, and Encouragement

Sierra Nevada Brewing Company has embraced a culture of sustainability and has since it started in 1980. As a part of its overall functions, the company's human resources department has consistently developed and improved upon policies and procedures that support employee engagement and facilitate a workforce commitment to the stated corporate goals and commitment to implementing sustainability efforts. There are formal suggestion processes and employee-managed continuous improvement groups which encourage the proposal of sustainability-related changes to corporate operations. If such innovations are adopted by the company, these employees are rewarded through the performance management and special recognition programs (Casper, et al, 2010).

SNBC has a new employee orientation process that encompasses the role that sustainability plays at the company. This organization is attempting to ensure that there is a firm understanding of company principles. This induction process begins on the first day for each new hire and through training and the benefit structure, sustainability is emphasized as integral to SNBC's business culture.

While golfing at a private club in the Laurel Highlands of Western, Pennsylvania, I noticed that the club's employees referred to me as "Mr. Brauer." I subsequently discovered that this unsolicited gesture of respect was a uniform characteristic of the business's employees and was not acquired through any type of training or managerial dictate, but represented a core quality of the employee.

In the study performed by The Global Compact, 86% of the CEOs recognized the importance of increased and enhanced training for managers and employees regarding sustainability, but only 60% believed that their respective organizations had accomplished that objective. In the same study, 76% expressed that sustainability metrics should be included in assessing a worker's performance, while less than half said this measure had already been implemented. As per the Compact's findings: "Building the capabilities of employees and embedding sustainability metrics in performance assessment will be critical steps in the journey toward integrated sustainability."

Engaging the Stakeholders

Over 100 apparel companies and retailers, have jointly developed software to help measure the total environmental impact of various items it makes or sells — from apparel to footwear. The metrics assess the impact beginning from assembling raw materials until disposal of the item: cradle to grave. The objective is designed to produce a particular "eco-value" which is displayed on the item's tag — similar to the use of energy star ratings (Binkley, 2011). Christina Binkley further states that sustainability is proving to be a defining motivating factor for the consumption of most products. “It’s been shown to be an effective way to lure shoppers to try new products” (Binkley, 2011).

The rating is a result of assessing the type of material, transportation, packaging, washing methods, and other factors in the life of the product. The process also measures the sustainability methods (or lack thereof) of the company’s suppliers. Transportation, packaging, and disposal methods are all gauged. One shoe company reduced the price of its boxes by over a third by reducing the silica bags and tissues used. Although this rating system is still in its initial phase, the involvement of all stakeholders in the process is already proving beneficial.

The Inculcation of Sustainability

Communication

“Managerial communication is one of the most important tools that FMs [Frontline Managers] can utilize” (Ahmed, 2010). FMs establish rapport with their staff through effective communication. Such communication can result in either a positive or negative reaction. Managerial communication is defined by Bell and Martin as “the downward, horizontal, or upward exchange of information and transmission of meaning through informal or formal channels that enable managers to achieve their goals” (Ahmed, 2010).

A statement on sustainability is a great start but it would not be very effective by itself. It needs to be further disseminated within the organization, both verbally and in written format, and applied uniformly to all levels of labor and management. In order to achieve the organization’s goals, employees must have confidence in the management of the organization and believe in the message it conveys. Uniform application means that when all must sacrifice for the company, this must be a collective effort. Management cannot insist on this measure for its workforce while spending thousands of dollars on elaborate corporate dinners and private jet travel. Thus, it is vital that the message be true for everyone in an organization. Then people will embrace it and be creative with complying with and further developing the message. They will feel a sense of empowerment as their feedback is taken into account.

It is also important to note that communication must be open in all directions. The best ideas will most likely germinate from the front lines. Those closest to the delivery of the product or service will be the first to hear or recognize where improvements can be made.

Conclusion

The process of implementing sustainability within national and international corporate functions is more than a challenge. For any option to be effective, any sustainability strategy must first have “CEO and Senior Management commitment” (Baier, 2010). The sustainability team must employ the correct leadership knowledge and skills. All stakeholders must accept and participate in the strategy of sustainability as a core business value. This core value must be clearly understood and associated with an unambiguous and measurable set of targets and goals. Finally, these values must be communicated throughout the organization in a manner that lets all stakeholders realize what is being accomplished and how they can help be a part of the change.

Education allows us to learn from the successes and hardships that others have experienced so we can better prepare ourselves for a similar journey. Peter White relates several valuable lessons that P&G learned from its incorporation of sustainability measures:

- Be explicit.
- Understand that sustainability is not added work, but it's the only way ***to*** work.
- No trade-offs.
- Maintain a clear strategy.
- Make sustainability part of the company's DNA.
- Stay the course (White, 2009).

References

Ahmed, Z., Shields, F., White, R., & Wilbert, J. (2010). Managerial Communication: The Link Between Frontline Leadership and Organizational Performance. *Journal of Organizational Culture, Communication and Conflict*, *14*(1), 107-121.

Baier, Paul (2010). Five Ways to Organize your Sustainability Team. *Reuters.* Retrieved 7/17/2010 from ProQuest Research Library.

Casper, A., Gundlach, M., Persons, B., & Zivnuska, S. (2010). Sierra Nevada Brewing Company's Thirty-Year Journey Toward Sustainability. *People & Strategy*, *33*(1), 44-52.

Colbert, B. (2006). Three Conceptions of Triple Bottom Line Business Sustainability and the Role for HRM. *Human Resource Planning*, *30*(1), 27-27.

Cook, J., Deger, S., Gibson, L. A., & Cook, J. (2007). *The book of positive quotations*. Minneapolis: Fairview Press.

Harmon, J., Fairfield, K., & Wirtenberg, J. (2009). Missing an Opportunity. *Institute for Sustainable Enterprises*.

Hopkins, M. S. (2009). 8 Reasons (You Never Thought Of) That Sustainability Will Change Management - The Magazine - MIT Sloan Management Review. *The New Business of Innovation - MIT Sloan Management Review*. Retrieved September 03, 2010 from http://sloanreview.mit.edu/the-magazine/articles/ 2009/fall/51109/8-reasons-you-never-thought-of-that-sustainability-will-change-management/

Jabbour, C., & Santos, F. (2008). The central role of human resource management in the search for sustainable organizations - The International Journal of Human Resource Management. *The International Journal of Human Resource Management*, *19*(12), December, 2133-2154.

Johnson, R. L. (2009). Organizational Motivations for Going Green or Profitability versus Sustainability. *The Business Review, Cambridge*, *13*(1), summer, 22-28. Retrieved May 27, 2010, from ProQuest Research Library.

PG.com Employee Engagement: field trips, personal responsibility. (2010). *PG.com*. Retrieved June 20, 2010, from http://www.pg.com/en_US/sustainability/employee_engagement.shtml

Rimanoczy, I., & Pearson, T. (2009). Industrial and Commercial Training | Role of HR in the new world of sustainability. *Emerald*. Retrieved May 27, 2010 from http://www.emeraldinsight.com/ journals.htm?articleid=1838296&show=html

Senge, P. M. (2008). *The necessary revolution: how individuals and organizations are working together to create a sustainable world*. New York: Doubleday.

Lacy, P., Cooper, T., Hayward, R., Neuberger,L., UN Global Compact, Accenture Release Findings of Largest CEO Research Study on Corporate Sustainability. (2010). *United Nations Global Compact*. Retrieved June 27, 2010, from http://www.unglobalcompact.org/news/42-06-22-2010

White, P. (2009). Building a sustainability strategy into the business. *Corporate Governance*, *9*(4), Winter, 386-394. doi: 10.1108/14720700910984936.

Wirtenberg, J., Harmon, J., & Fairfield, K. (2008). HR's role in building a sustainable enterprise: insights from some of world's best companies. - Entrepreneur.com. *Business & Small Business*. Retrieved May 27, 2010, from http://www.entrepreneur.com/tradejournals/article/162103153.html

---

Author Biography

David Beecher Brauer is a graduate of The University of Pittsburgh, and most recently, Robert Morris University. Since 2002, he has been the owner and marketing director of *Beechers Geleto and Gourmet Coffee, LLC* and has developed the Glade Run Coffee® brand. His business operations are conducted with a very small carbon footprint, and marketing emphases are placed on the organic style and free trade nature of the company's business. Additionally, Brauer is a consultant in strategic management, human resources, family businesses, and sustainable business initiatives. Brauer is credited for creating a comprehensive five-year Sustainability Plan for Robert Morris University and has been a featured speaker at international sustainability conferences including the AASHE conference in 2011. He is continuing his research at Durham Business School, focusing on earning his DBA through his research in Sustainable Business Development.

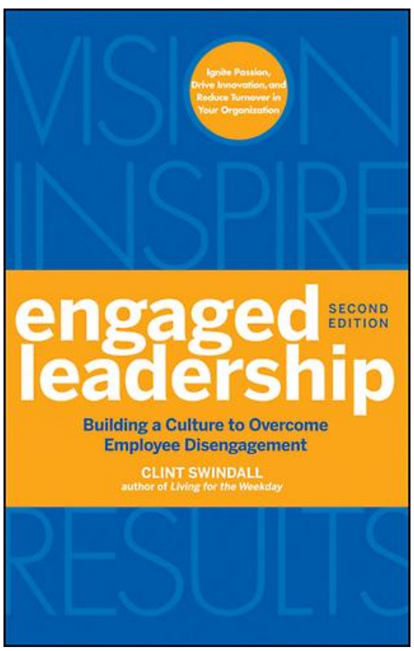
Brauer resides with his family in the greater Pittsburgh, Pennsylvania area.

Engaged Leadership: New Concept or Evolutionary in Nature?

EDWARD WOODS III, M.P.A., REVIEWER
MICHIGAN DEPARTMENT OF HUMAN SERVICES
CONTACT CENTER DIRECTOR
GRAND LEDGE, MICHIGAN

Introduction

Clint Swindall, author of *Engaged Leadership*, constructs a culture to achieve employee engagement. In reviewing his book, Swindall (2011) creates the fable for illustrations and provides a step-by-step process to show how to engage employees. This provides readers with two opportunities to comprehend and reinforce employee engagement.



Swindall emphasizes that more than 70 percent of employees fail to connect to their workplace. In targeting these disengaged workers, Swindall notes that these were not "bad people," but they perfunctorily engaged in routine cycle of coming to work to collect a paycheck. Although "bad people" lacked a precise definition, it could be implied that these disengaged employees did not abuse work time on personal matters or frequently called in sick because of their ennui. Nevertheless, the survey indicates that these employees, representing the overwhelming majority of the workforce, lacked motivation in their jobs.

Tuttle (2011) emphasizes in his recent *Time Moneyland* article that workers are frustrated with their bosses and not engaged in their jobs, but are staying because of the poor economy. Swindall believes that the poor economy elevates a fight for financial survival, but does not create employee engagement. At the very least, Tuttle, however, provides validity to the issue of causation of employee engagement.

Critiquing *Engaged Leadership* in relationship to leadership theories espoused by Bernard Bass (arguably one of the leading authorities on leadership theories), the question rises as to whether this book constitutes a new concept or evolves from existing leadership theories.

Organizational Culture

Swindall (2011) firmly believes that the responsibility for building an organizational culture of engagement is the sole responsibility of the leaders; that an uninformed employee is a disengaged employee; and that future organizational success depends on employee engagement. Instead of expecting employee engagement through osmosis, leaders need to be genuinely creative in demonstrating how their employees' contributions assist the organization in meeting its goals through sharing information. Leaders, who represent their respective companies to their employees, possess the unique and often underused powers to connect employees to their organizations in a meaningful manner to achieve organizational success and an engaged workforce.

"Most leaders are spending more time managing tasks and not nearly enough time leading people" (Swindall, p. 9). Leaders fail to engage employees because they are distracted managing the day-to-day affairs and not investing sufficient time in engaging their teams. In some instances, the managing of daily tasks utilizes Smartphones and other technologies as indirect tools of communication as opposed to the more humanistic and engaging face-to-face form of communication, thus thwarting an opportunity to directly engage the employees. This suggests that leaders prioritize the management of the workforce over leadership, obfuscating the connection of employee engagement to organizational success.

Using the fable as a teachable moment, Swindall portrays engaged leadership through Halfiax, a large call center company. Hannah Jaxson, director of Halifax's Call Center in central Texas, outlines the keys to employee engagement. Halifax views employee engagement — as shaped by informed leaders — as an integral component to garner organizational success. Swindall identifies ***directional leadership***, ***motivational leadership***, ***organizational leadership***, and ***character core*** as the key components in building employee engagement.

Directional Leadership

Swindall (2011) delineates the four aspects of directional leadership as (1) recruiting support from the engaged employees; (2) preparing the organization for change; (3) informing the employees as to how they contribute to the company's success; and (4) routinely communicating progress to the workforce. With respect to the first element, the leader *must* acquire continuing support from the engaged employees not only to mold the direction of the company but to ensure that they do not join the ranks of the disengaged employees and possibly further destroying the company culture. Additionally, such engaged workers generate support to help guide the direction of the company as they were viewed as colleagues and peers — and not as management. This attribute is deemed paramount in exercising directional leadership.

"The transformational leader concretizes a vision that the followers view as worthy of their effort, thereby raising their arousal and effort levels" (Bass, p. 631). Bass, author of *The Bass Handbook of Leadership*, concurs with Swindall, but views directional leadership as *vision*. Both require leaders to engage their employees in a steadfast, meaningful way to secure such support and increase productivity. Although Swindall fails to directly reference Bass, Bass's work regarding vision is reflected in *Engaged Leadership*.

Motivational Leadership

According to Swindall, motivational leadership entails leading with positive motivation, celebrating small successes, encouraging life balance, and creating a fair work environment to inspire workers to pursue the company's vision. Whereas directional leadership speaks to vision, motivational leadership inspires employees to pursue and achieve that vision. Cleary, the “carrot versus the stick approach” reinforces the virtues of positive motivation.

Instead of waiting until the goal is accomplished, Swindall challenges leaders to identify milestones and then celebrate the success of these small, yet significant accomplishments in the pursuit to achieve company objectives. However, the need to achieve *life balance* must motivate leaders to be concerned about the whole of an employee’s existence, e.g., monitoring the well-being of aging parents, enjoying family time, fostering spirituality, and seeking opportunities to develop hobbies and other interests. Finally, leaders create an equitable work environment by consistently bestowing rewards for superior performance and applying negative consequences for shoddy performance.

Bass (2011) identified inspirational leaders as those who build their employees’ expectations through a vision and articulating how to accomplish it. Simply speaking, inspirational leaders motivated their employees to believe and achieve the impossible. This seemed strikingly similar to what Swindall calls motivational leadership. Here’s another opportunity where Swindall missed referencing Bass’s work.

Organizational Leadership

Swindall articulates the four components of organizational leadership as follows: (1) identifying and positioning the appropriate talent; (2) building an intergenerational bridge; (3) moving toward real empowerment; and (4) establishing a strategy to maintain success. Organizational leadership focuses on utilizing the skills, talents, and resources held by employees. In this manner, employees’ individual successes are inextricably connected to the success of the business.

“In fact, the vast majority [of employees] don’t leave companies. They leave bosses” (Swindall, p. 178). These employees are not forfeiting inanimate companies, but rather choosing to sever their relationships with managers — real human beings who have failed to properly engage them. It is imperative that leaders learn the DNA of their personnel in order to deploy them correctly, keep them committed, and retain them. This reiterates the demand for leaders to *lead*, thereby cultivating a meaningful relationship with their employees, rather than merely *manage*.

Bass (2010) opines that leaders generate the mechanisms for cultural embedding and reinforcement. Employees look to leaders to understand and reflect organizational objectives. Leaders must generate employee empowerment rather than micromanage. Leaders undermine the collective workforce when derelict behavior is overlooked and promising performance is not rewarded. Leaders compromise their integrity when they arbitrarily reward instead of treating everyone respectfully. Once again, although not specifically mentioned, Swindall indirectly yet unmistakably relates Bass’s theory of organizational leadership to his concept of organizational leadership.

Character Core

Character core represents the central ingredient binding directional, motivational, and organizational leadership. ***“I maintain that it doesn’t matter how good you are at the mechanics of leadership if the people in your organization question your character”*** (Swindall, p. 207). Character core validates engaged leadership. Without character, leaders will lack the followers who will trust and believe in them from a directional, motivational, or organizational leadership standpoint. Any known character flaw, either professional or personal, can compromise the ability for any leader to engage their employees.

In assessing the character flaws of elected officials, former U.S. Representative Anthony Weiner finally recognized the importance of character core when he resigned from office for sending inappropriate pictures of himself. Former U.S. Senator John Ensign and Governors Mark Sanford and Elliott Spitzer lost credibility for having extramarital affairs while in office and all ultimately resigned. Pastors have left their congregations due to criminal and sexual misconduct. Despite the tired and cyclical excuse of these activities being personal in nature, followers often fail to separate personal and professional integrity.

Bass (2008) maintains that principled leaders receive more favorable reviews from employees than leaders who were deemed ethically-neutral. Employees enjoy working for leaders whose ethics were clearly understood and communicated. They are not looking for leaders who were "politically correct," but rather ethically sound. Bass stresses the importance of ethical leadership, but Swindall appears to give it more credence by labeling it as *character core*, even though both terms appear synonymous.

Conclusion

Swindall best communicates the connecting dynamics of a work environment when he enshrouds the applications of engaged leadership in a fable. He devises a story that enables readers to identify with the characters and problems in the workplace. Readers notice their bosses or co-workers in the fable. They are also able to identify with the following situations of non-engagement: lack of direction in the organization, failure to recognize employee contributions, and showing bias to certain personnel.

Swindall gives accolades to other leadership consultants: James Collins, author of *Good to Great*, and John Maxwell, author of *There's No Such Thing as Business Ethics: Discover the One Rule for Making Decisions*. Collins emphasizes the need to recruit the right people and place them in the right position to support Swindall's organizational leadership. Maxwell espouses Swindall's position that ethics are a personal issue, not a business, social, or political matter as it relates to character core.

However, Swindall was quite silent in connecting engaged leadership to a specific type of leadership theory to provide the opportunity for the reader to research and delve into a deeper study of this subject. This was evident in the missed opportunities to properly identify the quoted Gallop survey of employee disengagement and to reference any poll which attempts to ascertain any cost savings associated with engaged leadership.

In closing, *Engaged Leadership* could have done a better job of connecting its components (directional leadership, motivational leadership, organizational leadership, and character core) to existing scholarly work, e.g. Bernard Bass. Although Swindall enables an easy read, *Engaged Leadership* does not provide a revolutionary concept. In actuality, this book evolves from existing leadership theories identified by Bass in his book, *The Bass Handbook of Leadership*.

References

Bass, B.M. (2008). *The Bass Handbook of Leadership*. New York, NY: Free Press.

Swindall, C. (2011). *Engaged Leadership*. Hoboken, NJ: John Wiley & Sons, Inc.

Tuttle, B. (2011, June 20). Workplace Purgatory: Hating the Job, But Reluctant to Quit. *Time Moneyland.* Retrieved from http://moneyland.time.com/2011/06/20/workplace-purgatory-hating-the-job-but-reluctant-to-quit/

Author Biography

Edward Woods III is a Ph.D. student in the School of Public Affairs and Administration at Western Michigan University in Kalamazoo, Michigan. Serving in public administration for nearly 18 years, he directs the Contact Center for the Michigan Department of Human Services. Woods holds a B.A. from Oakwood University in Huntsville, Alabama and a M.P.A. from Western Michigan University.