



Stakeholder Centered Leadership

*Leadership:
Yesterday,
Today
and Tomorrow*

Dr. Marshall Goldsmith

Marshall@MarshallGoldsmith.com

www.MarshallGoldsmith.com



Goals

- 
- Understand how – and why – the role of a leader has changed over time.
 - Learn how to adapt your leadership style to fit the unique needs of each situation.
 - Be ready to use a decision making style that matches your own latitude and their readiness.
 - Understand the impact of power on leadership.
 - Learn why the ‘Stakeholder Centered Leadership’ style can be so effective when leading knowledge workers.
 - Know how the ‘leader of the future’ will be different from the ‘leader of the past’.
 - Be able to apply what you learn to increase your own leadership effectiveness.



The history of leadership

- Leadership was local
 - Leadership was stable
 - The apprentice model
 - The leader had the expertise
 - The options of the follower were very limited
 - The leader was directive
 - The leader was often the parent or master
 - At a larger level – the leader was heroic
- 



Peter Drucker

**“The leader
of the *past*
knew how to
TELL.”**





Paul Hersey's definition of leadership

**Leadership
is working with and through
others
to achieve objectives.**



Task behavior

- **The leader provides structure and direction**
- **The direction is predominantly 'one-way' from the leader to the follower**



Relationship behavior

- The leader is involved in discussion, dialogue and participation.
- The direction is predominantly ‘two-way’.

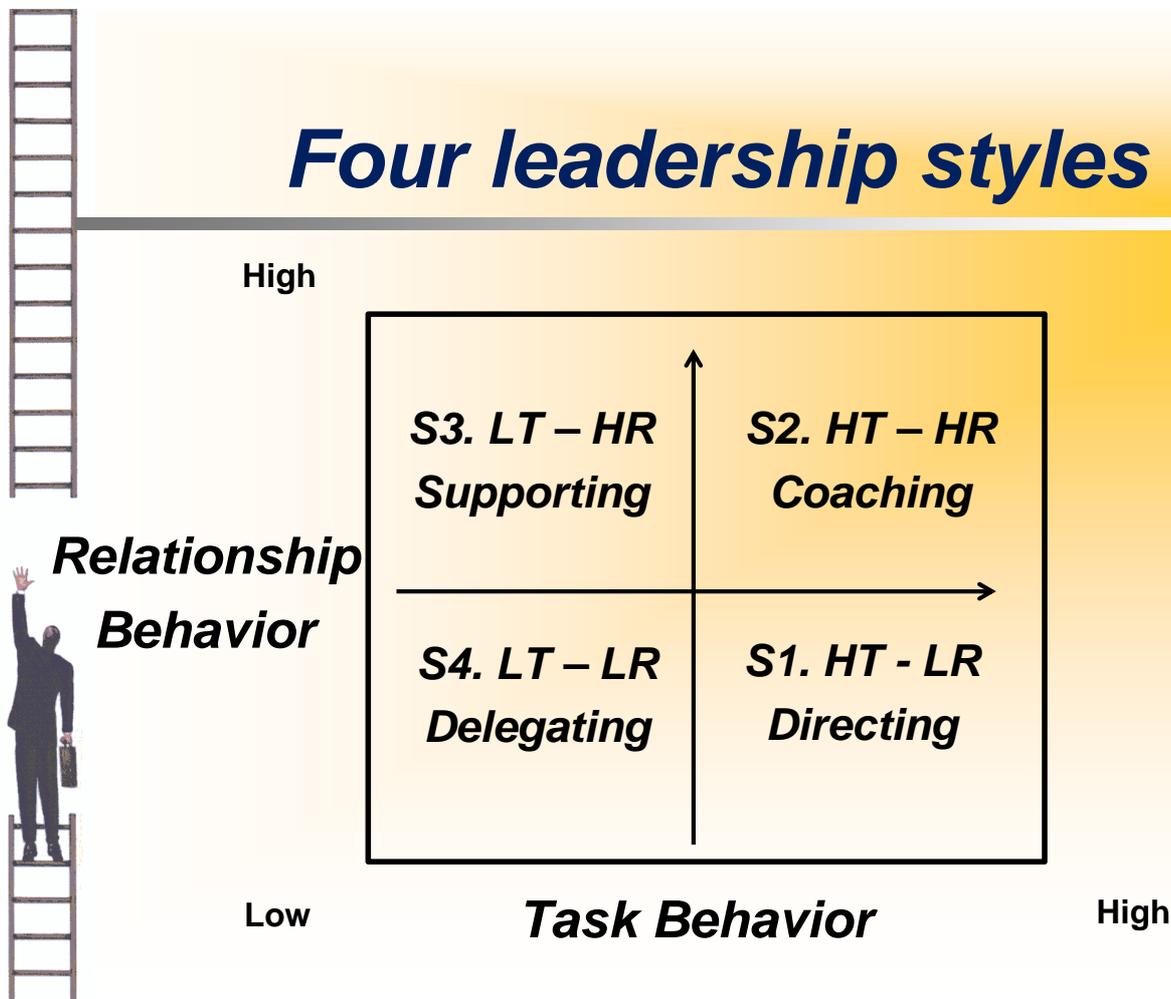


The difference between behavior and concern

- The leader should always demonstrate high *concern* for both people and task.
- The leader’s *behavior* should vary with the needs of the situation.



Four leadership styles



Leadership style 1 high task – low relationship

- Above average amounts of direction from the leader
- Below average amount of two-way communication and dialogue
- “Here is what I want you to do, here is how I would like it done and when I would like it done.”



Leadership style 2

high task – high relationship

- Above average amounts of direction from the leader
- Above average amounts of two-way communication and dialogue
- “Here is the way I think we should do it, what do you think?”



Leadership style 3

low task – high relationship

- Below average amounts of direction from the leader
- Above average amounts of two-way communication and dialogue
- “How do you think we should do it? Here are my thoughts.”



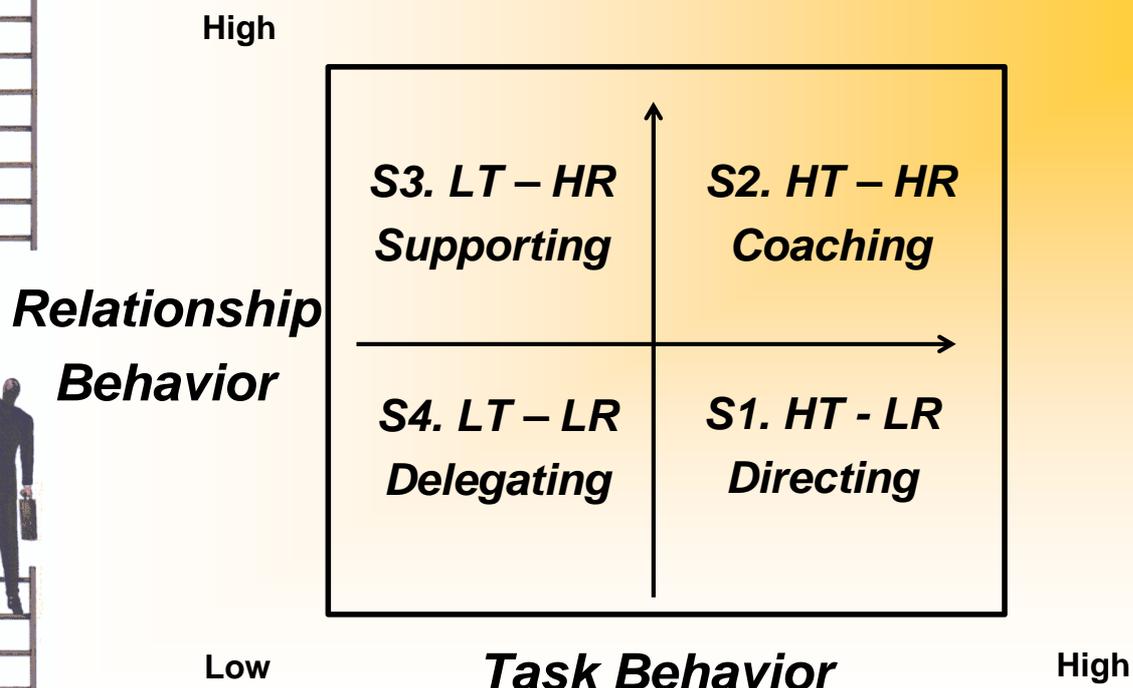


Leadership style 4 *low task – low relationship*

- Below average amounts of direction from the leader
- Below average amounts of two-way communication and dialogue
- “I am confident that you can do this on your own. Do what you think is right. If you need any help from me, please just ask. If not, I am leaving this up to you.”



Four leadership styles





Task-specific readiness

- The individual's capability for performance on this specific task at this specific point in time.
 - Readiness is a function of the person's capability for the specific task – not a function of the person's overall capability as a human being.
 - We all have different readiness levels for different tasks.
- 



Four readiness levels

- R1 – Low in motivation – may also be low in ability or understanding (needs directing)
 - R2 – High in motivation – low in ability or understanding (needs coaching or personal involvement)
 - R3 – High in motivation – low in confidence – high in ability and understanding (needs supporting – or manager involvement)
 - R4 – High in motivation – high in confidence – high in ability and understanding (can thrive with delegation)
- 



Depletion and readiness

- Depletion usually happens as we progress through the day
- Our readiness level at 9 AM may not be the same as our readiness level at 5 PM
- We may need more structure as the day progresses
- Example – a smart leader who carried a business card around all day



Distraction and readiness

- Over-commitment is the #1 reason that we do not do what we know we should do
- ‘Competing responses’ are a major cause of readiness decline
- The definition of ‘task’ can change radically, if we are given almost no time to do it!

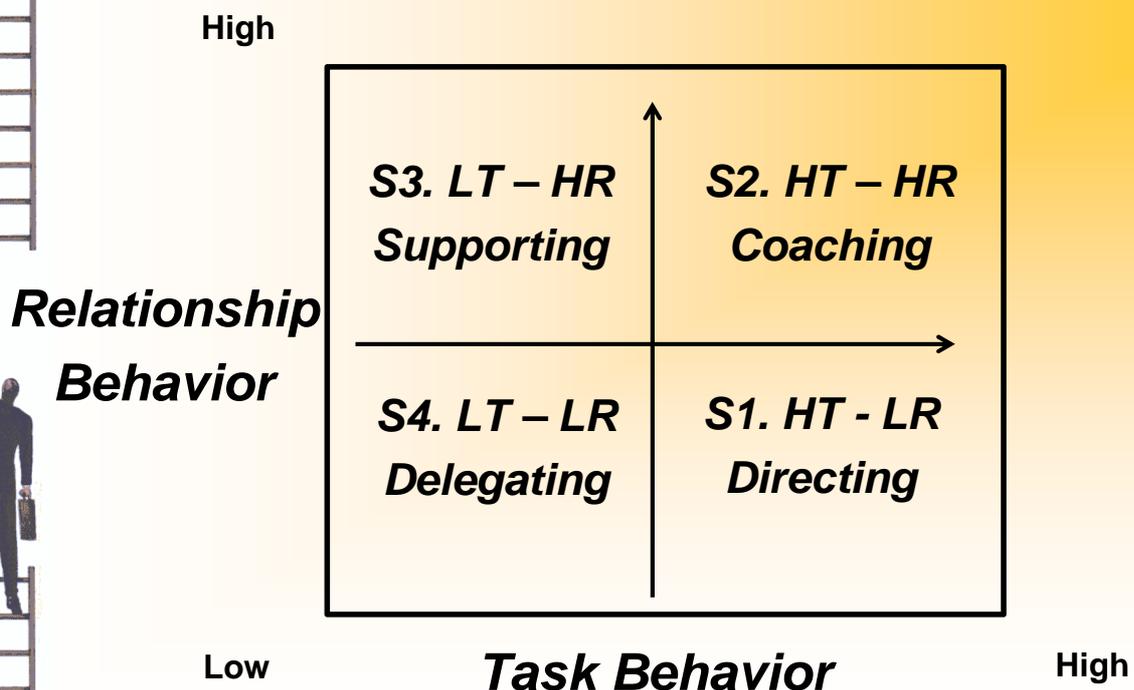


Matching readiness level with leadership style

- **R1 – S1**
- **R2 – S2**
- **R3 – S3**
- **R4 – S4**



Four leadership styles



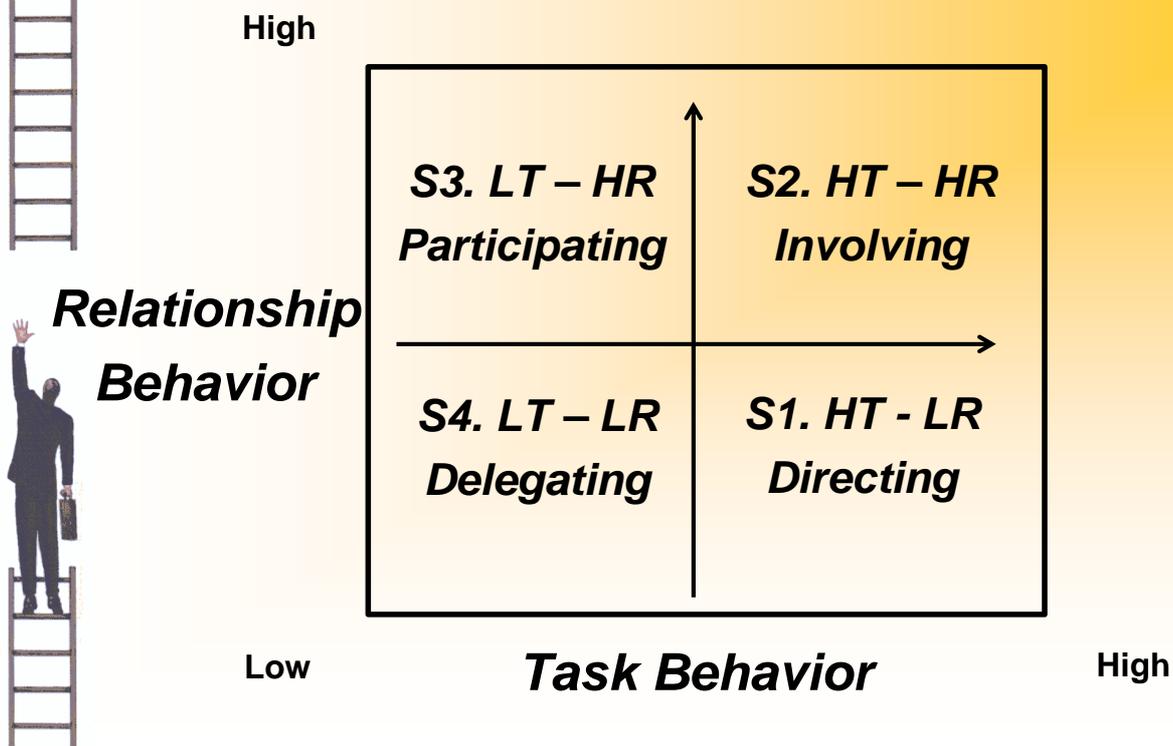


Changing style with change in readiness

- The developmental cycle
 - The regressive cycle
 - The family example
 - Changing tasks and changing style
 - The fundamental attribution error – “Why can’t they be me!”
 - The “Golden Rule” error – “I would love delegation!”
- 



Four decision-making styles





Four latitude levels

- L1 – The decision is made. It is a ‘done deal’. You have little to no latitude.
- L2 – The decision will be made by higher management – you have input into the decision.
- L3 – The decision can be made by the employee – higher management needs to be involved.
- L4 – The decision can be made by the employee.

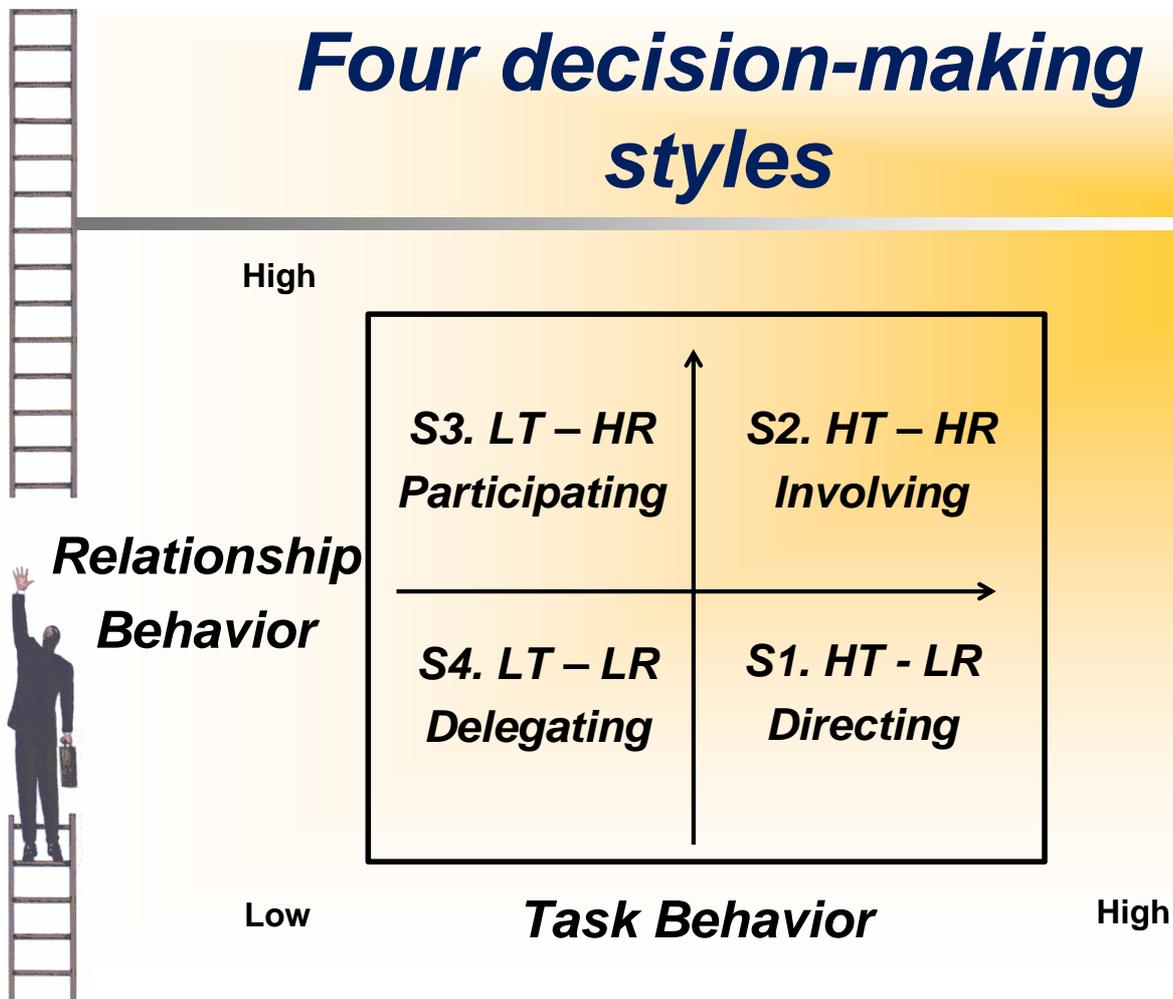


Choosing decision-making style

- Analyze your latitude for ‘letting go’ of the decision.
- Analyze their readiness for making the decision.
- Choose a decision making style that matches the lower number of latitude and readiness.



Four decision-making styles



Power

**Power can be defined as
influence potential**

- **Six types of power**
 - Position power (authority)
 - Reinforcement power (reward or punish)
 - Referent power (respect)
 - Personal power (like)
 - Connection power (relationship with power)
 - Information power (valuable and scarce)



Power and style choice

- **Whoever has the power to make the decision will make the decision**
- ***Power* is the ultimate variable in determining the final decision**
- **Ultimately, decisions are not based upon:**
 - **Fairness**
 - **Logic**
 - **‘Rightness’**
 - **‘Goodness’**



Power and style choice

- **Your choice of style is limited by your power**
- **The amount of power is influenced by both the leader and the follower**
- **The more directive the style – the more power the leader needs**
- **Your power is a function of your ability to sell ultimate decision makers on your idea**





The most common concerns

- Please tell me how to influence someone that I have absolutely no power to influence!
- What do I do when I am given no latitude, yet have no power?

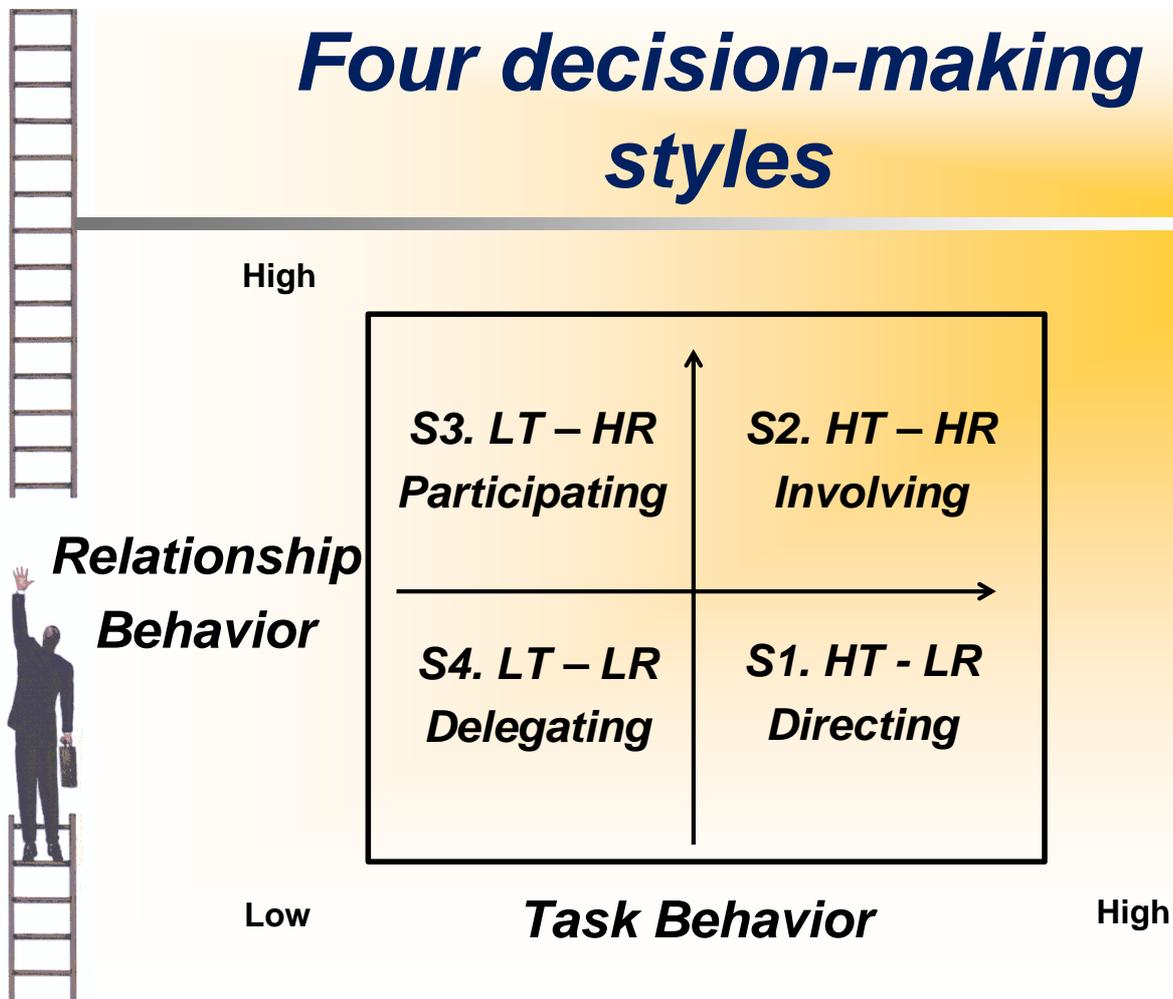


When the leader lacks needed power

- Go back to the six sources of power
- How can power be increased?
- Is it worth it?
- Provide as much direction as you can – given the power that you have
- Common examples in matrix or project management



Four decision-making styles



Leading knowledge workers

**Knowledge workers
are people
who know more
about what they are doing
than their manager.**



Peter Drucker

**“The leader
of the *future*
will know how to
ASK”**



Alan Mulally: the Ford turnaround story

- Clarity on power and latitude
- Clarity on strategy
- Clarity on the rules (Style 1)
- Total transparency on readiness
- The leader as facilitator
- ‘Finding’ the help, structure and direction – not ‘providing’ the help, structure and direction

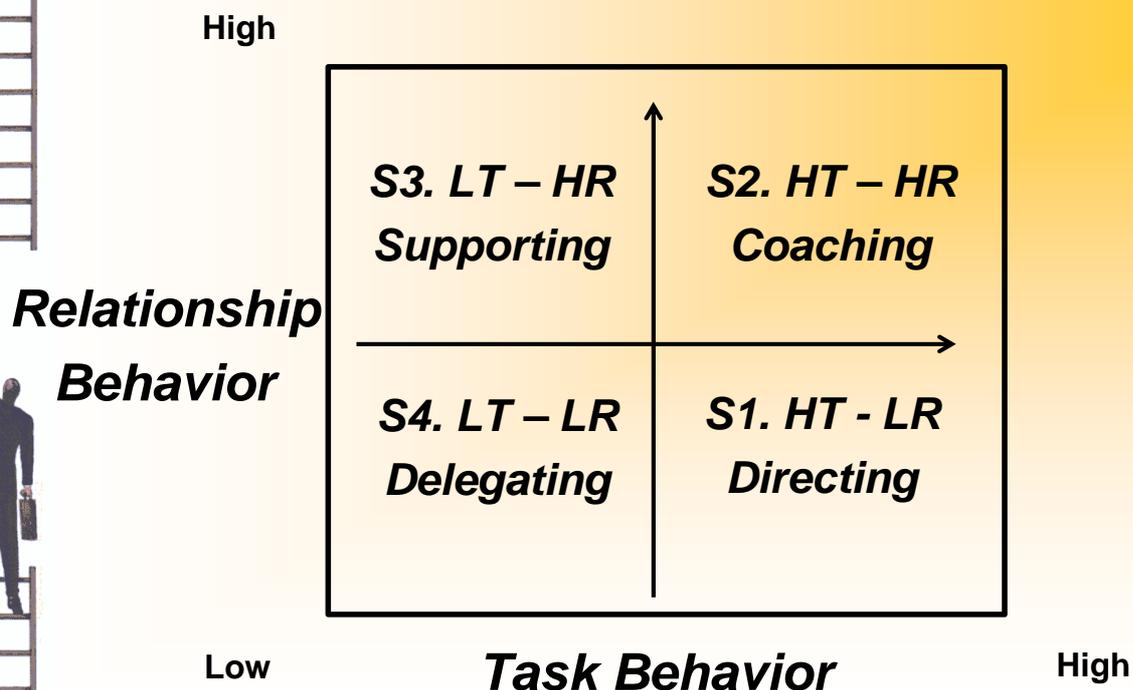


Stakeholder Centered Leadership

- How SCL is like Stakeholder Centered Coaching
- Why SCL is going to become much more important in the future



Four leadership styles





The leader of the future

Five new qualities

- 
- Global thinking
 - Cross-cultural appreciation
 - Technological savvy
 - Building alliances and partnerships
 - Shared leadership – the leader as facilitator



Final thoughts

- 
- How can you apply what you have learned to become a more effective leader?
 - Analyze readiness, latitude and power before making your choice of leadership style or decision making style.
 - How you, as a leader or coach, can build on what you have learned about Stakeholder Centered Leadership.