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THE JOURNAL OF
JVBL
VALUES-BASED LEADERSHIP

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VALPARAISO UNIVERSITY

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Editor-in-Chief:

Elizabeth Gingerich, J.D.
Valparaiso University
College of Business Administration
1909 Chapel Drive, Office 207
Valparaiso, Indiana 46383, USA
(o)01-219-464-5044
(f) 01-219-464-5789
elizabeth.gingerich@valpo.edu
www.valpo.edu/cob



International Contributing Editor:

Olen Gunnlaugson, MA., Ph.D.
Université Laval, Department of Management
Pavillon Palasis-Prince
2325, rue de la Terrasse, Office 1505
Québec, Québec G1V 0A6, CANADA
(o)01-418-656-2131, ext. 5308
(f) 01-418-656-2624
olen.gunnlaugson@fsa.ulaval.ca
www.fsa.ulaval.ca



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Editor-in-Chief:

Elizabeth Gingerich, J.D.
1909 Chapel Drive, Room 207
Valparaiso University
Valparaiso, Indiana 46383, USA

International Contributing Editor:

Olen Gunnlaugson, MA., Ph.D.
Université Laval, Department of Management
Pavillon Palasis-Prince, 2325, rue de la Terrasse,
Office 1505
Québec, Québec

Technical Advisors:

Jonathan Bull, M.L.S.
Assistant Professor of Library Services
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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 *JVBL* 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.

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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 (fully digital with print-on-demand options). The readership includes business leaders, government representatives, 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

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FACE-TO-FACE INTERACTION BETWEEN LEADERS AND EMPLOYEES IN THE MICROSYSTEM**
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This study explores the processes of establishing a green organizational climate in small-scale companies. Previous studies have primarily focused on factors associated with pro-environmental behaviour in large organizations. The role of a green organizational climate – specifically, the interactional processes involved in the construction of a green climate – has largely been unexplored. Entrepreneurial small companies constitute an ideal arena within which to study the initial phase of greening processes. The present study examined the process of establishing a green organizational climate in seven small-scale Norwegian companies. This article presents a systems model that was developed to analyse how processes at different levels interact in the shaping of the green climate. The design was a longitudinal mixed-methods approach, consisting of focus-group interviews conducted in the field, a questionnaire, and follow-up interviews with the leaders. Findings indicate that the construction of a green climate had a strong, practise-based approach. The company founders were driven by environmental values; they sparked the initial green measures, influenced the employees – directly and indirectly – and also invited dialogue around and co-construction of the green climate. Frequent face-to-face interactions within the microsystem of the leaders/employees were decisive to the development of the green climate. The present study contributes to the understanding of the process of greening an organization: specifically, how green practice relates to the construction of a shared green climate. Contrary to previous research and theorizing, this study indicates that it is possible to “go green” without a superordinate green strategy.
58. **FAIR AND STABLE PRICES IN THE AGE OF GREED: THE TORAH VIEW**
Hershey H. Friedman – Brooklyn, New York, USA
Murray Mizrachi – Brooklyn, New York, USA
Much of the Jewish legal tradition deals with business ethics. One such area of ethical analysis, in particular, concerns efforts of leaders throughout history to combat price gouging. This paper focuses on an overlooked precept: ensuring price stability. There is a tendency to trivialize the law mandating that prices be kept low and affordable, but in the wake of the 2020 world pandemic, these laws are more important than ever. Indeed, very few people are aware that the ninth blessing of the ancient Amida (also known as shemoneh esrei) prayer, established by the 120

members of the Great Assembly in the 5th century BCE, is a prayer for divine protection against individuals who would raise prices unjustly. This paper illustrates the importance of this law and provides interesting stories and examples of individuals who protected the public against hoarders. For it was these ethical leaders who assumed the obligation to actively shun price manipulation, shielding vulnerable individuals from being taken advantage of in the marketplace.

70. **BUILDING RELATIONSHIPS AND RESOLVING CONFLICTS: INFUSING CRITICAL THINKING INTO WORKPLACE PRACTICES**

Joseph P. Hester – Claremont, North Carolina, USA

As we are now living in a world characterized as a “new normal,” nothing is more important than leaders who are adept at critical thinking enabling them to enhance their businesses by making judicious decisions while remaining sensitive to the needs of their employees. When talking about critical thinking, often neglected is the descriptor “critical.” Among other things, “critical” means significant, vital, essential, and analytical, and involving skillful judgment as to truth and merit. From the point of view of commonsense, “critical” may also imply an effort to see a problem or situation clearly and truthfully in order to make fair judgments and wise decisions. Thus, critical thinking is more than learning to use specific thinking skills deemed necessary for business and everyday life. A critical thinker will have a sense of ethics governing his or her decision making and business acumen. Consequently, critical thinking necessitates life-long learning, experience, developing one’s intuitions, and above all, being creative, flexible-minded, sensitive to one’s environment, as well as being trusted and fair-minded. The ethical overtones of becoming a critical thinker are obvious making critical thinking and essential component of values-based leadership.

88. **UNIVERSITY PROFESSORS AS “TRANSFORMATIVE LEADERS”**

Cam Caldwell – Dubai International Academic City, United Arab Emirates

Verl Anderson – St. George, Utah, USA

University professors have a moral obligation to be ethical leaders in guiding their stewards. Transformative Leadership, a concept identified in both the educational and business leadership literature, provides a valuable model for university professors to consider as they interact with students and help them to learn and to prepare for the challenges of the modern world. This paper integrates the education and business leadership perspectives of Transformative Leadership and identifies the contributions that this leadership model can contribute to the effectiveness of university professors who adopt its principles.

101. **TRANSFORMATIONAL LEADERSHIP: IMPLEMENTING A CULTURAL APPROACH IN ORGANIZATIONS**

Mostafa Sayyadi Ghasabeh – San Diego, California, USA

This study provides support for the positive impact of transformational leadership on knowledge management. This article reveals that transformational leaders contribute to knowledge management by acting as effective change agents through better management of firms’ internal resources (i.e., organizational culture). In terms of mediating effects, this article shows that organizational culture is important in the relationship between transformational leadership and knowledge management. The study also shows that transformational leaders not only directly impact knowledge management but, more specifically, foster a more effective culture, which positively contributes to the effectiveness of knowledge management.

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SPECIAL FEATURE

LEADERSHIP IN THE TIME OF COVID-19



Yu Yuan Garden, Shanghai, China. National Day of the People's Republic of China (October, 2020). Courtesy, news.cn

CHINA: COVID 19 Control – A Response for Global Emulation?

— Lin Chen

December 3, 2020

China has successfully controlled COVID-19, when the world is struggling to control the pandemic.

How did China do it?

China published a set of policies, guidance, and regulations that were strictly and effectively implemented nationwide. To prevent and control the spread of virus, the government required people to wear masks when they are in close contact with others

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and to stay at least 1 meter apart in crowded and enclosed places. Those individuals deemed essential workers including healthcare workers at medical institutions, salespersons, security guards, janitors, police, drivers, and public transportation service staff are all required to wear masks. At the same time, the government restricts non-essential gathering activities, limits the number of people participating in collective activities, and recommends the opening of windows regularly for proper ventilation and indoor air circulation. Additionally, thorough cleaning and disinfecting activities are performed in public places, stations, terminals, and in public transportation on a daily basis.

Policy Creation and Implementation

China implemented what has been titled the “Four Early/ Four Concentrated” measures to fight the coronavirus. More specifically, the government’s policy is delineated as follows:

1. **Early Detection:** The “early detection” facet of the government’s comprehensive policy relates to performing body temperature screening measures in public places, enhancing pre-inspection triage methods, erecting fever clinics to investigate symptomatic complaints, establishing early detection of confirmed cases, suspected cases, and asymptomatic infections, and requiring early reporting and full transparency.
2. **Early Isolation:** The “early isolation” component refers to completing the epidemiological investigation within 24 hours of active case confirmation in order to identify the possible source of infection as quickly as possible as well as to trace to all close contacts, conduct early isolation measures, isolate confirmed and suspected cases with centralized medical observation for a period of no less than 14 days, and disinfect all possible contaminated places completely.
3. **Early Reporting:** According to national laws and regulations, the “early control” element relates to dividing control areas into the smallest unit possible (e.g., individual buildings, residential communities, and apartments). Thereafter, certain actions are immediately undertaken (such as restricting the size of gatherings, limiting the number of participants or attendees, and establishing an isolation period pertinent to the circumstances involved) to control the sources of infection, cut off the channels of transmission, and reduce possible risk of infection. Upon the successful implementation of this phase, officials promptly announce the relevant information related to the actions taken and the control area is formally established.
4. **Early Treatment:** The “early treatment” component of the government’s COVID-19 comprehensive control policy focuses on early intervention in the country’s dedicated hospitals. Patients exhibiting even mild symptoms are treated in a timely and effective manner in order to prevent further progression of the disease. These healthcare facilities also engage in the exercise of multidisciplinary treatments with respect to patients with severe symptoms to maximize the recovery rate as well as reduce the overall mortality rate. After the patient is cured and discharged from the

hospital, then s/he must continue to isolate for 14 days while under medical observation.¹

In the words of Sun Weidong, China's Ambassador to India, these four measures used by China to control the spread of the coronavirus have achieved the multifaceted objective of "testing all who need to be tested, hospitalization of all who need to be hospitalized, isolating and treating all who need to be isolated and treated." In a webinar conducted in May, 2020, Sun explained that "more than 340 medical teams of 42,000 medical workers across the country and half a million volunteers" traveled to the Chinese province of Hubei – where the virus originated – to combat the epidemic under the governance of China's centralized government.² The city of Wuhan, the provincial capital where the first cases were reported, was subject to a massive lockdown while the entire nation mobilized to ensure delivery and distribution of medical supplies and daily necessities to those residing there.

Acknowledging the recent release of what has been called the "Wuhan Files" – documents revealed showing a potential late start in actually identifying the disease and the potential underreporting of numbers of confirmed cases³ – China has appeared to have implemented measures which have efficiently prevented and controlled targeted groups and areas. With respect to public areas – and in accordance with recommendations, regulatory information, medical guidance, and technical assistance and in alignment with the implementation of centralized prevention and control measures – shopping malls, supermarkets, hotels, restaurants, and other entertainment places were opened gradually. For essential institutions and facilities, personnel entry and exit points in elderly care institutions, welfare homes, jails, and mental health facilities were carefully restricted and routine cleaning and disinfecting activities were provided.

For high-risk individuals – particularly seniors, children, pregnant women, disabled people, and patients with co-morbidities and severe chronic diseases – special prevention and treatments have been administered. Psychological counseling, critical and palliative healthcare services, and financial assistance tools have additionally been provided. For all schools, a daily report system has been activated which monitors and records the health conditions of all faculty, staff, and students. Each school must routinely clean and disinfect high-impact areas, implement an infectious disease control plan, provide guidance for disease prevention, and report on health management and classroom ventilation measures undertaken. With the assistance of volunteers, members of residential communities are educated and trained in disease prevention, COVID-19 symptom recognition, and treatment options. Virus screening in high-trafficked areas continues to be administered and a comprehensive public area sanitation and

¹ Summary of national policy in controlling the spread of the coronavirus [in Chinese], found at http://www.gov.cn/zhengce/content/2020-05/08/content_5509896.htm www.news.cn

² Summary of the Ambassador's interview found at <https://www.aninews.in/news/national/general-news/china-took-four-early-four-concentrated-measures-to-fight-coronavirus-chinese-ambassador20200527220439/>

³ See <https://www.cnn.com/2020/11/30/asia/wuhan-china-covid-intl/index.html>

disease mitigation plan implemented. Communities where the epidemic has occurred are given the charge to conduct the investigation, administer an isolation plan, and provide ongoing disinfection.

The early intervention response by the government has been crucial in prevent and control the spread of COVID-19 in China. At the same time, people viewing COVID-19 seriously and are willing to cooperate with the government in its control. The question of negative impact on individual freedoms has been offset by the need to treat and control a devastating pandemic, now impacting the world. While such restrictions might be eschewed in many western countries, this directed response has proven critical to preserve the collective and control the pandemic within national borders – allowing the country to open up its economy once again.

Concluding Remarks

China provides hope for the rest of the world and reminds other countries that even the most severe situations can be turned around. The national response to the COVID-19 epidemic and the high level of collective action in a modern city with more than 11 million people have stunned the whole world. China's decision to remove lockdowns has been controversial and met with skepticism by some, inevitably the results will become clearer after the full effect of its application is demonstrated. Ostensibly, the success of this move is wholly dependent on the precautionary measures taken by the government.

With close to 1.4 billion people, China has demonstrated a firm resiliency to a devastating pandemic that continues to destroy other economies. Countries may want to emulate China's response to COVID-19 and begin implementing better prevention and control strategies immediately as each one is at risk of becoming the new viral epicenter. Considering that each nation is unique, individual assessments should be performed of the possible benefits and negative consequences of each potential strategy proposed for adoption. In addition, countries should work on enhancing their response systems and emergency personnel in order to be more prepared for future outbreaks and reduce crippling impact when they strike.



About the Author

Vivian Chen, PhD

Dr. Chen is an assistant professor of accounting at Valparaiso University's College of Business in Valparaiso, Indiana. She received her Ph.D. in accounting from the University of Texas at Arlington and her MBA from Pittsburg State University in Pittsburg, Kansas.

Dr. Chen can be contacted at: lin.chen@valpo.edu

EDITORIAL COMMENTS

LESSONS FOR HUMANITY

Spiritual Leadership: The Challenge

— Joseph P. Hester, Independent Scholar, Claremont, North Carolina, USA

For the past decade, I have been writing about values-based leadership. Perhaps unaware due to my philosophical background, I have sometimes ignored that which moves our values, that which stimulates our impulse to be moral. Having had this brought to my attention, I have published several articles identifying and explaining what is called our “spiritual” nature and including such within the parameters of values-based leadership. These writings expose the complexities of the human mind and the deep-seated values harnessed within, recognizing the moral consciousness as an internal moral capacity.

These writings have been difficult due to my training in analytical philosophy and because many of us – and perhaps others around the world – associate “spiritual” with

Being spiritual acknowledges the inside person, the sacredness of life, and committing oneself to a life of care, kindness, and respect for others.

their religious commitments. Being raised in a Southern religious culture, I am guilty of this as well. Giving this some serious thought and the strong association of “spiritual” with being religious doesn’t mean that the religious, especially the

monotheistically religious, have a monopoly on being spiritual. Spirituality has a much wider exposure.

Harkening back to Descartes’ separation of mind and body, and due to its complexities, many call the moral mind “spiritual.” Not wishing to bash any religious interpretation of “spiritual,” I have steered a more neutral course recognizing that “spiritual” is not limited to any form of religious expression, but is an intrinsic predisposition indigenous to all humanity stirring within us the recognition of humanity’s moral center. The spiritual, as I conceive it, is a gathering place of humanity’s sacred dimensions. It is a lived experience revealed in a meeting of persons. The spiritual is, and will always be, relational – revealing the confluence of human respect and dignity and dispelling the over-accentuated diversity that separates and divides. The spiritual is the connective tissue of moral life and knowledge.

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In more than eight decades of living, I have discovered that life, all life, is about relationships and relationships are built on a self-giving love for one another. Living morally unites human life as we live in an inseparable web of human affiliations. Saying this, I acknowledge that values-based leadership is innately spiritual, but not in the traditional religious sense of being holy, pious, or devout.

Being spiritual acknowledges the inside person, the sacredness of life, and committing oneself to a life of care, kindness, and respect for others.

Thus, “spiritual” can be said to be a part of our human nature. That it is intrinsic doesn’t diminish its significance. As intrinsic, our spiritual natures will differ from that of others because it is subject to cultural influences. This makes it difficult to define, but, as we know, easy to manipulate. The spiritual is dynamic and energizing, a human action of moral discovery. This spiritual energy enables my giving and sharing, my ability to communicate with others, and my ability to build and sustain families and communities of moral strength. It is friendship-enabling and provides cohesion within the family and without.

I have found spiritual energy not to be unchanging, but a becoming — it is learning to see others with empathy and compassion. It involves a change of perception — a new framework of moral consciousness. Thus, the spiritual is growth oriented. The spiritual admits of possibility and not the lifeless statistical leveling we’ve become accustomed to hearing from our schools, politicians, and the media. It is the spiritual that excites moral possibility.

The pull of spirituality is its simplicity. It is available to everyone, young and old alike, but it’s a spiritual soil which must be diligently tilled. Thus, we are challenged to cultivate our communal and spiritual nature. Left unattended, our spiritual capacity begins to atrophy and lose its vitality and strength.

When our spirit is not open to others it will not grow; rather, it becomes encrusted and static lying lifeless in the topsoil of our values. It becomes just another icon to wave in front of others as a personal accomplishment of which to be proud. The spirit within seeks community and understanding; service to others and is possibility uplifting. To ignore the opportunities the spiritual provides puts at risk our valued relationships and, in the long run, our humanity and that of others.



Shaped but Not Fixed...We are Known by our Choices

We are indeed shaped by cultural values. The late 1950s were often described as the era of the “corporate man,” but the fifties were more than that. The myth of the corporate man was based on suspect ideas such as business is not concerned with the person, only the bottom line, and managers were automatons who took and gave orders. Favorite sayings during those days were “Let the buyer beware,” and “It’s nothing

personal, it's just business." I never fully understood how Christian business men and women could say these things. I have found these attitudes lie in the background of many who espouse servant or ethical leadership. Some have trouble breaking free of past habits and even though they disguise them under the umbrella of ethics, they remain immersed in measurements, controls, and ego-centered demeanors.

Yet, like most youth, I looked to the future and perhaps cherry-picked the weaknesses and blemishes I saw in my elders. I was restless and wanted something, but what it was I didn't then understand.

I grew to manhood as the feminist and civil rights movements were in full sway. The Cold War was at its height. As I exited college and entered seminary, these issues were reaching a fevered pitch. The idea of "the corporate man" is a metaphor that represented a predesigned model of the professional businessman, hewn in the military during WWII and moved forward by business schools throughout the nation thereafter. Many neglected the restlessness of the baby boomers and those born just before and during WWII. This was a time in which the old stereotypes were beginning to give way to an impatient and creative generation, my generation. Today, many baby boomers are exhibiting these same stereotypical attitudes and behaviors. Yet, I find it amazing how rebellion often results in conformism. There is a distinctive cultural drift flowing through our society in which those who seek individualism have conformed and are conforming to the values instilled and institutionalized by others. Unaware, many of us are continually manipulated by cultural forces (authorities, the media, etc.) and, in fear, succumb to a herd mentality believing safety is found in numbers. This is definitely true, but lacks moral integrity. Conformity is certainly a characteristic of our time, but I am encouraged by today's youth who have begun to react to such political forces as the NRA and climate-change deniers. Maybe change is in the air?

By the late fifties, I was growing restless as well. Starting life as an adult is never easy. I had to reach down, way down, and begin to examine the fundamental beliefs I had inherited from family, friends, and church. During the feminist and civil rights crises, affecting me the most were the behavior of the adults I admired. This is where my learning began. Beliefs can be static and unchanging. They can block faith-activation. The civil rights and feminist movements are a case in point. In 1954, the Supreme Court case that would desegregate the American landscape was put into play. From age fifteen, I heard Christian ministers rail against integration. The Cold War was at its height and soon a new, young president would offer a more palatable vision of what America could become. It was an exciting time, but a time when the morally courageous had to step up and be counted. I lived in a society burdened with contradictory and overlapping values. Life can be confusing and it has taken me a lifetime to sort it all out. We are known by our choices.

In 1959, an old, fill-in preacher in my home church spoke in reaction to the civil rights protests going on around the country and in our state. He said, "God made the black birds, the red birds, and the yellow birds; and these birds don't intermix and we shouldn't either." "This is God's will," he shouted out, red face and fist pounding. Where did he get this idea? Did this come from the Bible? The land of the Bible was multiracial to its core.

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Did Jesus teach this? His reasoning was clear, and so was his intent. I remember sitting with my mother during the service and just rose to my feet when the preacher said those words. He asked, “Do you want to say something young man?” I responded, “You’ve forgotten, we are all – black and white, yellow and brown – created in the Image of God as Living Souls; and, by the way, we’re not birds.” I was 19 years old. This was a tenuous time for me. I had made a commitment, but still wasn’t sure about the future. My doubts about the ministry were hardened with this event.

Within two years (1961), I was enrolled at Southeastern Seminary in Wake Forest, North Carolina, just a year after the first African-American sit-ins in Greensboro, NC. Little was said in our Bible or theology classes about race, the coming war in Vietnam, or the feminist movement. Little attention was given to Christian ethics or Christian education. These courses were simply thought of as theological by-products and professors of little note taught them, lock-step, in the Baptist way. Nothing from my Biblical studies was given a real-world application. The abstractions inherent in theological reasoning and the inability of professors to make concrete applications in a world appearing to be imploding did little to prepare me for the realities I would later face. Seminary provided no answers but many questions; for this I am grateful.

As a caddy at our local country club, I had become friends with many African-American kids in the years 1952-1954. For the golf pro, there was no discrimination in the way caddies were chosen – it was always first come, first to go out on the course. At age 16, I took a job driving a dray truck for a local grocery store. I mainly delivered groceries in the African-American community. Many were too poor to own cars. Some were just too old to drive. So, I took their orders by phone and delivered their groceries, often taking time to put them in their kitchens and in their cabinets. Here I made many friends with those who segregation had marginalized. I was able to personalize this cultural experience enabling me to respond to my customers as individuals, without labels and the stigma of racial prejudice. This changed my thinking and ultimately the very soul of my values. I was young, but serious. I asked: “Am I different from these people?” Their houses are no different than mine? “Why have we pushed these people to the edges of the city and to the backwaters of life itself?” I wanted some answers. My teachers never provided answers for me. Today, I questioned their moral courage but am aware they too were trapped in the presuppositional habits of a past society.

In the fall of 1961, about a year and a half after the Greensboro, North Carolina sit-ins, Southeastern Seminary assigned me to the federal low-income housing projects in Greensboro, about fifty miles west of Wake Forest. On Saturday and Sunday afternoons, I knocked on doors, made friends with as many residents as I could, and kept records of my visits. It took some time to build trust and friendships in this multiracial community. I had to overcome the distrust of these people and this took some time. I responded to each person I met as an individual and not some socially generalized stereotype. They soon began responding to me in the same way. I was charged with establishing a church in the recreation center situated at the heart of the projects. Why the local churches in Greensboro hadn’t done this I questioned. This reinforced my negative vision of the church. Perhaps White Guilt was the reason the seminary sent me there; I’m not sure. In

Greensboro, I reaped the benefit of my experiences as a caddy, delivering groceries in the African-American community at home, and my intermingling with friends of color. One can never discount experience. Experience teaches, but we must be careful, for some experiences are negative and reactionary rather than positive and moral.

The semester I spent in the Greensboro projects was indeed an adventure in both faith and learning. I think, looking back on those days, my Spiritual Wisdom was strengthened by the people whom I met there. They taught me more than a young man of 21 taught them. It must have stuck with me because of my actions during that school year. Two African students enrolled in seminary – sent from Nigeria by one of our missionaries but were not allowed to stay in the campus dormitories because of their race. Also, they were not permitted to join or attend the First Baptist Church which was located on the seminary campus.

I was working part time at Stevens' BookStore and on the weekends in the Greensboro projects. Dick Stevens was a seminary graduate and a great counselor for me. As students came into the bookstore, the fate of the Nigerians was always a hot topic for discussion. Under Dick's advice I began talking with them about going to the school administrators and insisting on housing those students on campus. We did and it didn't work. We then – and I don't know whose idea it was, but a small group of us were always brainstorming ways to do things – decided to go to the campus church and see what we could do there. We (students) were members of the church because of our seminary enrollment – the church was a part of the seminary. So, we just went to the next monthly business meeting and voted those students into the membership of the church. We outnumbered the regular members two or three to one, so the vote was easy, but not without some shouting and putdowns.

We Baptists do love exercising our voting freedom, but that was just too easy! It worked and Isaac Beverly Lake, Sr., a member of the church and who was running for governor on a racist ticket in 1962, pulled out of the church and took about 100 members with him. They constructed a small cinder block church just east of town on Highway 98. He lost his run for governor. Sometime in the 1990s, I happened to be traveling though Wake Forest on the way to train teachers in Rocky Mount and noticed Lake's church was all boarded up and falling down. Good I thought. It takes courage to exercise Spiritual Wisdom. Looking back, this was a time of spiritual growth.

In the spring of 1962, I became pastor of Ridgecrest Baptist Church, just six miles from campus. The 35 members of this congregation had recently split from a larger church just across the road from the community center where they were meeting. I would be their second student pastor as the first had graduated from seminary and moved on. Within a year, we had built a new church and the membership had grown upward toward a hundred. We planned a big opening Sunday. I had invited the seminary choir to sing, the seminary organist to play a few select pieces during the service, and one of my favorite professors – Stewart Newman – to deliver the sermon. Also, the missionary from the Wake County Baptist Association would be there to say a few words and reaffirm his commitment to the church.

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When I arrived at the church, I noticed many of the men of the church were milling around in the parking lot and were not in their Sunday school classes. One of our members came into my office and said that the men had guns and knives with them. It seemed the opening of the new church had received a lot of attention in the Raleigh newspapers. They heard the NAACP would be sending members to the church opening. I also knew the church was located in the heart of KKK country and probably some of our members were also in the Klan. The NAACP wanted to make a statement, but so did I.

I found my wife in her classroom and told her what was going on. We went out to our car and I said to the men standing there, "I won't be the pastor of a racist and un-Christian congregation. My wife and I are leaving and won't be back. I'm sure you guys can carry on without us." One man stepped up and asked what they should do, since a large number of people were expected at the church opening; "who would lead the service?" My response was "Take the guns and knives back to your houses and come back to the worship service. Anyone who comes here will be welcomed as long as I am your pastor." They did just that, but I had the feeling my days were numbered there. From that time, I noticed a change in how I was treated by some in the church. I would be patient because I knew I would be leaving Wake Forest when I finished the school year ending in 1965. Breaking with tradition and ensconced beliefs is terribly difficult.

I was at Ridgecrest Baptist Church from April 1962 until August 1965. I would leave seminary and research and write my Th.M. Dissertation at my new post and graduate in 1967. In 1982, my wife and I returned to Ridgecrest for their homecoming service marking 20 years as an organized church. As the pastor read aloud the names of former ministers my name was noticeably missing. One lady, who recognized us, raised her hand and told the pastor of his omission. He penciled in my name without looking up and went on with his reading. He never acknowledged my presence at the service. Somehow, I think my name was on the list but had an asterisk beside it because I had left the ministry for teaching, or worse, had pissed them off at their opening service twenty years before. Ironically, with the old members gone, I was invited to speak at their 50th homecoming reunion and turned down an invitation to speak at their 55th reunion due to my age and failing eyesight. Actually, they were having the same problems again and I just didn't want to be involved and make the 300-mile round trip.

About the Author

Joseph P. Hester is an independent writer living in Claremont, North Carolina, and serves on the Editorial Board for the *Journal of Values-based Leadership* and the Advisory Board for the *Humanities Bulletin*.

Dr. Hester can be reached at southcline@gmail.com.

“JIFFY” – The Right Mix for Business

– Ritch K. Eich, Thousand Oaks, California, USA

Amid the COVID-19 pandemic – one of the most difficult business climates in recent history – business is booming at the Chelsea Milling Company, maker of the top-selling product known as “JIFFY” Mix.

The pandemic is the latest major event that has put the culture of Chelsea Milling Company to the ultimate test. “JIFFY” Mix today remains among the most well-known and popular food products in America, with its signature, retro-style, blue-and-white boxes that most people instantly recognize. Still, the success of this longtime family-owned business founded in 1887 can’t be chalked up solely to the fact that people like corn muffins and nostalgic packaging. The leadership at Chelsea Milling, headed by President and CEO Howdy Holmes, has made a concerted effort to clearly define its culture, following two guiding principles: first, the process by which decisions are made and second, how people communicate.

During the Spring of 2020, the Chelsea, Michigan-based company’s family of employees worked eight consecutive weekends with a 100% fill rate. As Holmes explained to me in a late July interview, two factors were evident during this particularly hectic time: first, being vertically integrated, the company does everything itself, including making its own machinery parts; and second, the entire workplace adopted Holmes’s philosophy, “We feed America.” This viewpoint gives employees pride as they realize their jobs carry a heavy responsibility bigger than themselves and their paychecks.

I was enormously fortunate to know and work with Howdy’s father, Howard Sumner Holmes, in his prominent leadership role as a member of the Board of Directors at St. Joseph Mercy Health System and chair of its Development Council.

More often than not, our meetings started at 6 a.m. at Stivers, a restaurant off I-94. Howard Holmes was always prompt. Only later did I realize he had been at “the mill” for a couple of hours before we met! This spoke volumes about his work ethic and his commitment to his workforce.

If there was ever a business whose governing philosophy and actual practice, day in and day out, has been “it’s all about people,” it’s the Chelsea Milling Company. It’s also a company that’s been characterized by grit, grace, and gratitude for over a century of success.



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The following five principles explain the “secret sauce” that makes this iconic company distinctive:

Hiring. The leadership believes the owners are no different from the workers; no one is entitled. The company spends significant time and resources in hiring, using behavioral and personality tests extensively in recruitment to find candidates who will be resilient, work well with others, and treat others with empathy, among other traits. When a job offer is made, management believes the individual has the potential to be successful in the company.

In addition, Holmes completely revamped the board of directors at the family-run company in 1991 that included both family and nonfamily members. The reorganization ensured the right people were in the right place, not just his family members. Nepotism was rooted out and qualifications for the job became much more important than in the past.

Onboarding. New hires aren’t simply placed in their new jobs and then left to fend for themselves. They are connected with veteran co-workers who serve as mentors. Freshly-minted employees are deployed as “process observers” and are transferred among several different departments to learn the business and develop strong working relationships based on trust and respect. This continues for several months. As an added bonus that shows the workers how much they matter, even the boss knows most, if not all, of the 300+ workers by name and can tell you something about the person as well. On an extensive pre-pandemic tour of the plant taken with Howdy Holmes, we were amazed at his recall as he spoke with numerous employees along the way.

Collaboration. Many companies often pay lip service to cooperation and collaboration. To them, communication is often one-way and after the fact: after decisions are made, managers go through the motions of insincerely asking employees for ideas. At “JIFFY” Mix, managers and executives are taught and reminded regularly of the need to ask employees for their ideas for improving mixing, packaging, warehousing, quality control, or a myriad of other processes.

Communication goes in all directions, not just top down. Managers understand that when employees are treated like they are a part of a team where all participants know their ideas are genuinely valued, respect and trust often follow.

Personal growth. Chelsea Milling utilizes a holistic approach at helping their employees grow and takes employee well-being to a whole new level. The company has developed several personal growth programs including a wide range of “Discovery classes,” biannual nurse consultations on ways to achieve a healthy lifestyle, and annual physicals with the employee’s physician (at an annual per employee savings of \$750.) These programs, overseen by a Personal Development director, improve worker productivity and help the employees grow personally and professionally. Among the director’s many duties are giving every employee who wants to learn and grow new opportunities to expand their duties at work. Building on but expanding well beyond the firm’s historical

and strong employee-centered philosophy, Howdy Holmes implemented talent assessments, career progression, training opportunities, organizational evaluations, team-building interventions, and competency models for his workers.

Conflict resolution. The older workers at Chelsea Milling Company are fortunate as they experienced the firm’s transition from a sole proprietorship to a professionally-managed company where conflict within the Holmes family was successfully resolved to ensure the company’s future. Conflict is common to human organizations, including family-owned businesses, and the key is to channel it to constructive ends. Howdy Holmes learned this valuable lesson and has wisely ensured his executive team understands that if they act and behave like they have all the answers, major conflict will arise and workplace respect, trust, and dignity will weaken. “Team JIFFY” as Howdy Holmes calls his staff (a concept he kept from his previous, successful Indy car racing career) values workers for the essential tasks they perform as well as the supervisors who steer the effort. Holmes bears in mind that change is a constant – whether in technology or competition – and people learn faster when they break from established routines.

For 133 years, this unique “mix” of stellar business principles with enduring human values has stood the test of world wars, depressions, pandemics, and a revolution in technology. Chelsea Milling Company has embraced new technologies and expanded product offerings for individual, family, and food service customers as Americans’ tastes have evolved.

But the primary reason this company thrives is because the Holmes family puts people first – bringing dignity and meaningfulness to every job. Loyal, civil, and hard-working employees and well-made, delicious products that have lasted the test of time are the reward.

About the Author

Ritch K. Eich, Ph.D. (Michigan), former hospital executive at St. Joseph Mercy Health System (Ann Arbor), at IU Medical Center (Indianapolis), chief of public affairs at Blue Shield of CA and captain, U.S. Naval Reserve (ret), is the author of five books, the most recent is ***GRIT, GRACE & GRATITUDE: Timeless Lessons for Life***. Eich has served on more than a dozen boards of directors and trustees of both for-profit and non-profit organizations across the country. He also served on Congressional committees for the U.S. Senators, Carl Levin and Dan Coats.

Dr. Eich can be reached at ritcheich@gmail.com.



INGEBORG FLAGSTAD
HAMAR, NORWAY



SVEIN ÅGE KJØS JOHNSEN
LILLEHAMMER, NORWAY



LEIF W. RYDSTEDT
LILLEHAMMER, NORWAY

The Process of Establishing a Green Climate: *Face-To-Face Interaction between Leaders and Employees in the Microsystem*

Abstract

This study explores the processes of establishing a green organizational climate in small-scale companies. Previous studies have primarily focused on factors associated with pro-environmental behaviour in large organizations. The role of a green organizational climate – specifically, the interactional processes involved in the construction of a green climate – has largely been unexplored. Entrepreneurial small companies constitute an ideal arena within which to study the initial phase of greening processes. The present study examined the process of establishing a green organizational climate in seven small-scale Norwegian companies. This article presents a systems model that was developed to analyse how processes at different levels interact in the shaping of the green climate. The design was a longitudinal mixed-methods approach, consisting of focus-group interviews conducted in the field, a questionnaire, and follow-up interviews with the leaders. Findings indicate that the construction of a green climate had a strong, practise-based approach. The company founders were driven by environmental values; they sparked the initial green measures, influenced the employees – directly and indirectly – and also invited dialogue around and co-construction of the green climate. Frequent face-to-face interactions within the microsystem of the leaders/employees were decisive to the development of the green climate. The present study contributes to the understanding of the process of greening an organization: specifically, how green practice relates to the construction of a shared green climate. Contrary to previous research and theorizing, this study indicates that it is possible to “go green” without a superordinate green strategy.

Introduction

In the context of climate change and environmental degradation, companies are increasingly striving toward environmental sustainability. Organizations play a key role in the transition toward sustainability (De Matos & Clegg, 2013), and the green agenda has

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been embraced as an attempt to adapt to environmental challenges (Shevchenko, Lévesque, & Pagell, 2016). Several small companies are at the forefront of creating green changes; they have the ability to adapt rapidly, create innovative solutions, and engage employees in a shared green vision (Shevchenko et al., 2016) – however, it is unclear how this kind of green focus develops. In this study, entrepreneurial, small-scale green manufacturing companies were used as an arena within which to study the processes involved in the establishment of a green organizational climate; this climate is defined as the employees' shared perceptions of the environmental policies and practices of the organization (Norton et al., 2012; Norton et al., 2014). It has been hypothesized that the green organizational climate established in an early phase of a company significantly impacts the future of the company (Kelly et al., 2000; Robertson & Carleton, 2017; Schein, 1983) and thus has extensive consequences. While the literature has examined associations between different factors, it is less clear how a sustainable and green organization *evolves* (Glavas, 2016; Kim et al., 2017; Norton, Parker, et al., 2015). To our knowledge, no studies have directly addressed the underlying process of establishing a green organizational climate (Glavas, 2016; Harris & Crane, 2002; Norton, Parker, et al., 2015).

The Emergence of a Green Organizational Climate – Many Roads, Few Directions

Although many companies establish environmental strategy statements as part of their greening efforts, the formulation of a strategy does not necessarily promote behavioural change (Baumgartner & Ebner, 2010; Howard-Grenville et al., 2014; Lo et al., 2012; Mishra, 2017; Whitmarsh, 2009). At least one study indicates that the environmental strategy needs to be directly linked to action in order to promote pro-environmental behaviour (Norton et al., 2017); moreover, the establishment of a self-sustaining green practice requires that it be embedded in the overall organizational culture and climate (Benn et al., 2015; Davis & Coan, 2015; Norton, Zacher, et al., 2015; Renwick et al., 2013; Schneider et al., 2013). Correspondingly, the absence of an environmental culture or climate seems to hinder pro-environmental behaviour (Yuriev et al., 2018; Zientara & Zamojska, 2018).

Schneider and Reichers (1983) have defined “organizational climate” as a set of shared perceptions regarding the policies, practices, and procedures that are developed through interaction and supported by the organization. It is a collective phenomenon resulting from social processes, and is analogous to the way newcomers are socialized into the organization (Schneider & Reichers, 1983). Climate strength refers to the degree of agreement among co-workers with regard to their climate perceptions (Chou, 2014; Kuenzi & Schminke, 2009; B. Schneider et al., 2017); correspondingly, strong climates are hypothesized to be associated with frequent interaction between employees in the organization, which promotes uniform perceptions (González-Romá et al., 2002; Rentsch, 1990; Schneider et al., 2013). Organizational climate is found to be strong in small units with dense communication patterns (Schneider et al., 2013) and is consistently linked to employee behaviours (Kuenzi & Schminke, 2009).

While a general organizational climate is a global construct, the green climate relates more narrowly to the shared perceptions of environmental policies and practices within the organization (Kuenzi & Schminke, 2009; Norton et al., 2012; Norton et al., 2014). Although there is a considerable body of literature on general organizational climate, few studies examine the emergence of environmental climate in a work setting (Norton, Parker, et al., 2015). Some recent studies indicate that green climates are associated with environmental behaviour (Khan et al., 2019; Norton et al., 2017; Tian et al., 2020; Zientara & Zamojska, 2018), but it remains less clear how a shared green focus develops. As such, this study examines how organizations embed a green focus into their climate, to broaden our understanding of how pro-environmental behaviour can be dispersed throughout an organization.

Studies of pro-environmental behaviour at work are still at a nascent stage (Ones & Dilchert, 2012). We lack knowledge on the processes whereby leaders establish and shape an organizational climate that promotes pro-environmental behaviour (Norton, Parker, et al., 2015). There are also gaps in the literature related to methodological issues – several meta-analytic articles call for longitudinal studies that examine change processes; multilevel-studies that allow for understandings of how processes at different level interact; and, finally, qualitative studies that explore underlying mechanisms (Aguinis & Glavas, 2012; Kuenzi & Schminke, 2009; Lo et al., 2012; Norton, Parker, et al., 2015; Schneider et al., 2013).

Drivers of Green Climates in Organizations

A major challenge in promoting green change is the lack of theories and knowledge on how a green climate is established and woven into the fibre of an organization. In general, organizational climate is thought to be driven by management systems (Flamholtz & Randle, 2014). Conversely, we hypothesize that an environmental-specific climate is driven by environmental certifications; as of yet, however, this relationship remains unexamined.

Internal and external drivers. The drive to “go green” may vary along a continuum ranging from external to internal motivation. Important external drivers of organizational greening are stakeholder pressure, competitive pressure, and governmental requirements (Pham et al., 2019). Values are considered significant internal drivers; pro-environmental behaviour coincides with self-transcendent and biospheric values (Steg & Vlek, 2009). This basis likely extends to work settings, but it is unclear how common perceptions of green values develop among co-workers (Norton, Parker, et al., 2015).

Furthermore, moral obligation and conscientiousness have been reported as important drivers of pro-environmental behaviour (Norton, Parker, et al., 2015; Paillé et al., 2015); meaning is another internal driver that promotes the feeling that the greening efforts serve a greater purpose (Aguinis & Glavas, 2013; Fineman, 1996). Although some organizations with a peripheral approach to greening are motivated by external factors, organizations with an embedded approach to greening integrate environmental sustainability into its strategy and practices (Aguinis & Glavas, 2013). The processes by which green embeddedness is established and maintained are not well understood.

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The role of leadership in promoting a green climate. Some recent studies have suggested that leadership plays a significant role in the establishment of a green organizational climate (Bratton, 2018; Robertson & Carleton, 2017; Saleem et al., 2020; Zhou et al., 2018). In line with this, a non-hierarchical leadership style has been found to contribute to cultivating a green climate (Xing & Starik, 2017). Leader support is central to promote pro-environmental behaviour, more specifically – feedback from leaders and setting examples enhance environmental performance (Robertson & Barling, 2013; Young et al., 2015). Researchers suggest that leadership style, such as ethical leadership (Khan et al., 2019, Saleem et al., 2020), responsible leadership (Zhao & Zhou, 2019), green transformational leadership (Robertson & Barling, 2013; Robertson & Carleton, 2017; Wang et al., 2018; Zhou et al., 2018), and environmentally specific charismatic leadership (Tuan, 2019), positively affect pro-environmental behaviour. Furthermore, a green climate has been hypothesized to mediate the relationship between leadership style and pro-environmental behaviour (Khan et al., 2019; Robertson & Carleton, 2017; Saleem et al., 2020). Since pro-environmental procedures and practices constitute central elements of the green climate construct, the studies that link pro-environmental behaviour to leadership are relevant to consider.

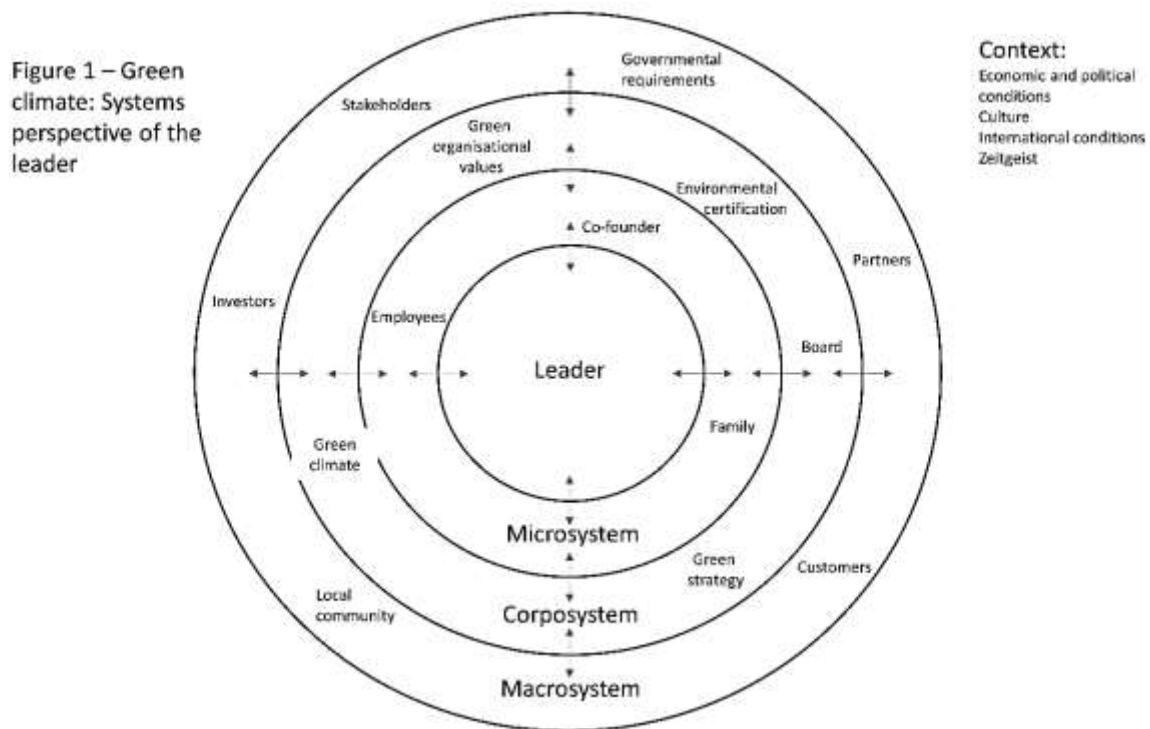
Applying the Ecological Systems Model to Green Climate Development

Given the substantial gaps in our knowledge around greening, it may be necessary to build a firmer theoretical standpoint. Flagstad and Johnsen (2020) have argued that Bronfenbrenner's ecological systems perspective may be used as a framework to understand how leaders and employees in organizations are influenced by each other and how a green organizational climate develops. In Bronfenbrenner's original model, the developing person is placed in the innermost system level and surrounded by nested structures, such as family, community, and culture (Bronfenbrenner, 1979).

Typically, the systems closest to the person are more significant for development than the more peripheral systems levels; according to Bronfenbrenner (1979), the interconnections between different levels are as important as the levels themselves. The drivers of development are proximal processes – interactions with the environment that occur with some frequency and over some time (Bronfenbrenner & Evans, 2000) – which is in line with Schneider and Reicher's (1983) theorizing on shared climate and interpersonal interaction.

In the context of organizational climate, Flagstad and Johnsen (2020) have developed the model below to illustrate how a person in a company is influenced by different entities (*Figures 1 and 2*). In *Figure 1*, a leader of a small company is placed at the centre of the model with his/her values, ideas, skills, and attitudes. The *microsystem* of the leader includes employees with whom the leader interacts on a daily basis. These kind of face-to-face interactions and personal relationships are at the core of constructing a green climate in the microsystem (Schneider & Reichers, 1983).

The next system is the *corposystem*, which represents bodies within the company with whom the leader (in this example) has less direct contact, such as its board of directors,



green organizational climate, environmental strategy and environmental values. Similar to how Flagstad and Johnsen (2020) have placed the environmental strategy in the corposystem, Norton et al. (2017) conceptualize it as a distal variable, and argue that the strategy has limited influence on the practice within the company if it is not directly translated into action. In a large company, the corposystem represents entities such as other departments, top-level management and support functions. In Flagstad and Johnsons' (2020) organizational model, this level is different from the interactional level in Bronfenbrenner's (1979) original model, and they coined the term "corposystem" to highlight this difference.

The distal level is the *macrosystem*, which represents entities outside the boundary of the organization, such as investors, external partners, customers, the local community and environmental certifications. Outside the macrosystem is the larger context, comprised of other companies, economic and political conditions, culture, international conditions, and the zeitgeist. The systems model may be related to the peripheral – embedded dimensions of greening introduced by Aguinis and Glavas (2013). They argue that organizations characterized by a peripheral approach to greening rely on governmental requirements (in the macrosystem in the systems model, *Figure 1*), while organizations with an embedded approach depend on interactional processes (in the corpo- and microsystems in the systems model, *Figure 1*).

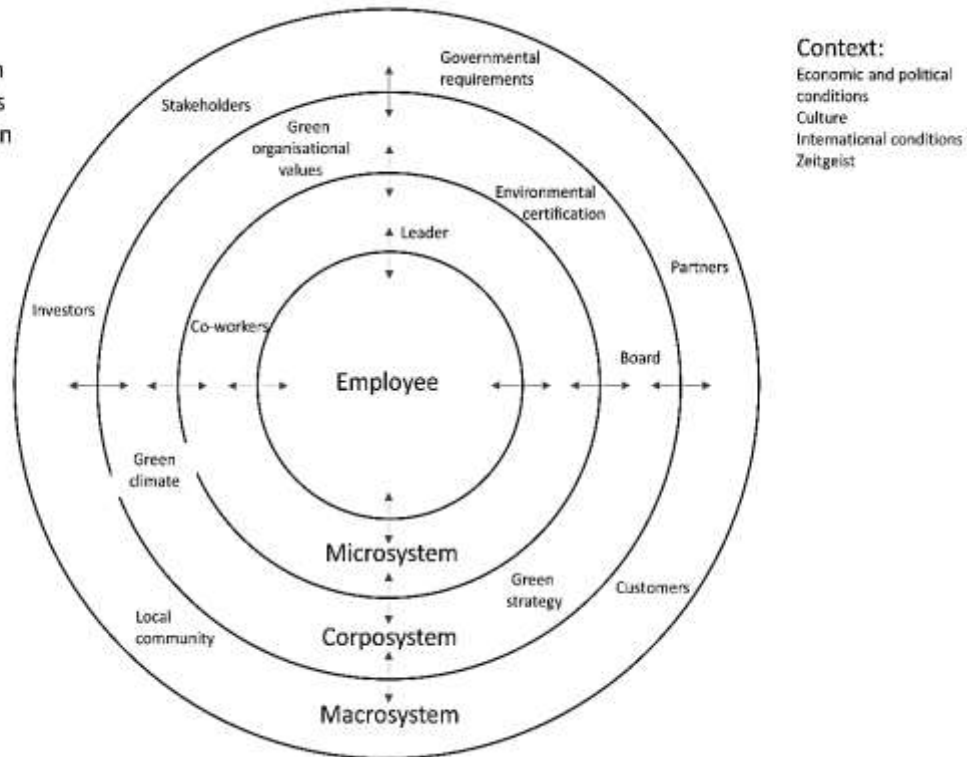
Bronfenbrenner and Evans (2000) identified two important developmental outcomes – competence and dysfunction; these emerge from the dimensions of exposure to proximal processes: *duration*, *frequency*, *interruption*, *timing*, and *intensity*. In the context of developing a green climate, competence was considered pertinent, and the three exposure dimensions of duration, frequency, and intensity were considered most relevant; in addition, *relevance*, a fourth dimension, was introduced, referring to instances when a process is perceived as being important (Flagstad & Johnsen, 2020).

Based on the dimensions of exposure to proximal processes, we hypothesize that the development of a green climate in an organization depends on interactional processes that originate in the microsystem. The development of shared perceptions of the environmental strategy and practice is at the core of the green climate – and these shared perceptions emerge from interpersonal interaction. We therefore propose that 1) the *duration* of encounters between people at work determines the construction of shared perceptions; 2) the *frequency* of encounters between people at work determines their influence on the construction of shared perceptions; 3) the level of *intensity* of encounters between people at work determines their potential to influence the construction of shared perceptions; and 4) the potential to influence depends on the perception of the *relevance* of the contributions. Finally, we also propose that the construction of a shared green climate depends on a combination of the above processes, and that a combination of the exposure dimensions precede the development of a strong environmental climate.

In addition to the propositions above, strong climates are hypothesized to be more common in small companies, because one might expect communication to be frequent and of longer durations (Schneider et al., 2013). Some relate the development of a green climate to meaning (Aguinis & Glavas, 2013), which is similar to the exposure dimension of relevance. Conceptually, the green climate is located in the corposystem, because it encapsulates the whole company; however, the employees may experience a continuous presence of the climate in the face-to-face interactions that characterize the microsystem. Similar to the propositions from the systems perspective, Norton et al. (2017) suggest that employees are surrounded by multiple contextual levels and hypothesize that the environmental climate constitutes a proximal variable, primarily constructed through social interaction.

The systems that shape the green climate may be constructed from the perspective of any member of the organization. *Figure 2* depicts the perspective of an employee: here, the leader and co-workers occupy the microsystem around the employee, and the boundaries of the corposystem is an important delineation, as the employee's work is principally internally oriented.

Figure 2 – Green climate: Systems perspective of an employee



Employees who hold personal pro-environmental values and attitudes will contribute to the construction of a strong green climate. However, employees who do not support the environmental focus of the organization will hinder the development of a green climate. Furthermore, differences of opinion may give rise to conflicts in the micro- and corposystems. Frictions in these two systems may also arise as a result of competing climates: for instance, the environmental climate may be threatened by a climate of efficiency (Kuenzi & Schminke, 2009).

Leader-driven processes. We emphasize that the systems model is related to prior research and theorizing. Firstly, several theoretical perspectives place leadership as an element in the proximal context of the employee (Kim et al., 2017; Robertson & Carleton, 2017), which corresponds to the microsystem in the systems model. The importance of leader support as a central driver for a green organizational climate is well documented (Kim et al., 2017; Robertson & Barling, 2013; Robertson & Carleton, 2017; Saleem et al., 2020). Leader influence is related to several of the exposure dimensions: leaders' interactions with employees may occur frequently and over a long duration. Furthermore, some leaders have high intensity (e.g., charisma), and moreover may communicate their green engagement in a way that seems relevant to the employee.

Employee-driven processes. Secondly, the co-workers are a central element in the microsystem of an employee; they may play a key role in promoting pro-environmental

behaviour through “work group green advocacy” (Kim et al., 2017), normative social influence processes and social learning processes (Robertson & Carleton, 2017). The dimensions of exposure impact the strength of the influence: for example, frequent, long, intense, and relevant encounters lead to strong environmental influence.

Leader–employee interaction. Additionally, Kim et al. (2017) suggest that there may be interactional effects involved: the leader’s pro-environmental behaviour spurs green advocacy in the work group, which in turn may strengthen the green focus of the leader. The authors found that the dynamic processes in the work group have amplifying consequences, creating social pressure to perform pro-environmental behaviour (Kim et al., 2017). Moreover, employees’ desire for approval and recognition may be important drivers, stemming from both co-workers and leaders (Dejonghe et al., 2009; Paillé et al., 2015). Indeed, research suggests that strong relationships between co-workers and the experience of support encourage pro-environmental behaviour in organizations – more specifically, “eco-helping” (Paillé et al., 2015). In line with this, Robertson and Carleton (2017) found that transformational leadership, focused on building relationships, is associated with pro-environmental climate, and conversely that lack of co-worker/managerial support has been found to be a barrier to pro-environmental behaviour (Yuriev et al., 2018). In sum, the systems model explains how face-to-face interactions in the microsystem – both between employees and between the leader and employees – determine the development of a shared green climate.

Greening Mechanisms in Miniature: Norwegian Small-Scale Companies

To examine the mechanisms through which greening occurs, we decided to focus on organizations in the entrepreneurial phase. According to several authors, research on environmental sustainability in small-scale companies is underexplored (Del Giudice et al., 2017; O’Donohue & Torugsa, 2015; Roxas & Coetzer, 2012), and to our knowledge there are no studies on environmental climate and culture in this context; the majority of research in this field has been conducted in large companies (Kuenzi & Schminke, 2009; Ozbilir & Kelloway, 2015; A. Schneider et al., 2017). This lack is noteworthy, since small companies in most countries contribute substantively to wealth creation – in Norway, they make up 25% of wealth creation – and their environmental impact thus deserves attention (NHO, 2018). Furthermore, small companies may form the core of larger organizations in the future and consequently they are hypothesized to generate great environmental effects. The focus of this study is therefore on small-scale companies, defined by the Confederation of Norwegian Enterprise (NHO) as companies with 1 to 20 employees (NHO, 2018).

We hypothesize that the size of the company influences the greening process. On the one hand, small companies may face obstacles in their greening efforts due to a lack of slack resources (i.e., liquidity), environmental knowledge, and explicit policies with regard to environmental sustainability (Del Giudice et al., 2017; O’Donohue & Torugsa, 2015). On the other hand, small companies have advantages related to flexibility, close interaction, and the ability to adapt rapidly to changes (Masurel, 2007; O’Donohue &

Torugsa, 2015). An additional characteristic of small-scale companies is that they tend to have a unitary organizational culture and climate, which are attributes that may facilitate the diffusion of green values (Harris & Crane, 2002). Shevchenko et al. (2016) have requested further research on small organizations characterized by entrepreneurship and an active striving for “true sustainability,” rather than on large companies that primarily engage in compensatory actions.

In the present study, we decided to focus on manufacturing companies, because they make choices that have an environmental impact – especially concerning production process, use of raw materials and choice of packaging/transport. Furthermore, we aimed to investigate environmental considerations in companies that face market competition.

Most research on the greening of organizations has been conducted in North America and the United Kingdom; to our knowledge, this is the first study of green organizational climate in a Norwegian setting (Yuriev et al., 2018). Norway makes for an interesting context, as Norwegian work life is characterized by low levels of hierarchy and a high degree of employee involvement, which may influence organizational greening. Norwegian society faces a dilemma in the era of climate change: the “Norwegian paradox.” On the one hand, Norway strives to be at the forefront of sustainable development; on the other, its economy is highly reliant upon oil (Boasson & Lahn, 2017; Eckersley, 2015; Norgaard, 2006). The Norwegian society is moving in a green direction; the green shift was awarded “the word of the year” in Norway in 2016, the Green Party (Miljøpartiet De Grønne) has recently seen a rise in support (Larsen & Madsen, 2018) and climate change was rated the largest challenge of our time in 2019 (Livgard, 2020). There is a rising controversy regarding Norway’s paradoxical position between climate leadership and fossil fuel extraction (Lahn, 2019) and the ethical dilemma this creates (Hunnes, 2019).

Purpose and Research Questions

In this study, we investigated the greening process – from initial pro-environmental concerns to the development of a green organizational climate – in small-scale manufacturing companies. Our aims were two-fold: to advance our understanding of the interpersonal exchanges that take place during the construction of a shared green climate; and to examine the processes through which a shared climate take shape. Our focus was on the social interaction mechanisms at play between employees, and between employees and the founder. By considering how the environmental focus was reflected in practice, values, and philosophical underpinnings, we were able to explore the dispersion of green values and the evolving elements in the establishment of an environmentally-sound organization.

Method

As this study was designed to examine the dynamic and interactional aspects of the establishment of a green organizational climate, a longitudinal qualitative approach was employed. A thematic analysis of the interviews was conducted which provided a means of identifying and organizing crucial themes in a straightforward way (Braun & Clarke,

2006); the focus group interviews themselves enabled an exploration of shared perceptions of the organizational climate. All focus group participants completed a survey aimed at examining environmental climate perceptions at the level of the individual. Finally, founders were invited to participate in a follow-up phone interview, which enabled studying the evolving elements of the organizational climate.

Participants

Seven focus group interviews were conducted, consisting of three to six participants in each group, representing both leaders and employees. In all but one of the companies, the founder was still working at the company. The companies were either organized as corporations or foundations: several were family- and/or farm-based; the green profiles on their websites had different foundations; some had environmental certification; and each were in the food industry (FI), beverage industry (BI) or textile (TI) industry (*Table 1*). The findings indicated that although their motivation to go green had different origin, all founders had an environmental commitment.

Table 1

Details of the Selected Companies (N = 7)

<u>NAME</u>	<u>CORPORATE FORM</u>	<u>GREEN PROFILE ON WEBSITE</u>	<u>ENVIRONMENTAL CERTIFICATION</u>	<u>INDUSTRY</u>
Company A	Family/farm-based corporation	Organic	Yes	BI
Company B	Family/farm-based corporation	Sustainable	No	FI
Company C	Corporation	Nature/ sustainable	No	TI
Company D	Farm-based foundation	Organic/ biodynamic	Yes	FI
Company E	Family/farm-based corporation	Organic/ sustainable	Yes	BI
Company F	Family-based corporation	Organic	Yes	FI
Company G	Family-based foundation	Organic/ biodynamic	Yes	FI

Criteria for selecting the companies were carefully developed (*Table 2*), and they were primarily identified through web searches. We targeted companies with an environmental product and profile; specifically, companies describing themselves as green on their web page by using descriptive words like “organic,” “sustainable,” “ecological,” “biodynamic,” “natural,” “environmentally friendly,” “tradition,” “handicraft,” “local production,” “good use of resources,” “care for nature,” “recycling,” “diversity,” and “equilibrium” (central words are summarized in *Table 1*). Organizations with at least five employees were selected, since organizational climate is a group-level phenomenon. To avoid complex structures and the potential for existing subcultures, organizations with more than 20 employees were excluded. Organizations that were primarily business-oriented were targeted, using revenue as a criterion. Furthermore, companies that produce a physical product were hypothesized as facing similar environmental challenges concerning packaging and transport, and including this as a

selection criterion enabled comparisons across different industries. We targeted companies that operate in the open market, because they were expected to experience tension between economic and environmental concerns. Finally, we targeted organizations with high levels of employee involvement in decision-making, indicated by a common language, inclusion in work meetings, and a shared physical location.

Table 2

<i>Selection Criteria</i>	
Green profile	Describes company as green on their website
Size	4–20 employees
Revenue	More than USD 100,000
Outcome	Physical product
Competition	Competes on the open market
Involvement	Employees involved in decision-making

Procedure

Invitations were sent to 15 companies, of which 7 fulfilled the selection criteria and agreed to take part in the study. A full day was devoted to each company, allowing thorough preparation and time to digest the field experience. All interviews were conducted in the field, providing valuable contextual information. The interviews were conducted by one moderator, who directed the dialogue, and one observer. Questionnaires were administered at the end of the interview. Topics were allowed to emerge during the data collection phase, and new questions were added to subsequent interviews. A year-and-a-half after the focus group interviews, the company leaders were invited to participate in a follow-up phone interview: six participated. The material was transcribed verbatim and uploaded into MAXQDA – a qualitative data analysis programme (VERBI Software, 2019).

Questionnaire

We used the green work climate perceptions scale developed by Norton et al. (2014) to measure different aspects of the green organizational climate. This questionnaire enabled us to both measure environmental climate at the level of the individual and analyse how the individual perceptions corresponded to findings from the group interviews. Moreover, the scale provided a measure of climate strength (degree of agreement among group members), as a high/low standard deviation corresponds to a strong/weak climate (Zientara & Zamojska, 2018). In addition, the companies were ranked along a green scale; this scale was established via independent evaluations by the interviewers along four dimensions comprising the environmental aspects of the 1) product, 2) work process, 3) physical infrastructure, and 4) organizational climate.

To provide a comparison group, the data from the climate scale were compared with data from a study ($N = 234$) of small- to medium-sized companies in Norway. The comparison group differed from the participants in the present study in several ways: firstly, they were not selected based on a green focus; secondly, they differed in size, ranging from individual enterprises to medium-sized companies; and, finally, they

represented a variety of industries, and most did not produce a physical product. Nevertheless, they provided a proxy for environmental climate perceptions in a general Norwegian company.

Coding and Analysis

The preliminary analysis was conducted during the transcription phase, by listening to audio recordings and by noting reflections. The transcripts were then analysed in MAXQDA and a set of initial codes were generated with reference to the themes in the interview guide; subsequent codes emerged from the data. The analysis followed the constant comparative method, in which hypotheses were tested in the data through a back-and-forth dialogue (Glaser & Strauss, 1967/2006). “Substantial codes” were emphasized, which provided further direction toward the elaboration and development of analytical categories. Categories were explored within – as well as across – the interviews; this enabled examination of their overall relevance and of any changes between the first and second interviews. Overarching themes were developed out of the initial categories; these themes represented more abstract and encapsulated topics. In the final stage, findings from the interviews were analysed in conjunction with the data from the questionnaire.

Findings and Discussion

This section is organized in accordance with the major themes that emerged from the analysis: 1) developing a green organizational climate – the role of the founder in the early phase, development, and maintenance of the climate, and the role of newcomer socialization; 2) developing the environmental practice – constant improvement, the role of environmental philosophy, evolvment, and the green wave; 3) resolution – going green as a way of resolving the emotional discomfort posed by climate threat. Finally, the data on environmental climate from the questionnaire will be analysed and discussed in relation to the interview data.

Developing a Green Organizational Climate

The role of founders in instigating the construction of a green climate. From the beginning, founders determined the establishment of a green climate; hence, they influenced practices in the company by their continuous presence.

3: If [name of founder] hadn't been so into his own vision, then I think it had gone downhill very quickly. So that... he is so clear all the time, I think that's important.

2: Then it would have been more like a negative culture than a green culture (Company E).

These statements highlight the importance of the environmental vision of the founder in maintaining a green focus. They also highlight the role of leadership in shaping the green vision of the company. The Another participant emphasized how the environmental values of the founder supported his own environmental engagement, and therefore made it easy to bring up ideas, since he knew the leader would accept them: “If it comes from the boss then you know that... it's nice to be environmentally responsible, I

completely agree with that” (3, Company C). The quote below from the founder in this company echoes the above statement, which stresses the importance of managerial support of employees’ green initiatives:

... Well, I think it's good and important that the boss... is environmentally committed, both in everyday life and in the boardroom. Then things become a lot easier: it's not a pressure from the bottom up, from some passionate employees, which is later overruled in the boardroom, but it's kind of the other way around. That makes it a lot easier (1, Company C).

This series of quotes from Company C demonstrates the mutuality of the influence process and the importance of managerial support. It also illustrates that the leader moves between interacting with employees, in the microsystem, and the board of the directors, who are located in the corposystem (*Figure 1*).

Moreover, several founders mentioned that they avoided giving direct instructions, because they were afraid of moralizing and wanted employees to make up their own minds. They highlighted the importance of giving each individual space to develop their own engagement.

We try to build an organization that makes it possible for each one to take responsibility, to have some space in a way. It's not one chief telling 10 people what to do, and walking around controlling. We need engagement. Even if... someone is shorter time here, we like when they get engaged, and do also from the inner side, as they can (1, Company D).

This quote illustrates how giving people space is related to stimulating their inner motivation (“from the inner side”). The founders seemed to be conscious of the balance between influencing and trying to teach ways of moving forward on the one hand, while cultivating engagement and bottom-up processes on the other. Since the founders are located in the microsystem of the employee, they are likely to exert strong influence through frequent interactions occurring over time that are likely to be intense and relevant.

Developing and maintaining the green climate. The employees played a central role in developing the green climate through mutual influence processes in the microsystem, with regard to both the leader and other co-workers. In general, the accounts indicate that they experienced a shared environmental climate; they tended to agree on how environmental practices were conducted, and typically reported shared perceptions. “I believe that we think alike, that we’re passionate about the same things” (2, Company E). Here, “think alike” and “passionate about the same” both point to shared perceptions about the environmental focus. In another company, an employee experienced the environmental profile as integral to the production process, and believed the other co-workers personally cared for the environment.

Our environmental profile is very much woven into everything we do... the whole infrastructure. The materials come from someone who is... responsible, and are produced close by, and are transported a short distance, and it's like, a place we've

built around [the idea] that it should be green... after all, we're all aware of recycling and about consumer culture and such (2, Company C).

The above notion suggests that this participant experienced the green profile as corresponding to their own practice. The expression “we are all aware” indicates that the participant experienced a shared green focus. In general, participants assumed that they had common environmental procedures, and that their co-workers would follow these procedures when they were not present. Because of the close ties in the microsystem, they were able to make judgements based on experience, enabling them to know how others performed in the environmental domain.

A variety of influence strategies were employed in the development of a green climate, along a continuum in which internal to external motivation was being promoted. Several participants highlighted the importance of raising consciousness and “setting a good example” (1, Company A). One participant felt that leading by example was the only valuable way of influencing others.

You can just attempt to raise awareness and tell that we do this because of this and that, and so on. And do it yourself – set a good example. That's the only thing that works. That's my impression. But not by being overly moralizing, then... it becomes the other way around. Generally, we have to work on it all the time (1, Company D).

Another central element in the development of a shared climate involved discussions and dialogue, both informal and more formal (e.g., during work meetings). It seemed that many of the participants enjoyed and celebrated *the process* of developing the green focus. Rather than rushing toward a result, they prioritized spending time in work meetings, encouraged dialogue, and allowed time for developing ideas. In some companies, daily work meetings served as an important forum in which to discuss and develop the green focus.

3: We have workshops... and question why people think this way or that way.

1: We have a meeting every morning, and plan the day... when it's busier, then... one tries to create different teams so that one experienced person teams up with one or two with less experience (Company G).

The above example illustrates how diverse teams were used as a way of transferring experience and routines to newcomers. The frequency of the work meetings enabled strong influence through the four dimensions of exposure to proximal processes. Further, the participants highlighted the importance of the process of developing a green focus, and that they cherished being open to change.

3: That it's actually always evolving and it's a process in which everyone can be involved and it's open for new ideas (...).

1: So that one attempts to constantly evolve... that there are processes one must always include.

3: I think it's important to be open to new ideas and things like that, and to changes, and go through that process, so that one doesn't say “now it's this way”, and you think it's perfect, but maybe... new ecological thoughts have arisen (Company G).

The participants stressed the importance of including everyone in the process of developing an ecological way of thinking. Interestingly, it was among the two companies that had an explicit ideological foundation that the importance of being open to new ideas was most frequently underlined. The participants stressed that working on finding sustainable solutions was a long-term process: “It is an ongoing conversation... yes, always some kind of dialogue. What’s good for nature, and what do we have to do in order to... and that we should always have it in mind” (1, Company D); and, similarly, “The road is made by walking, we didn’t quite know what we were about to face” (2, Company B). This process of forming a green climate seemed to be an ongoing theme that was given high priority, and further relates to these companies’ search for improvement. Interaction processes in the microsystem were decisive to the development of the climate. Moreover, the participants seemed to cherish the process in itself and all four dimensions of exposure were at play.

Newcomer socialization. In analysing the process of establishing an environmental climate, it was pertinent to study how the companies integrated newcomers, because this constitutes a central aspect of forming a shared climate. None of the companies had recruitment strategies to attract “green” employees and the interviews indicated that newcomer’s environmental commitment varied from highly committed to less aware. One founder explained how newcomers contributed to their environmental focus: “We have common perceptions – I’d absolutely say that. I’d say that the newcomers who have started only contribute positively” (1, Company A). Accordingly, this founder found that the newcomers reinforced the company’s green focus, and emphasized the importance of recruiting people who precisely fit the organization. This followed a leadership philosophy that he referred to as “FIFO – fit in or fuck off” (1, Company A). Further, he highlighted the importance of training: “It is important to provide clear instructions and good training. However, at the same time, there are certain things that’re, as I call it, in your nature” (1, Company A). Hence, this underlines the importance of recruiting employees that will strengthen the green focus. Even though several founders highlighted the importance of training new employees, none of the companies had a formalized training programme, so transferring knowledge to newcomers depended on informal influence.

There were several accounts of how newcomers adopted environmental practices at work and transferred some of the new habits to their household. For instance, in one company, there was involvement regarding new environmental practices at home: “To me, it’s at least something that grows, at home, to yeah, recycle and... it has grown in me during the past half year, the feeling of still making a difference with small actions” (2, Company C). In two of the companies, the employees lived on site, and the line between work and private life was blurred. “It doesn’t end with your work, with opening hours, but it’s also that we make as much organic food as possible and such... so it’s a whole lifestyle really, not just as a company” (3, Company G). These examples illustrate how the environmental focus of the company extended beyond the boundaries of the corposystem and into the private sphere.

In the follow-up interviews, several founders mentioned how recent hires contributed positively to the company's environmental focus. They also underlined the advantages of being small: it enabled close attention and follow-up procedures, and facilitated the socialization process. A number of theoreticians have highlighted the integration of newcomers as central to embedding culture (Schein, 1983; Schneider & Reichers, 1983). The accounts in the present study illustrate how newcomers were socialized into the organizations: efficient onboarding of new employees seemed to be the outcome of this process.

In summary, the accounts in the current section indicate that shared perceptions of procedures were established among employees, and that they were confident that others would follow the protocol when they were not present. A distinct feature of these small companies was the active engagement of the founder in shaping a green climate. A strong climate is associated with the ability to influence employee behaviour, and the close and frequent interaction in the microsystems that characterized these companies enabled the establishment of a strong pro-environmental organizational climate.

Developing the Environmental Practice

Constant improvement. The companies in the present study had a green focus from the beginning, reflected in their practicum — and, in one case, also in their strategy. Throughout the analysis, the emergent properties of the green climate attracted attention; it seemed that an urge to improve practice was a key factor in explaining the dynamic aspects of the environmental climate. Both founders and employees were concerned about improving their practice: “We do what we can, but like Participant 1 said, we could've done a lot more” (2, Company A). As such, they seemed to have a constant drive toward improvement — a search for new and better environmental practices and innovative green solutions: “Never, never ending, somehow, to develop and to look for better solutions, but also, improve this, I guess” (3, Company D). In one company, all employees were included in weekly work meetings, discussing new projects and ways to move forward: “Everyone that works here believes it's important that we always focus on... yeah, ecology, and thinking further about what we can improve, or do differently” (2, Company G). Furthermore, they were continuously searching for better and more ecological alternatives: “So we kind of always try with the stuff we need... try to find the best overall ecological alternatives” (1, Company G). This drive to improve was an important explanation for the evolving character of the environmental climate in these companies: it contributed to advancing green practices and increased environmental awareness. Although these companies had established a green focus from the outset, the urge to improve explained dynamic aspects of the environmental climate.

The practice–philosophy gap. The green practices in these companies appeared to have little support in an agreed-upon theoretical framework. In short, the participants seemed to be good practitioners, but poor philosophers. Although the green routines and practices seemed to be rooted in environmental idealism and a deep environmental conscientiousness, access to this foundation and the articulation of these ideas was

difficult. Some related the questions on environmental philosophy to environmental certification: “It might not be that clearly expressed. So, it’s kind of a basic requirement. But we were an eco-lighthouse [environmental certification] after all” (1, Company B). When we asked about environmental values, they tended to direct the focus on practical aspects of their work, as in this case: “A lot of these things are there, but you might not speak much about it, because the work we do is hands on, and then the day is over, and then...” (1, Company B). The dialogue below exemplifies the typical shift we observed in several cases, to relating the answer to everyday events and practical matters:

I: Is environmental protection and climate a motivation for you?

1: Absolutely, absolutely! And maybe now more than ever. You question what’s going on, right. When it’s severe, like weather changes here and there. It’s clear that... but it’s so many big questions, that you can’t quite cope and... in the day-to-day you cannot grasp the constraints of it, but I have to say I think recycling of waste and stuff, that’s actually quite interesting (1, Company B).

Later in the same interview, this participant was asked a new question concerning their environmental motivation: “You know, actually we don’t think that much about it. Why we think like this, because it’s kind of just the way it is. But, it’s really just part of the culture, maybe. It’s kind of just like this” (1, Company B). For the participants, taking care of nature seemed natural, something they took for granted — similar to how basic assumptions shape organizational culture (Schein, 1983). This practical orientation may explain why it was difficult to obtain answers to some of these questions: the participants were environmental practitioners who, at times, lacked awareness around what they were doing.

Follow-up: The evolving green organization. In the follow-up phone interviews that we conducted with the founders, specific questions on environmental philosophy were included to examine the hypothesis that emerged from the focus group interviews: i.e. that the companies seemed to be strong practitioners, but lacked a theoretical foundation. The founders seemed to struggle to express their company’s environmental philosophy: “I’m not sure what that philosophy should have been, so it becomes uh... like receive as little as possible, or tread lightly, do as little harm as possible and... make people do the same” (1, Company C). In one company, there were ideas — but they were not clearly stated: “I am pretty sure that we have the same focus, but we should express ourselves differently” (1, Company D). In another company, the focus was clearly practical: “At the moment we’re more concerned about putting things into practice. There’s not very much time to philosophize when you’re walking around working” (1, Company F). Thus, there seemed to be a gap between environmental practices on the one hand, which seemed to be very strong, and environmental philosophy on the other, which seemed to be either unspoken or absent. In essence, it seemed that the shared environmental climate grew out of practice instead of a philosophical superstructure.

Some leaders reported that new developments were related to their environmental focus, which mostly concerned the further development of existing projects. For instance, one company was extending their biomass heating system to include all

buildings, and was developing calculations of their environmental footprint. Another company was developing a new local production based on the use of excess materials. In some companies, participants highlighted evolving elements of the green profile. However, other companies reported that the environmental focus was the same as before: as one participant stated, “We recycle. We did that last time you were here, too” (1, Company F). Another participant felt that the focus was the same, yet more structured:

So, the environmental focus hasn't changed a lot, I believe. No, it was there from the beginning. Indeed... We've got a little more order in life and work... more structure. And that has probably improved that [the environmental] part too (1, Company D).

The time horizon might be different for founders and employees. Employees might come and go, whereas founders must live with the long-term consequences of their choices: “After all, we’re probably here in three or five years, so we have to live with the consequences in a way, and you have the freedom to, you can travel home in a year or so... so it must be something we believe in” (1, Company G). In light of the time perspective, it was unsurprising that the founders put more effort into strategic decision-making, and how decisions might influence prospects in the future. The time perspective is located within the context of the systems perspective (*Figure 1*), and one might argue that leaders are required to interact with all the system layers—including the context — whereas employees primarily operate in the microsystem.

The green wave. In general, the participants felt that the society’s environmental focus had increased since the founding of their company: “When they started in 2005, the case about ecology and the green mind-set and the climate and all that stuff, it wasn’t as important as it is today” (3, Company B). In the follow-up interviews, the founders noted that interest in organic products had strengthened: “The demand for this has increased, so we notice that some customers are very enthusiastic about ‘Is it organic?’” (1, Company B). One company had launched a new ecological product line, and the founder related their recent success to the new line: “It’s going well, and one of the reasons is certainly that we hit the sweet spot with the customers that are concerned about this, and it’s also a trend in the branch of trade — that it’s going in that direction. So, the shops also want to participate” (1, Company C). The participants described how the customers’ interest in and concern for the environment (i.e., the macrosystem) contributed to the development of the environmental focus in the companies.

In the follow-up interviews, climate change was frequently mentioned as a factor that contributed to strengthening the motivation to go green, and the participants found their greening efforts to be meaningful. In general, the participants experienced a “green wave” in society (i.e., the zeitgeist) — hence, their accounts indicate that elements in the macrosystem and context contributed both to the development and enforcement of their environmental focus (*Figure 1*). Thus, the greening measures in these companies must be interpreted within the Norwegian context, characterized by a strong commitment to responsible climate action (Boasson & Lahn, 2017).

Resolution: Going Green as a Way of Resolving Discomfort

Several participants made remarks regarding environmental motivation. Some emphasized that their environmental focus fostered a feeling of doing something meaningful: “To do something that’s bigger than yourself... it isn’t just about sales and money” (2, Company C). They related the environmental focus to “doing something important”, and making things right: “That little drop in the ocean” (1, Company A). Moreover, they did not feel they had a choice: “If we don’t do something, the earth will perish. So, it’s quite easy” (1, Company C). Several participants felt that their environmental focus was reflected in “a lot of small things” (2, Company D). Conscientiousness was mentioned by several participants as their most important driving force: “To earn a living honourably, hahaha, and I believe that’s something you can stand for with a clear conscience” (1, Company D). Others referred to maintaining traditions, a sense of responsibility and frugality. Taking care of nature and being close to nature were also mentioned as motivations: “Finding a way of working with nature not against it” (2, Company D); and “You have to care for the nature and understand that it’s vulnerable and has to be protected and... indeed conserve it” (1, Company C). One participant related his ecological focus to idealism: “It’s kind of an idealism. To do something good for the world. Improve the world, a little bit like this. I’m a bit of a world improver. Haha, yes” (1, Company D). Even though none of the participants related their environmental commitment to Norway’s role as an oil nation, their references to conscientiousness and responsibility may be understood in relation to the “Norwegian paradox.”

Thus, the green organizational climate did not seem to develop gradually; the accounts illustrate that the green focus was established from the very beginning. Some theoreticians argue that embedded green organizations stem from a green core idea (Pandey et al., 2013), and the current findings seem to be in line with this understanding. Although the ideas were not clearly articulated in most cases, they were still present and defined the direction of the companies. The accounts provided few references to visions and strategies—rather, the companies seemed to follow their own path by developing strong green routines and practices without a superordinate green philosophy.

Measured Outcomes of the Greening Efforts

In this section, the results from the survey on environmental climate will be reported, and observations of the environmental focus will be summarized in a green score. The results from the survey provided an indication of how well the companies had succeeded in establishing a shared environmental climate. Cronbach’s alpha (α) was calculated to test for internal consistency within the scale, which was sufficient ($\alpha = .83$). The results (*Table 3*) show that the participants in this study reported higher environmental climate levels when compared to the comparison group. An independent-samples t-test was conducted to compare the two groups further (see *Table 3*). The results suggest that the companies in the present study had succeeded in creating a green organizational climate.

Table 3

<i>Environmental Climate</i>						
Climate	N	M	SD	t	df	p
Participant group	28	4.10	0.43	2.25	187	.025
Comparison group	161	3.82	0.65			

There were differences between the companies: Companies A and F had high scores on environmental climate, but were ranked relatively low on the green scale (*Table 4*). By contrast, Company G had a low score on environmental climate, but received the highest score on the green scale. The scores on the self-report scale and ratings on the green scale proved unrelated: this could be explained by a dissonance between how the companies perceived themselves, reflected in the self-reported green climate, and how others perceived them, reflected in the external ratings on the green scale. Accounts from the interviews indicate that Company G had a strong desire to improve performance, which might have led to an impression that they were not at the top of the scale and thus the weak perceptions of their environmental climate. However, seen from the outside, and compared to other companies, they seemed successful in embedding their greening efforts.

Additionally, the findings highlight that climate perceptions and evaluations of environmental performance were relative concepts, and emphasize that shared norms and standards were not established in this area. This raises the following question: what does performing well – with regard to environmental sustainability – actually imply? Furthermore, the companies were ranked according to the predefined criteria on the green scale, but all companies in the sample were generally considered to perform well with regard to the environment, which might indicate a lack of variation (*Table 4*). The questionnaire results demonstrated somewhat different perceptions of environmental standards: these were meaningful to analyse in conjunction with the interview data, which supported the notion of different standards.

Table 4

<i>Environmental Climate and Green Scale</i>				
Name		Climate		Green Scale⁴
	<i>N</i>	<i>M</i>	<i>SD</i>	
Company A	3	4.79	0.16	6/4
Company B	5	3.75	0.29	3/3
Company C	4	4.34	0.14	7/7
Company D	6	4.13	0.31	2/2
Company E	3	3.96	0.41	5/5
Company F	4	4.06	0.41	4/6
Company G	3	3.83	0.06	1/1

⁴ The green scale ranged from 1 = most green to 7 = least green.

To summarize, the results indicated that the companies had succeeded in establishing a green organization, as reflected in employees' perceptions of a shared environmental climate.

Concluding Discussion

The take-home message of this study is that self-sustaining green organizations depend on social interaction processes for the establishment and maintenance of a green organizational climate. Several factors may be involved in such processes.

Leadership and green change. First, the results indicate that the founder played a decisive role, both in the early phase of creating the green climate, but also continuously, to uphold the green focus. The founder had a strong impact on the employees and exerted different influence strategies, ranging from direct instructions to more indirect strategies (e.g., leading by example). This finding is in line with Robertson and Barling's (2013) study, demonstrating that leaders influenced their employees' pro-environmental behaviour through idealized influence, inspirational influence, and social modelling. The results point to the importance of leadership in setting the green agenda and creating a sustainable organization.

Newcomer socialisation and shared green perceptions. Second, results demonstrate that newcomer socialization was key to the dispersion of shared green perceptions. This is interesting, because recent theorizing calls for a renewed focus on the socialization process as central to understanding the perpetuation of organizational climate to newcomers (Schneider et al., 2013). The social interaction in the work group seemed to strengthen the green focus initiated by the founder. This is in line with the findings of Kim et al. (2017), indicating that green behaviour in organizations is shaped by social processes in the work group – namely, work group green advocacy. The companies in the present study comprised small units with dense communication patterns, both found to correspond to strong climates (Schneider et al., 2013). This also corresponds to the hypotheses derived from the systems model, which propose that the dimensions of exposure are the mechanisms that best explain climate development. In the present study, all employees were included in the microsystem and the potential influence from the dimensions of exposure was strong.

Internal drive to green practice. Third, the findings show that the participants had a strong tendency to focus on green practice. Several companies aimed at showcasing a green path through their work in an attempt to disperse their green values to the wider society. Even though they represent a minority, their greening efforts met the demands of a growing community movement (Swim et al., 2011). The companies in the present study did not respond to government requirements – rather, their green efforts were driven by a voluntary aspiration to contribute toward creating a sustainable future. Hence, the factors outlined in the macrosystem in the systems model seemed to play a minor role; the drivers were mainly localized in the microsystem.

Lack of green philosophy. Fourth, study findings suggest that strategy, vision, and overarching philosophy did not play an important role in these companies, contradicting previous findings and theorizing (Aguinis & Glavas, 2013; Norton et al., 2012; Norton et al., 2014). While privately held values tended to be green, this was more at an individual level and seldom articulated and endorsed as company policy. As leaders are considered central in inspiring a shared vision (Afsar et al., 2019), there seems to be an unused potential in terms of including employees in the development of an overarching green philosophy. Furthermore, the lack of green philosophy in the companies may be explained by the strong environmental commitment in the Norwegian society.

Green motivation. Fifth, and finally, findings indicate that the motivation and drive to go green had different origins – such as an environmental conscientiousness, care for nature, traditions, and frugality. For many of the participants, acting on their green conviction seemed to evoke feelings of meaning, functioning as a way of reducing cognitive dissonance, and further releasing feelings of guilt related to consumerism. Relating this to the systems model, this corresponds to the exposure dimension relevance, as meaning and relevance coincide. Moreover, this finding is in line with recent studies that have found conscientiousness and pride to be important predictors of pro-environmental behaviour (Bissing-Olson et al., 2016; Kim et al., 2017; Yuriev et al., 2018).

Systems Perspective on Greening

The processes involved in shaping a green organizational climate operate at multiple levels, parallel to the multilevel and cross-level social dynamics that shape “employee green behaviour” (Kim et al., 2017; Norton, Parker, et al., 2015). The systems perspective is a framework that enables analysis of how elements at different system levels interact in shaping the climate. Starting from the periphery, all companies operate in a *context* shaped by culture, politics and the time in which they exist. Climate change and political movements were mentioned in the accounts as elements shaping their business practice. To face the current environmental uncertainty, companies are required to adjust to environmental challenges and green adaptability becomes a new asset (Chang, 2016; Song et al., 2019). At the level of the *macrosystem*, environmental certification was mentioned; in addition, some accounts indicated that customers contributed to the green focus.

At the level of the *corposystem*, one account pointed to the significance of the board of directors. Also, some companies had a green strategy or vision, but because of the central role of the founder, the company’s environmental values (located in the *corposystem*) were difficult to distinguish from the environmental values of the founder. Since these companies were all single unit, the corpo- and microsystems are best conceived as nearly overlapping. In the *microsystem*, the leaders played a decisive role in establishing the green climate in these companies: they instituted the green focus from the outset, and maintained and developed the green focus as the company grew to include a group of employees. Thus, the present study provides support for the

importance of leadership with regard to the establishment and development of a green climate (Robertson & Carleton, 2017).

Furthermore, in some companies, employees also contributed significantly to developing and improving the green focus. The formal roles that define employment in larger companies were replaced by informal and more flexible practice in these small companies. At the level of the microsystem, social interaction processes and the inclusion of newcomers were central in the development of the green climate.

Finally, values, conscientiousness, and purpose were important drivers of behaviour at the level of the *individual*, and contributed to strengthen the green focus of the companies. In this study, the participants highlighted several important aspects with regard to the outcomes of a green focus. Some highlighted positive feelings, such as meaningfulness, satisfaction, and having a clear conscience. Several highlighted the experience of “making a difference” as an important motivation. Meta-studies have documented the potential economic upsides of going green (*see* Aguinis & Glavas, 2012; Albertini, 2013), but there are numerous potential positive outcomes extending beyond the economic sphere that are less documented (Norton, Parker, et al., 2015).

The systems model may be related to the perspective on greening proposed by Norton et al. (2017), suggesting a differentiation between proximal and distal factors: classifying environmental certification as a distal factor and the construction of a green climate as a proximal process. Considering contextual factors, it is noteworthy that the companies in this study upheld their green project, irrespective of the focus of the surrounding society. They largely stood for a minority position, while the majority remained negligent, indifferent or unwilling to take necessary measures. This minority position did not seem to hinder their efforts toward developing sustainable business practice – they even found support in connection to others. As the wider society is moving in a green direction, an increased interest from customers and partners (macrosystem) may contribute to further strengthening the green climate. This illustrates how factors at different system levels interact in shaping the green focus. Here, the company size is important to consider, because the interactional processes in small companies could be more intense, and therefore the potential to influence development of the green climate through the dimensions of exposure is heightened. Research by Shevchenko et al. (2016) indicates that small companies will be the first to reach “true sustainability” since their decision-making is driven by their readiness to change and their ability to address opportunities in uncertain situations.

Contributions to Theory

Most of the companies in the present study did not have clearly stated environmental strategies or visions, which might be explained by the fact that they were small and/or in a nascent stage of development. Some highlighted that the multitude of tasks required in the founding phase did not leave time for strategy work. Still, it is interesting to note that these companies succeeded in their green endeavours, regardless of a lack of strategy. One possible explanation for this finding is that formal policies are less important in small companies, since leaders are able to influence employees directly

through proximal interactional processes that are hypothesized to pose a strong influence on behaviour. Thus, Norton et al. (2017) might be right in theorizing that environmental management systems are a distal variable, which has less impact on green practice than more proximal variables.

On a methodological note, the models proposed by quantitative approaches to organizational greening imply a linear logic, often testing antecedents and outcomes of greening measures (*see*, for instance, Kim et al., 2017; Norton, Parker, et al., 2015; Norton et al., 2017; Obeidat et al., 2018; Paillé et al., 2013; Paillé et al., 2015; Robertson & Barling, 2013; Robertson & Carleton, 2017). Andersson et al. (2013) call for research that explores the complexity of the greening process by adopting a systems perspective. For instance, it is possible that greening processes are circular, and that feedback loops are created.

Most founders were unable to articulate environmental values, or an underlying philosophy. The distinction between embedded and peripheral suggested by Aguinis and Glavas (2013) might be a simplification, and may therefore miss a proportion of companies that are inventive and pro-environmental in their actions yet lack the strategic elements that are necessary to be classified as embedded. Contrary to Aguinis and Glavas (2013) proposal that successful green companies integrate their greening efforts into both strategies and practices, the present findings suggest that it is possible to go green without formal green strategy statements and philosophy. Furthermore, it is interesting to understand this finding in relation to the green wave in society, which provides an overarching framework for interpreting organizational greening measures.

Directions for Future Research

The scope of this study was limited to small-scale manufacturing companies, and may not generalize to other settings. Therefore, future research should conduct large-scale studies to investigate greening processes in large organizations and across different industries. Although recent studies link leadership to sustainability, more research is needed on the processes whereby leaders shape a green organizational climate, for instance using longitudinal designs. While leaders might have a bird's eye-view of organizational greening, employees tend to have a hands-on approach to practice and procedures, and thus more research is needed on different perspectives (Linnenluecke et al., 2009). Another avenue for future research is to consider how legislation and politics promote greening processes. Extending the results from this study on the central role of founders in small-scale companies, it would be interesting to explore the processes by which leaders upheld the green focus as the company grows. For instance, how new members of the organization are socialized into the green climate, and further explore factors that promote or challenge the green core. An application of the results from this study would be to examine how a green subculture in a large organization may influence the organization as a whole, for instance by exposure to green values and behaviour, setting a good example, inspiration and engagement (Harris & Crane, 2002; Howard-Grenville, 2006). Furthermore, it would be interesting to conduct multilevel-studies to explore how entities at different levels impact greening efforts, and analyse

the magnitude of factors in the context (i.e., natural disasters, climate change), in the macrosystem (i.e., governmental requirements, customer demands), in the corpusystem (i.e., top-level management, green climate) and microsystem (i.e., leaders, co-workers). Regarding organizational climate, future studies could investigate in more detail the content of the green organizational climate construct, and uncover its antecedents, drivers and barriers. Finally, an important area of future research is to study the relationship between green climate and pro-environmental behaviour, as the ultimate goal of this stream of research is to contribute to a greener society.

Conclusion

This study contributes to our understanding of how green organizational climates evolve. Social interaction processes in the microsystem are at the core, and there is a strong emphasis on improving environmental practice. There are a multitude of factors at work, and the systems perspective is an attempt to clarify how factors at different levels interact. This study explored the role of employees in promoting a green agenda, and the accounts demonstrate that they often contributed to strengthening and developing the green climate. Leaders were found to play a key role, and the green climate was formed through an active process, involving the employees as well as influence processes.

In conclusion, the establishment of the environmental climate was motivated by internal factors, and sustained through social interaction. Green *practices* seemed to be at the heart of organizational greening, while strategy seemed to be tacit or lacking. These practices were improved through a process of continuously questioning procedures and searching for greener alternatives. The motivation to go green appeared to arise out of environmental values, and evolved regardless of external requirements. Furthermore, for study participants, their green endeavours functioned as a way to resolve conflicting feelings, which gave rise to a strong drive to continue their efforts.

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About the Authors

Ingeborg Flagstad (Hamar, Norway)

Ingeborg Flagstad is Ph.D student in psychology at Inland Norway University of Applied Sciences (INN). Her main research interests are group processes, organizational sustainability and environmental psychology.

She can be contacted at: Ingeborg.Flagstad@inn.no

Dr. Svein Åge Kjøs Johnsen (Lillehammer, Norway)

Svein Åge Kjøs Johnsen is associate professor of psychology at Inland Norway University of Applied Sciences (INN). He currently governs the master program in environmental

psychology at INN. His research interests include stress, emotions, environmental psychology, and sustainability.

He can be contacted at: Svein.Johnsen@inn.no

Dr. Leif W. Rydstedt (Lillehammer, Norway)

Leif W. Rydstedt is professor in work and organizational psychology at Inland Norway University of Applied Sciences (INN) with a special interest in the health consequences of long-term stress exposure, conceptualization of recovery and restoration, and the interplay between work and other life roles.

He can be contacted at: Leif.Rydstedt@inn.no

Fair and Stable Prices in the Age of Greed: *The Torah View*



HERSHEY H. FRIEDMAN
BROOKLYN COLLEGE
CUNY, NEW YORK



MURRAY MIZRACHI
BROOKLYN COLLEGE
CUNY, NEW YORK

Abstract

Much of the Jewish legal tradition deals with business ethics. One such area of ethical analysis, in particular, concerns efforts of leaders throughout history to combat price gouging. This paper focuses on an overlooked precept: ensuring price stability. There is a tendency to trivialize the law mandating that prices be kept low and affordable, but in the wake of the 2020 world pandemic, these laws are more important than ever. Indeed, very few people are aware that the ninth blessing of the ancient Amida (also known as shemoneh esrei) prayer, established by the 120 members of the Great Assembly in the 5th century BCE, is a prayer for divine protection against individuals who would raise prices unjustly. This paper illustrates the importance of this law and provides interesting stories and examples of individuals who protected the public against hoarders. For it was these ethical leaders who assumed the obligation to actively shun price manipulation, shielding vulnerable individuals from being taken advantage of in the marketplace.

Introduction

More than 100 of the 613 commandments in the Torah (also known as the Five Books of Moses) deal with business and economics (Tamari, 1987, p. 35). The Torah *she'bal peh* (oral Torah, i.e., the Talmud, consisting of the Mishna and Gemara), is the explanation of the written Torah and clarifies in detail how the laws should be observed. In approximately 200 CE, Rabbi Judah, the

President of the Sanhedrin, compiled and edited the Mishna, the oldest codification of Jewish oral traditions and laws. An entire order — one sixth of the Talmud — is dedicated to *Neziqin* which defines business law.

Business ethics and fair practices dominate many of these laws and discussions. Following the Corona pandemic crisis of 2020, there were many examples whereby typical regulations, supply chain efficiency, and normal business practices were suspended. In such a volatile economic climate, price manipulation, gouging, and hoarding became commonplace. In times of natural disaster such as hurricanes, famines, or war, similar behavior patterns have emerged.

Jewish law classically discusses these economic situations in late antiquity and forbids these and other unfair practices. Much of this established corpus comes from an earlier

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time where economies and political situations were less stable than today. The Jewish Sages recognized what the threat shortages of commodities and essential goods represented and developed laws, guidelines, and regulations to protect consumers and ensure supply and fair prices from the merchants.

Jewish Business Ethics

The Bible is the foremost authority for Jews and Christians alike and therefore by extension to the modern Western world. The person who is not honest in his business dealings is considered an “abomination” by God (Deuteronomy 25:16). This verse speaks of people who use dishonest weights and measures but then refers to anyone who acts dishonestly as an abomination. Many of the Prophets were similarly concerned with merchants who used “scales of deceit” to cheat others (see Hosea 12:8; Micah 6:11; Amos 8:5).

The Importance of Business Ethics in the Talmud

The Talmudic sages believed that business ethics were so important that Rava opined that the first question an individual is asked in the next world at the final judgment is: “Were you honest in your business dealings?” (Babylonian Talmud, Shabbat 31a). The Midrash (Mechilta, Exodus 15: 26) states: “Whoever conducts his business dealings honestly is liked by humankind and it is considered as though he observed the entire Torah.” The Yalkut Me’Am Lo’ez commentary on Deuteronomy 25: 13-16 avers that if one is honest in business, it is as though he observed the entire Torah; and one who is not honest in business, any Torah he learned is of no value. The Me’Am Lo’ez cites the Talmud (Babylonian Talmud, Maakot 24a): “The prophet Habakkuk came and established them upon one ethical requirement (Habakkuk 2:4): ‘But the righteous person shall live by his faith.’” According to the Talmud, David felt there were 11 key ethical principles one had to observe in order to reach a high level of spirituality (see Psalms 15 for a listing of the 11 attributes that brings one close to God and enables one to sojourn in God’s tent); Habakkuk reduced it to one, “living by faith (*emunah*)” which the Me’Am Lo’ez interprets as being honest in one’s business dealings.

A simple rule of business ethics can be derived from Hillel’s philosophy: “If I am not for myself, who will be for me? And if I only care for myself, what am I?” (Avot 1:14). A business firm must achieve its goals (e.g., profit) but must also care for others. Hillel’s version of the “Golden Rule” — “What is hateful to you, do not do to others.” — (Babylonian Talmud, Shabbos 31a) may easily be applied to organizations as well as individuals. A similar idea is expressed by Rabbi Yosi: “Your fellow man’s wealth should be as dear to you as your own” (Avot 2:12).

Ethics of Pricing

It is difficult to talk about ethics and pricing in the same breath. The reality, however, is that most prices are ethical. Stiving (2019, para. 1) asserts: “most pricing is extremely ethical and most pricers act ethically. In any transaction, both parties enter into it willingly, and both are better off after the transaction.” There is a problem, however, with

pricing during a crisis or charging a fair price when a drug firm has a monopoly on a necessary drug. What should an ethical firm do? One can argue that the job of a CEO is to maximize profits and it would be wrong not to charge the highest price possible. In fact, there are economists who posit that we should allow market prices to do their jobs and allocate goods efficiently (Fridman, 2017). After all, that is the purpose of prices in a free market economy. High prices are a signal to producers that a product is becoming scarce and more should be produced.

Some advocates of unfettered markets grumble that those who act self-interestedly and raise prices are contributing to an efficient allocation of goods, but are hardly recognized. Nobel Prize winner Milton Friedman stated that gougers deserve a medal. Yet there are good reasons why they do not, and why we cannot be easily convinced otherwise.

The moral condemnation of price gouging is a recognition that in certain social situations, raising prices is kicking vulnerable people when they are down. Our reaction to price gouging is not some silly knee-jerk rejection from people who don't know enough about economics, as it is sometimes portrayed. It is, rather, deeply reflective of the societal need for mechanisms other than markets (Fridman, 2017, paras.12-13).

How a firm sets prices might be a litmus test for ethics. Ethical leaders should consider all stakeholders and demonstrate compassion for members of the public who are vulnerable during crises and should be repulsed at the thought of taking unfair advantage of them. Hosea (12:7) demanded that everyone (especially businesspeople) "practice loving-kindness and justice." Consumers are often weak and helpless when compared to powerful corporations that can use their market power to keep prices high and wages low. This is why concerns such as ensuring price stability and fair markups are an important part of Jewish business ethics.

Ensuring Price Stability

The Torah states (Leviticus 25:14): "If you sell something to your neighbor or buy something from your neighbor's hand, you shall not wrong one another." This verse is interpreted by the Talmud to refer to excessive overcharges and undercharges (*ona'ah*). For example, if hand sanitizer normally sells for \$5 and a retailer charges a customer \$50, then the retailer has violated this law. The Babylonian Talmud (Baba Metzia 50b) ruled that if the overcharge is more than one sixth of the market price, the sale is null and void.

The Talmud extended the law against price fraud and instituted a law against excessive markups on necessities. Any profit from the sale of a necessity was not to exceed one-sixth (Babylonian Talmud, Baba Bathra 90a). This law was taken seriously and the Talmud discusses the profit margin that Rabbi Yehudah, the wine merchant, made on wine sales (wine was considered a necessity in Talmudic times). The Talmud calculates the profits made by Rabbi Yehudah after taking into account such costs as Rabbi Yehuda's own labor and the cost of a crier who announced the availability of the wares (i.e., ancient advertising). Additional revenues were derived from selling the lees and the wine barrel. The Talmud's conclusion was that Rabbi Yehudah's profit was one sixth of

the total cost incurred (Babylonian Talmud, Baba Metzia 40 a,b).

The Talmud was concerned with the effects of exporting on domestic prices. Exporting necessities to other countries can cause shortages. It is interesting that one opinion allows the exporting of wine since it is seen as a product that causes one to act indecently. The sages were concerned about the effects of excessive alcohol consumption.

One must not take out of the Land of Israel produce which are life's necessities, such as wines, oils, and fine flour. Rabbi Yehudah ben Beteira permits the export of wine, since by doing so, one diminishes indecency. And just as it is not permitted to take produce out of the Land of Israel into a foreign country, so too it is not permitted to take produce out of the Land of Israel to Syria. However, Rabbi permits this from a border province in Israel to an adjoining province in Syria (Babylonian Talmud, Baba Bathra 90b-91a; based on translation by ArtScroll).

Most of the United States maintains price gouging protection to consumers, specifically for the sale of basic commodities during emergencies. New York, for example, has the following law:

During any abnormal disruption of the market for consumer goods and services vital and necessary for the health, safety and welfare of consumers, no party within the chain of distribution of such consumer goods or services or both shall sell or offer to sell any such goods or services or both for an amount which represents an unconscionably excessive price. For purposes of this section, the phrase "abnormal disruption of the market" shall mean any change in the market, whether actual or imminently threatened, resulting from stress of weather, convulsion of nature, failure or shortage of electric power or other source of energy, strike, civil disorder, war, military action, national or local emergency, or other cause of an abnormal disruption of the market which results in the declaration of a state of emergency by the governor....ether a price is unconscionably excessive is a question of law for the court (Laws of the State of New York, 1998, Chapter 510).

This system common to many States and jurisdictions is not explicit about what markup constitutes unfair pricing, leaving it up to a judge to decide what "unconscionably excessive price" is. The Talmudic system quantifies that *ona'ah* pertains to an overcharge of 1/6 above the market price (Babylonian Talmud, Baba Metzia 49b-52b), and thus helps regulators in enforcing this statute.

Price gouging is a serious problem in the pharmaceutical industry. Some infamous examples include the astonishing increase in the price of Daraprim, a drug used to treat dangerous parasite diseases, from \$13.50 to almost \$750 after Turing Pharmaceuticals purchased the product from Impax. There are even worse price abuses. Achar, a drug used to treat infantile spasms that used to sell for \$50 a vial skyrocketed to \$28,000 when California-headquartered Questcor bought the rights to the product. When Mallinckrodt Pharmaceuticals bought Questcor, it raised the price to \$39,000 (Wu, 2020; Pollack 2012).

There was a public uproar when the price of an EpiPen (an anti-allergy injector) went from \$57 in 2007 to \$600 in 2016. By 2016, Mylan, the firm that acquired EpiPen in 2007, controlled 90% of this market and took advantage of its monopoly. Because of the controversy, the company introduced a generic EpiPen costing \$300 (Henry, 2020).

There are several lawsuits in Texas and California aimed at egg producers, wholesalers, and a few large retailers who are being accused of price gouging during the coronavirus epidemic. The price of a dozen eggs has tripled in many places and is as high as \$3.44. The complaint notes: “As in any time of economic turmoil, there are those who seek to profit from the misery of millions” (MacFarquhar, 2020).

Fair Markup and Predatory Pricing

Predatory pricing or unfair competition is also considered unethical and is illegal in many locations. In this practice, merchants may artificially lower prices or engage in unfair practices in order to harm competition.

The Talmud discusses the question as to whether a storekeeper may lower prices below the market price to increase the number of customers (Babylonian Talmud, Baba Metzia 60a). Rabbi Yehuda was opposed to this practice and similar practices – such as giving children candy so their parents would patronize their stores (Mishnah Baba Metzia, 4:12). The majority opinion of the *chachamim* (sages) not only permits price reductions but also feels that a retailer who does this “is remembered for good.” The sages felt that one who lowered prices deserved to be praised since he was benefitting the public. Rabbi Yehuda felt that conducting business this way would disrupt the livelihood of another person and was therefore unfair. One may surmise that the Sages believed in low prices with a fair markup in which both the merchant and the consumer benefit.

It is the duty of the regulators to ensure that businesses can be profitable to incentivize supply of critical resources. By providing an equity of opportunity, regulators foster healthy competition and supply lines can flourish. One key reason that the United States did not have enough portable ventilators when the coronavirus pandemic struck was that the FTC allowed a merger in 2012 between Covidien, an American company based in Ireland that manufactured expensive ventilators, with Newport Medical Instruments (because of insufficient profits) in which the federal government was preparing for emergencies by stockpiling 40,000 inexpensive, portable ventilators manufactured by Newport (Wu, 2020).

Rights of the Merchant

The Talmud also extends certain rights to the merchant and applies the law of *ona'ah* undercharges. Thus, if an individual is unaware of the true value of an item and wishes to sell it, one must not take advantage of the seller's ignorance and underpay as in a case of retail arbitrage. Both consumers and sellers must be held responsible for manipulating knowledge that significantly causes a loss to either party.

The rule of *ona'ah* applies only to objectively-priced commodities. Subjectively-priced products such as someone's dream home or a collectable sports car, are not included

under the ruling of *ona'ah* (Babylonian Talmud, Baba Metzia 58b). Maimonides codifies this:

This rule [of charging above a sixth] applies only to articles that are necessities of life, such as wines, oils, and various kinds of flour. However, for spices such as costus root, frankincense, and the like, no market price is fixed and one may make as much profit as he desires (Maimonides, Mishneh Torah, Laws of Sale 14:2).

The “necessities of life” are those essential commodity products, while luxuries and non-essentials such as gourmet spices are not regulated by this law.

The *ona'ah* system is based on a market exchange price (*sha'ar*) and ultimately protects both consumer and merchant. Thus, if there was a shortage of gas during a natural disaster which raises the market price, the merchant may still make a modest profit – at the new rate. This dynamic system based on a market price ensures a profit to the merchant and availability to the consumer in troubled times. This is especially important during a crisis when the market wants to ensure a merchant incentive to make commodities available. For example, should the cost of hand sanitizer triple for a storekeeper, but still be in demand – the shopkeeper may purchase and resell at a modest profit. The Talmud, however, is against artificial shortages caused by hoarding.

Guilds and artisans may also set prices by working with communal leaders to ensure probability of their trade. Maimonides summarizes a lengthy and complicated section from the Babylonian Talmud:

Artisans may make an agreement among themselves that one should not work on the day the other does, or the like, and that they will impose such-and-such a penalty upon him who violates the agreement. This rule applies only in a place where there is no distinguished sage to set the affairs of the locality in order and to make the life of its inhabitants prosper. However, if there is a distinguished sage there, the agreement of the residents is of no effect; nor may anyone inflict a penalty upon or cause a loss to him who does not accept the agreement unless he consented to the agreement and it was made with the approval of the sage. Hence, whosoever has caused a loss based upon an agreement made without the approval of the sage – must pay for the loss he caused (Maimonides, *Mishneh Torah*, Laws of Sale 14:10-11).

While the “distinguished sage” is not quantified in the Talmud or Maimonides, it is presumably a communal leader well versed in commerce and law who understands these ramifications.

Against Hoarding

The Talmud was concerned with price stability for necessary items. To the Talmudic sages, causing prices to rise by hoarding or other means was a violation of Torah law similar to usury or tampering with weights and measures (Babylonian Talmud, Baba Bathra 90b). The central value of this view is based on what the prophet Amos said:

“Listen to this, you who devour the needy, annihilating the poor of the land, saying when will the month pass, so that we can sell grain; the Sabbatical year, so that we can open the stores of grain; using an ephah that is too small and a shekel that is too large, and distorting dishonest scales. To purchase the poor with silver and the destitute for shoes, and selling the refuse of grain as grain” (Amos 8: 5-6).

Note that the prophet rebuked the Jews for unethical business practices including hoarding food in order to resell it a high price, tampering with weights and measures, and raising prices unjustly. The Talmud states that the prophet Amos had the above groups of dishonest businesspeople in mind when he said (Amos 8: 7): “The Lord swears that He will never forget what they have done.” Thus, to the Talmudic sages, causing prices to rise by hoarding or other means was a violation of Torah law similar to tampering with weights and measures (Babylonian Talmud, Baba Bathra 90b). In addition, causing prices to rise is a violation of the biblical command (Leviticus 25:36): “...that your brother may live with you.” One is not permitted to engage in business practices that cause harm to others making it difficult to sustain themselves.

Shabbatai was infamous in Talmudic times for hoarding produce and causing prices to increase and was considered by the Talmud to be an evil man for this business practice (Babylonian Talmud, Yoma 83a). The Talmud actually felt that he was even wicked in his mother’s womb. When his mother was pregnant with him, she smelled some food on Yom Kippur and was seized with a craving. Rabbi Chanina suggested that the people whisper in her ear that it was Yom Kippur. This usually worked for other pregnant women but did not work in this instance, and she gave birth to Shabbatai. The Talmud felt that Shabbatai’s greed and voraciousness were so substantial that such negative traits must have started when he was an embryo.

According to the Babylonian Talmud (Baba Bathra 88b), the (divine) punishment for false weights and measures is more severe than that for illicit sexual relations. The reason for this is that repentance is possible for illicit sexual relations. With false weights and measures, it is virtually impossible to find everyone that has been defrauded and then provide them with a refund. This may be the reason that one who uses unjust weights and measures is considered as though he violated all the precepts of the Torah (Baal HaTurim, Leviticus 20: 36). The same can be said for someone who causes prices to rise by manipulating the market for a product.

The great sage, Rabbi Shimon b. Gamliel, was extremely upset when he heard that the price for doves, necessary for certain sacrifices, had reached a golden dinar. He swore that he would not sleep until the price went down to a silver dinar, so he revised the laws concerning sacrifices in order that demand for doves would decrease. The price sank almost immediately to one-quarter of a silver dinar (Babylonian Talmud, Krithoth 8a).

One is supposed to use whole myrtle branches for the holiday rituals of Sukkot. Shmuel warned the sellers of myrtle branches that he would allow individuals to use myrtles with broken tips if merchants raised prices on the whole myrtle branches when the holiday was approaching (Babylonian Talmud, Sukkah 34b). A similar problem occurred after Passover. The people used to break the pots in which leaven was cooked and thereby

absorbed, and had to buy new pots after Passover. Shmuel warned the pot sellers not to raise the price of pots or he would take the more lenient position regarding the absorbed leaven in pots and not require the use of new pots after Passover (Babylonian Talmud, Pesachim 30a). Shmuel and his father were known to buy, and subsequently sell, produce in such a way as to keep the market price stable and low throughout the year (Babylonian Talmud, Baba Bathra 90b).

In the Babylonian Talmud (Baba Bathra 89a), there is an argument whether inspectors are needed to keep prices low. Some (e.g., Shmuel) felt that it was not necessary since if one merchant charged a high price, others would charge a low price and buyers would go to the dealer selling the product for the lowest price. In other words, market forces would ensure that anyone charging a high price would have to lower it because of competition. Everyone agrees, however, that inspectors are required to ensure that merchants are using honest weights and measures. The Talmud states (Babylonian Talmud, Yuma 9a) that the *parhedrin* (supervisors) compelled the bakers to sell cheaply, saying “sell cheap, sell cheap.” Bread, of course, is a necessity of life and it is important to keep prices low.

In any case, the Shulchan Aruch (Choshen Mishpat 231: 20), the authoritative code of Jewish law, asserts that the court is obligated to appoint inspectors whose job is to ensure price stability for necessities. It is forbidden for speculators to hoard food during famines (Maimonides, Mishneh Torah *Laws of Sale* 14:1; Choshen Mishpat 231:23-26) and presumably other similar crises.

The respected 12th century Jewish commentator Rashbam did not feel the need for regulation and advocated for a free market economy. In his comments to the Talmud, he writes:

Market officers are not appointed to supervise prices and prevent merchants from selling high: it is logical that this is not necessary, for if one wants to sell at a high price, another who needs money will sell more cheaply, all the buyers will go to him, and the first will be forced to sell cheaply (Rashbam, Babylonian Talmud, Baba Bathra 99a).

Perhaps one could surmise, that under regular economic conditions, the above argument for a free-market economy is true. Issues begin to arise during times of uncertainty such as war, famine, and pandemics when real or artificial shortages can occur, and therefore fail safes are needed.

During the 2020 pandemic, when the price of hand sanitizers, facemasks, Lysol, and other essential products began to skyrocket, such price increases were mostly attributed to price fraud and artificial shortage. The consumer advocacy organization U.S. PIRG Education Research indicated that at least in “one case in which a package of 320 Lysol disinfecting wipes that typically sold for an average \$13.57 over three months rose to \$220 on March 3. It also found a listing for Purell sanitizer that normally sells for \$7.99 going for as high as \$49.95” (Berzon & Hernandez, 2020).

Amazon shut down over 500,000 products and suspended more than 6,000 vendors because of Covid-price gouging. This is what an Amazon spokesperson had to say:

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There is no place for price gouging on Amazon and that's why our teams are monitoring our store 24/7. We are disappointed that bad actors are attempting to take advantage of this global health crisis, and in addition to removing these offers, we are terminating accounts and working directly with states attorneys general to prosecute bad actors and hold them accountable (Morad, 2020).

This type of severe behavior stops price gouging, but the ultimate goal of providing products and fair prices is missed. Had proper measures that regulated fair pricing been in place, consumers would have been able to purchase these and many other products.

Special Consideration for the Poor

There may be no special obligation for storekeepers to lower prices for the poor. The obligation to give charity to the poor, however, is a core value of Judaism and is stressed in the Bible and the Talmud. According to the Talmud, "The best of doctors are destined for Hell" (Babylonian Talmud, Kiddushin 82a). Several reasons are provided including the fact that doctors are often arrogant and will not consult with other physicians and thus cause a patient to die. Also, many refuse to treat the indigent. Here is a story of one who did things right. Abba Umna was concerned with the health of his patients and was not interested in becoming wealthy. Moreover, he was even concerned about such issues as patient modesty and was also very charitable.

Abba Umna was a surgeon/bloodletter (umna) and would receive greetings from the Heavenly Academy every day. Abaye received greetings on every Sabbath eve, Raba on the eve of every Day of Atonement. Abaye felt dejected because of the special honor shown to Abba Umna. People said to Abaye: "You are not able to perform deeds such as his." What was the special merit of Abba Umna? When he performed his operations he would separate men from women [for modesty reasons]. He had a garment which had a cup for receiving the blood and which was slit at the shoulder to accommodate the surgeon's knife. Whenever a woman patient came to him he would put the garment on her shoulder in order not to see her exposed body. He also had a private place where the patients deposited their fees which he would charge; those that could afford it put their fees there, and thus those who could not pay were not embarrassed. Whenever a young scholar happened to consult him, he would not accept any fee from him. When the scholar would leave, he would give him money and tell him: "Go and regain your health." (Babylonian Talmud, Taanis 21b-22a; based on translation by Soncino and ArtScroll).

The Talmud often uses stories to enhance a law. Halbertal (2011) stresses that a major characteristic of the Talmud is to place a narrative alongside a law. Stories can then demonstrate the ideal way a law should be followed. Those following in Abba Umna's footsteps should seek a clever way to lower prices for the impoverished and needy.

Discussion and Conclusion

The coronavirus pandemic of 2020 made evident why clear guidelines regarding price manipulation and hoarding are necessary. During the early part of the crisis, many goods, despite demand, were unavailable and some goods were hoarded, only to be sold

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at outrageous prices. Jewish tradition provides a long tradition of protecting the consumer and making merchandise available at reasonable prices.

The *Amida* (also known as *shemoneh esrei*) prayer is together with the *shema* the most important prayer of the daily service. It was established by the 120 members of the Great Assembly in the 5th century BCE and is recited three times a day. The ninth blessing of the *Amida* reads as follows: “Bless on our behalf, O Lord our God, this year, and every species of its produce, for the best; and bestow a blessing upon the face of the earth and satisfy us from its bounty...” It is the only blessing that begins with the word “bless” and deals with sustenance and deliverance from want. Although there is no direct reference in this prayer to hoarders, price predators, or cunning profiteers, the Talmud states that this prayer was established as a prayer for divine protection against individuals who would raise prices unjustly (Babylonian Talmud, Megilla 17b). The fact that there is a special blessing to ensure price stability indicates the importance of this law.

The Talmudic sages regarded price gouging as a serious threat to the wellbeing of society and interpreted the verse in Psalms (10:15): “Break the arm of the wicked and evil person” as referring to those who raise prices unjustly and thereby oppress the poor (Babylonian Talmud, Megilla 17b).

Shutting down merchants for price gouging does not help consumers, as they are ultimately unable to receive the desired goods. By contradistinction, price regulation on essential products disincentivizes undesirable behavior such as hoarding by eliminating incentive of this product why ensuring consumer availability.

One important takeaway from this paper is the need to balance consumer protection and merchant’s incentive. The *ona’ah* system applied is one example of a dynamic system that exemplifies balance. While consumers demand low pricing, regulators must strike a balance to achieve fair pricing, in which the merchant can also profit reasonably and modestly. Fair markups that balance profit and affordability are needed to ensure market efficiency and equity of opportunity for all.

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About the Authors

Hershey H. Friedman is a Professor of Business in the Business Management Department of Brooklyn College of the City University of New York. He has held both the Bernard H. Stern Chair of Humor and the Murray Koppelman Professorship. Prof. Friedman has published more than 250 scholarly articles in such journals as *Journal of*

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Business Ethics, Journal of Applied Psychology, and Journal of Advertising Research. His latest book (Routledge 2014) is *God Laughed: Sources of Jewish Humor*, co-authored with Linda W. Friedman.

Dr. Friedman can be reached at Murray Koppelman School of Business, Brooklyn College, CUNY, 2900 Bedford Avenue, Brooklyn, New York 11210, x.friedman@att.net.

Murray Mizrachi is a lecturer of business at the Murray Koppelman School of Business at Brooklyn College CUNY. His research interests include ethics, leadership, and the impact of the Bible on Western Society. He holds an M.S. in Global Business Economics and Ph.D. in Jewish Studies. He was an American Sephardi Federation Fellow at the Center for Jewish History in New York and previously recognized as one of the *Jewish Week's* prestigious "36 Under 36."

Dr. Mizrachi can be contacted via email: MurrayMizrachi@gmail.com



Building Relationships and Resolving Conflicts: *Infusing Critical Thinking into Workplace Practices*

— JOSEPH P. HESTER, CLAREMONT, NORTH CAROLINA, USA

Introduction

As we are now living in a world characterized as a “new normal,” nothing is more important than leaders who are adept at critical thinking enabling them to enhance their businesses by making judicious decisions while remaining sensitive to the needs of their employees. When talking about critical thinking, often neglected is the descriptor “critical.” Among other things, “critical” means significant, vital, essential, and analytical, and involving skillful judgment as to truth and merit. From the point of view of commonsense, “critical” may also imply an effort to see a problem or situation clearly

“In a world of growing uncertainty one thing is certain; we will need sharp critical thinkers who can size up the situation, realize the potential where others may not, and seize opportunities through prompt decision-making.”

— John Baldoni

and truthfully in order to make fair judgments and wise decisions. Thus, critical thinking is more than learning to use specific thinking skills deemed necessary for business and everyday life. A critical thinker will

have a sense of ethics governing his or her decision making and business acumen. Consequently, critical thinking necessitates life-long learning, experience, developing one’s intuitions, and above all, being creative, flexible-minded, sensitive to one’s environment, as well as being trusted and fair-minded. The ethical overtones of becoming a critical thinker are obvious making critical thinking an essential component of values-based leadership.

A Critical Thinking Mindset

Catherine J. Rezak comments,

The mind-set that made leaders successful in the past probably won’t ensure success in the future. In fact, several recent studies and surveys have identified critical thinking as the number one requirement for successful leadership in the 21st century. Yet there is mounting evidence that many current and emerging leaders lack this quality. And it is this competency gap that is shaking up and reshaping leadership as we have come to know it.¹

We can conclude that critical thinking is a necessary for business success as it focuses on a skill set that builds on the intrinsic and learned strengths of values-based leaders. Values-based leaders understand each person as unique with particular strengths that

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are of value and must be respected; therefore, building upon their talents and abilities rather than weaknesses is a positive feature of the working environment.

Keeping this in mind, John Baldoni² moves this discussion by providing clues to the critical thinking mindset. He adeptly points out that “critical thinking” is a way of thinking involving:

Questioning Assumptions. Critical thinkers are inquisitive and look to find the *what* and the *why* behind every proposition. We saw the need for this when our financial markets melted in 2008. Crisis can bring out the best critical thinking because it forces you to question how and why you ended up in trouble.

Adopting Different Perspectives. Critical thinkers respect and take advantage of the diversity represented in today’s diverse management landscape. An Indian-trained engineer may not view a problem the way one raised in Iowa will. Both may have the same problem-solving tool kit, but their different experiences can provide valuable insights.

Seeing Potential. Assumption-busting and harnessing multiple perspectives are deductive skills. Critical thinkers should also have a creative bent that allows them to see opportunities where others see obstacles. For example, one executive may see a production snag as a problem whereas a savvy thinker must view it as an opportunity to revamp the process to produce something new.

Managing Ambiguity. The speed of business, intertwined as it is with global factors and complex supply chains, dictates that you will never know all the variables. Therefore, you need to get comfortable with operating in an environment where change is constant and rapid decisions are required.

Although the main purpose of this article is to outline and sharpen the skills normally falling under the rubric of “critical thinking,” it is how these skills are utilized or managed and the experience leaders bring to the workplace,

including

their

creativity,

insights, and

how they view their

employees, that are

foundationally important.

Leaders need to know, understand,

take pride in, practice, develop, and

enjoy their own strengths while amplifying and growing those around them. This is the essence of values-based leadership. As reading specialist Leanna Trail has said, “Highlight my strengths and my weakness will disappear.”³

“Having established the need for a mindset shift to more critical thinking, we need to be clear on what that means in the workplace. In general, critical thinking is the ability to deal with the contradictions and problems of a tumultuous environment in a reasoned, purposeful, productive way. Decisions are made using an approach that is fair, objective, accurate and based on information that is relevant to the situation. Critical thinking is also reflective and focused, constantly evaluating the thinking process itself. It is thinking with a purpose.”

— Catherine J. Rezak

Focusing on Growth

Critical thinking focuses on growth, efficiency, and dialogic communication. This is the foundation of values-based and servant leadership,⁴ a principle that has grown from the moral and civil foundations of democratic societies. As we are aware, not all leaders share this philosophy. This has been poignantly displayed in American politics and businesses these past few years as ideology, Constitutional violations, and personal gain have and are replacing the moral and civil foundations of our democratic system.

As we know, servant or values-based leadership is not a given in our society and neither is a commitment to the moral principles undergirding Constitutional democracy.

“A servant-leader focuses primarily on the growth and well-being of people and the communities to which they belong. While traditional leadership generally involves the accumulation and exercise of power by one at the ‘top of the pyramid,’ servant leadership is different. The servant-leader shares power, puts the needs of others first, and helps people develop and perform as highly as possible.”

— Robert Greenleaf

Constant and critical attention is required for egalitarian maintenance, especially among political, community, and business leaders. Albert Einstein insightfully

acknowledged,

“The world we have created is a product of our thinking. It cannot be changed without changing our

thinking.”⁵ To the point: not only are we losing contact with the moral and civil foundations of democracy, but also with the cultivation of reason (thinking) in our schools, universities, and businesses. Among the skills required are creative flexibility, insight, intuition, and the ability to communicate with friends, colleagues and employees.

Building relationships and resolving conflicts are essential skills amid the diversity of the

“The critical-thinking approach is a powerful analytical method which helps managers and entrepreneurs to consider intended and unintended consequences of behaviors on their teams, organizations and communities. Organizations need managers who think independently without judgment and bias and predict patterns of behaviors and processes. They ask the right questions: how and why versus just what, in order to make effective and thoughtful decisions.”

— Christopher P. Neck, Jeffery D. Houghton, & Emma L. Murray

workplace and without, especially the ability to survive in the global marketplace faced with an ongoing pandemic of historic proportions. The leader who is a critical thinker will question assumptions, challenge old ways of doing things, and willingly harness multiple perspectives, seeking opportunities where others see only obstacles.

Strengthening Values-based Leadership

In a values-based culture, leaders who are critical thinkers are not only skill-oriented but service-oriented as well, understanding the importance, worth, and usefulness of all who work within the organization. Vladislav Lektorsky agreed that critical thinking is an important means of cultivating moral and civic virtues “...because many people cannot make political and moral judgments, cannot argue their positions, cannot foresee the

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consequences of their actions, and cannot, therefore, make a reasonable choice between different alternatives.”⁶ Underlying this observation are the leader’s willingness and ability to think creatively and critically. As Catherine J. Rezak has mentioned,

*While some classic leadership strategies and skills will continue to be effective, leaders in this brave new world will need to lead differently – and think differently. Critical thinking enables leaders at every level to understand the impact of their decisions on the business as a whole and ensures both alignment with organizational goals and accountability for results. The “new normal” is a different kind of competitive landscape, buffeted by geopolitics and global instability, rapid technological change, unique financial pressures, a rising tide of data and information to filter through, and the proliferation of new corporate business models.*⁷

Rezak points out that on the *Watson-Glaser Critical Thinking Appraisal*, a widely used assessment tool for evaluating the cognitive ability of current and future leaders, five sub-tests measure critical thinking as a composite of attitudes, knowledge, and skills:

- Inference
- Recognition of assumptions
- Deduction
- Interpretation
- Evaluation of arguments

Obviously, these skills are but place-holders or generalities pointing to more detailed critical thinking operations. As P. A. Facione has said, “We understand critical thinking to be purposeful, self-regulatory judgment, which results in interpretation, analysis,

Contemporary evidence of the importance of critical thinking skills for employment has been provided from the National Association of Colleges and Employers [NACE] (2016) which indicated that critical thinking/problem-solving skills were ranked most important by the 144 surveyed employers (Table 1). This is also consistent with the research results obtained by Bassham, Irwin, Nardone, and Wallace (2013) which indicated that college education is responsible for the development of critical thinking skills which, in their turn, lead to higher-order thinking. This is also consistent with (Costa & Kallick, 2014) who stated that critical thinking skills are consistently included in all the lists of essentials behind college and career readiness (Kraisuth & Panjakajornsak, 2017).

— Changwong, K., Sukkamart, A., & Sisan, B.

evaluation, and inference, as well as explanation of the evidential, conceptual, methodological, criteriological, or contextual considerations upon which that judgment is based.”⁸

Thus, understanding the depth and purpose of critical thinking, this article will limit itself to a description of the basic skill sets and sub-skills comprising critical thinking functions offering suggestions for infusing these into leadership practices. In general, with regard

to critical thinking, we are talking about “learning.” An effective organization is a learning (thinking) organization promoting the skills necessary for effective problem-solving and moving the organization ahead with purpose and vision.

Goal Oriented

A major question is “What would we have a 21st century leader to be?” The answer many believe is a person who is open to new ideas and knows how to learn and solve problems, and is mentally flexible and personally considerate. This person is a life-long learner and has reconsidered the value of life, made a commitment to moral principles, has mastered the content and work-related skills of his or her chosen profession, and is committed to continuous learning. Searching for an answer to this question, Christopher Neck comments,

“The latest research shows businesses are desperate to attract employees with critical-thinking skills, because organizations are undergoing such rapid change that they need employees to consistently introduce new, fresh ideas to stay ahead of the competition.”⁹

As experience has taught, learning facts and work-related skills and procedures are not enough; comprehension demands understanding which calls our attention to the critical thinking skills necessary for solving problems, resolving personnel issues, and evaluating results. An important consequence of becoming adept at critical thinking comes in connecting what is being learned to past experiences and making personal and collective decisions based on an appreciation of all who work within and outside an organization. Suffice it to say, critical thinking is a major component of values-based leadership and lies at the heart of ethical behavior.

The relationship between leadership training and critical thinking was extensively explored by John C. Ricketts in his evaluation of the National FFA Organization in 2002.

Two things are revealed in Ricketts’ research: (1) We cannot easily divide education along lines of skill and/or content and (2) A goal of leadership is to develop

future leaders. Ricketts concluded,

If the National FFA Organization believes effective leaders in their organization should be able to think critically, think creatively, practice sound decision-making, be effective problem solvers, commit to life-long learning, articulate their opinions to persuade others, practice sound study skills and maximize mental assets as well as compensate for mental limitations as the task force reports suggests, then a greater effort should be put forth to substantiate the relationship between leadership education and critical thinking.”

— John C. Ricketts

A concerted effort to teach critical thinking in leadership training could yield greater impacts on critical thinking skills. Because of the low, but positive relationship between leadership experience (FFA activities) and critical thinking, leadership educators should begin to foster critical thinking. They should do this by encouraging students to be more active and to participate in more activities that have been proven to develop leadership.¹⁰

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Thinking as an Inferential Process

Representing and Interconnecting

When surveying the thinking skill families below we discover they all involve inferring or inference-making. Inferring is the process of connecting bits and pieces of information and organizing the results holistically and meaningfully. Thus, inferring is basic to each critical thinking skill family. Technically and broadly, thinking is an *inferential process*. Skill-family #2 outlines basic “inferring” processes singled out because they are fundamental to problem-solving and decision-making.

In everyday conversation, we label these “inferences” or “representations” in many different ways: we have ideas and hold beliefs; are able to use our imagination and think intuitively; we have hunches, explanations, and come to rational conclusions; and we possess feelings and attitudes, opinions, assumptions, and biases. As we gain perspective, we begin to assess our knowledge with the awareness that these behaviors have inferential thinking as their common ground. The language of thinking is a human process and inference is thinking’s common denominator.

In the workplace, leaders and workers bring with them their own ideas, hunches, and assumptions (and much more) about how to go about their daily routines. The language they use is a clue to understanding what they are thinking, not only what they are saying. In training sessions and when problems occur, listening to what others are saying is crucial. By listening we try to figure out – on the fly – in what seemingly cultural and familial ways our colleagues understand and comprehend, and the processes they are using in problem-solving and decision-making.

We often discover that like each of us, our associates make decisions about courses of action; evaluate assumptions, beliefs, and ideas; enter into discourse with their colleagues and argue, negotiate, and explain; weigh evidence; make associations and solve problems. While engaged in these behaviors they are apt to feel anger or happiness, anxiety or fear, or joy and pride in their accomplishments. Care should be taken for pride and self-esteem often interfere with working relationships and blur the edges of positive relationships. Critical thinking is, after all, an innately human process and personal feelings often get in the way of clarity and insight.

We should note that leaders, their colleagues and employees, are daily active in processes falling under the rubric of critical thinking including imagining and guessing, discussing, explaining, and often disagreeing. During these rich and varied interactions and within their working environment, learning and thinking are taking place. Again, we generally label all these processes as “thinking,” but thinking per se doesn’t capture their essence as thinking doesn’t occur in a normative vacuum.

A clue to thinking is found in the idea of “interconnecting.” Interconnecting reminds us that our friends and colleagues understand their world and develop meaningful connections with others, with events that occur around them, and with ideas discovered while working, communicating, and listening. The reality is that we all view the world

differently as we make an effort to understand how each part of our environment, our work, is interrelated and interjoined. “Interconnecting” is a word that explains the workings of “inferring” itself. An important distinction between excellent and average leaders or workers is their *inferential ability*. Inferring is the key to comprehension, judgment, and decision-making. It is the process that precisely characterizes the operations of intelligence and of informal and abstract thinking.

If/Then

Briefly, inferring has the underlying structure of “If/then,” a simple logical formula that is often assumed but not explicitly expressed. We say, “If this happens, then this will also happen; if this is true, then that is true also,” but seldom stop to explain what “inferring” means; that is, the connection between “if” and “then.” An “if/then” statement is a “conditional” statement (often causal) presenting situations and their possible outcomes conditioned on supportive evidence. Following the “if” or antecedent is the “then” clause which is the conclusion — what is logically expected to happen — based on the evidence or data presented. The conclusion is thus conditioned on the evidence presented.

In everyday life and within a working environment nothing is unconditional. Usually there is a reason or purpose for everything that is done implying personal and collective responsibility. Again, care and patience are required, for when work-related problems arise, what is presented as factual or causal is sometimes questioned necessitating explanatory clarity. Leaders, at any level, should not get on the defensive but understand that others are also deliberating and thinking, that they too wish to become an essential part of the problem solution.

Fundamentally, an if/then statement is an inference representing the interconnecting of ideas and experiences, of work-related issues and procedures all of which are able to be evaluated for consistency and factual reliability. Plainly, inferring is the key operational skill underlying all critical thinking. As we know, every thought moves, grows, and develops, fulfills a function, and moves to solve a problem. Thus, set out as the basic thinking skill operation, inferring involves associating, connecting, predicting, evaluating, and hitchhiking one thought to another to establish a relationship or meaning between things, experiences, events, or words.

With this we can conclude:

1. “Thinking” is a process of connecting bits and pieces of experience with other bits and pieces of experience to establish relationships between things, people, ideas, places, or events.
2. “Thinking” is a process that allows us to move from the simple to the complex or break the complex into smaller-related parts for clarity and understanding.
3. “Thinking” is a process that grows and develops, fulfills a function, and solves a problem.
4. The goal of “thinking” is to understand through inquiry and explanation. Competence is needed as understanding depends on knowledge, experience, and the ability to communicate what is seen, heard, thought, and felt.

In summary, “thinking” can be defined as a problem-solving or decision-making process having both sound and useful qualities. The “skill-families” below demonstrate the interconnections among functional thinking and reasoning processes.¹¹

Basic Skill Families

1. **Attributing** (ascribing and organizing characteristics, parts, or features of objects, ideas, events, etc.)
 - *Classifying* (categorizing, arranging, sorting)
 - *Sequencing* (placing in a series, chain, or progression)
 - *Seriating* (placing in a certain, predetermined order)
 - *Comparing and Contrasting* (distinguishing significant similarities and differences)
2. **Inferring** (deducing, concluding, surmising)
 - *Hypothesizing* (theorizing, imagining, assuming)
 - *Predicting* (forecasting, envisaging, calculating)
 - *Generalizing* (drawing conclusions, taking a broad view)
 - *Analyzing relevant/irrelevant data* (exploring, investigating, questioning, probing)
3. **Explaining and Justifying** (finding sources, reasons, grounds that explain an event, idea, or thing)
 - *Searching for causes* (accounting for, justifying, clarifying)
 - *Accounting for/against the likelihood of a conclusion* (providing evidence for, clearing up, explaining)
 - *Assessing relevant evidence* (evaluating, considering, reviewing, gauging)
 - *Explaining relationships* (amplifying, connecting, associating)
4. **Evaluating** (assessing, appraising, calculating, or estimating)
 - *Prioritizing* (situating evidence, values, etc. from main to least concern or reliability)
 - *Assessing reliability of evidence* (weighing, judging, reconsidering)
 - *Establishing criteria of valuation* (setting forth principles, conditions, and standards)
 - *Generalizing or drawing conclusions* (drawing conclusions, taking a broad view)
 - *Decision making/Problem solving* (deciding, choosing, making up your mind, settling, determining right course of action)

Steps to Problem Solving Improvement

Obviously, critical thinking is problem-solving oriented. Problem-solving is converting an actual current situation (the NOW-state) into a desired future situation (the GOAL-state). A “problem” is any situation where there is an opportunity to make a difference and make things better. Whenever you are thinking creatively and critically about ways to increase the quality of the workplace environment you actively involved in critical thinking and problem-solving.

Leaders should be aware that most thinking occurs when a problem has blocked customary ways of behaving and even common-sense thinking. Problem-solving, as an

open-ended and communal process, helps to settle doubts, improve workplace conditions, and resolve personnel and other workplace issues. As much as possible, emotion needs to be divorced from this process. Problem-solving is more effective when done with a clear head and disentangled from emotional outbursts, anger, and strong feelings. With a clear and calm mind, including respect and dignity for one's colleagues and fellow workers, the resolution of workplace issues can move forward with insight and dignity, reducing the tension and anxiety normally found in such situations.¹² As possible answers are discussed, solution alternatives (SA) can be offered for problem resolution.

“Critical thinking is the ability to think clearly and rationally; it includes the ability to engage in reflective and independent thinking. A leader with critical thinking skills can understand the logical connections between ideas, identify the relevance and importance of arguments, detect inconsistencies or mistakes in reasoning, and make proper decisions.”

— Martine Sanscartier

Developing a Problem-Solving Format

The purpose of the following problem-solving format is to arrive at more and better solution-alternatives. And don't look for quick fixes or for immediate agreement among workers and colleagues; time and patience will be required. As a leader (CEO, supervisor, manager, department head, etc.) directing the problem-solving process, the following guidelines will assist in guiding your efforts:

1. **Understand:** that a problem is a reality expectation gap. Use your experience and intuition for understanding what kind of problem or situation you are facing.
2. **Problem Definition:** Ask, “How can I define the problem or situation clearly and in a way that makes it easy to solve?”
3. **Generating Alternative Solutions:** Have I used my experience, the experience of my co-workers, and the other resources available to generate as many alternative solutions as possible?
4. **Go Back Over:** Ask, “Have I included those involved with the problem to offer possible solution alternatives?” If possible, consult with others and gather their input.
5. **Evaluate:** What are the consequences of each alternative solution? Which is the best solution? Calculate carefully the short- and long-term consequences of each alternative before making a final choice.
6. **Making a Decision:** Have I narrowed my options to those that will work the best? Did I gather all the information that I needed for making a decision? Were my option alternatives and their consequences evaluated correctly and thoroughly?
7. **Choose a Final Solution:** Now is time to choose a final solution. Once you make your choice, review again the above steps. Write out your reasons for your choice and be prepared to revise as you discuss it with others.
8. **Implementing a Plan of Action:** Develop a plan and ask, “Am I committed to this plan?” “Is it working?” “Do I need to revise my plan?” and “Did I give it my best effort?” Become more open to suggestions and flexible in your decision making.

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Making Problem Solving More Efficient

As leaders we face problems daily. This is a natural course of events. But many are not adept at resolving conflicts, solving problems, or including others in this process. Below are some informal suggestions to help get you started:

Knowledge. Leaders must have some cursory knowledge of the work their employees are doing and understand who's involved in either causing the problem or solving it. This requires building up a knowledge bank. Experience is necessary as well as building solid human relationships.

Defining the Problem. Giving adequate knowledge, a leader must be able to recognize that there is a problem and then be able to state the problem simply and clearly. An unclear problem statement will send mixed messages to others and compound finding solution alternatives. An effective method is asking those involved to offer their opinions

Employers value workers who know how to think critically. Critical thinkers bring creative solutions to the table and help businesses to innovate and remain competitive. Critical thinking examples exist in every part of the workplace, from the corporate executive offices to the sales floor. Whether you're the boss or an intern, knowing how to think critically gives you the power to make positive contributions to the company.

— Jessica L. Mendes

and even a statement of the problem. Including as many stakeholders as possible will generate not only many problem definitions to consider, but ownership of the problem itself. When defining the problem many sub-problems or issues can arise and probably will. Each of these must be handled before tackling the main problem or there is left a quagmire of unanswered questions. Clearing up sub-problems will

assist in resolving the larger problem and whatever issues are involved.

Solution-Alternatives (Hypotheses). An open-ended session of brainstorming with those involved and with the purpose of seeking solution alternatives (SA) will be productive. Explore each SA purposefully and thoroughly by asking, "Which SA actually resolves the problem?" Each of these will become an alternative (hypothesis) to be tested. From these solution alternatives a final solution can be chosen.

Critical Thinking Skills Involved. Many critical thinking skills in the thinking skill families above will be involved in this process. Familiarize yourself with them and learn their importance. Mainly these will include the following:

1. **The ability to prioritize.** This depends on your knowledge and the requirements of your assignment or work. Which SA works? Which problem or sub-problem is most important? What are the demands of your work? What is your job assignment? All of these and more should enter into your deliberations. Make a list of the SAs suggested and put these in order of their importance. Two basic thinking skills will be involved: sequencing and prioritizing.
2. **Comparing and Contrasting.** When SAs are on the table compare and contrast these for similarities and differences. In the end, you may wish to combine one or more of

these for their benefits and throw out others because they either don't resolve the problem or could cause other problems. Don't skip this step for it can save time and energy as you may find something that did or did not work in a similar situation in the past.

3. **Either/Or or Either/Or but Not Both.** The first E/O is inclusive while the second is exclusive. In the first more than one SA can be considered or chosen to see how each works out, but in the second, one or more is eliminated. The disjunct "either/or but not both" is sometimes called a "disjunction elimination" because something in the equation is being removed. When eliminating one or more SA, move slowly and deliberately. A quick reference to the activity of comparing and contrasting will enhance this process.
4. **If/Then.** This is a hypothetical or conditional in which the "then" or consequence of an action or decision is conditioned or dependent on the "if" or the antecedent. The purpose of the antecedent is to provide the necessary information or conditions for decision making and action. Ask, "If I do this, then what will be the result?" If you don't like the result, then examine why (the "if") upon which the result is "conditioned." This is where dialogue becomes vitally important. Some colleagues and work associates will have information vital to resolving a problem and therefore should be welcomed into the problem-solving process. Remember: all work and associated work-problems are conditioned on the work of others, decisions previously made, and/or workplace procedures; nothing is unconditional; all is interconnected.
5. **Causal Explanation.** Once a decision is made the leader (CEO, manager, department head, etc.) will be called upon to explain the outcome or the "why" or the decision. Such an explanation will uncover the causes/conditions/circumstances that combine to bring about the outcome. This is a form of reverse thinking — of going back and reviewing the decision-making process, and providing explanations for each step or decision that has been made.

The Importance of Questions

The Leader as Teacher

One thing to remember as a leader is not to get defensive. Those involved in the problem-solving process will often disagree with your suggestions; let them speak and weigh their suggestions with dignity and with an open mind. As a leader, you are also a teacher. An effective way of becoming a teacher is using questioning skills. Discussions and questioning provide an opportunity for colleagues and employees to express ideas, their knowledge, intuitions, and feelings. Remember, directed questions will help others learn to think and make more efficient and independent decisions. Questions also challenge others to venture beyond the commonplace and seek creative solutions to their problems. Their contributions will add to their confidence and self-esteem.

Above all else, questions encourage the learning process in the following ways:

1. Leaders can use employee responses to sense gaps in their understanding and knowledge.

2. Leader responses can be used to steer employees to information, correct procedures, and encourage their persistent thinking about a problem or concern.
3. Leaders can design questions explicitly to elicit specific types of answers or thinking.
4. Questions can be used to teach critical thinking skills as leaders model the skill in discussions.
5. Questions are thus a means to self-improvement and the improvement of the working environment.

With critical thinking ranking among the most in-demand skills for job candidates, you would think that educational institutions would prepare candidates well to be exceptional thinkers, and employers would be adept at developing such skills in existing employees. Unfortunately, both are largely untrue.

According to a 2016 survey of 63,924 managers and 14,167 recent graduates, critical thinking is the number one soft skill managers feel new graduates are lacking, with 60% feeling this way. This confirms what a Wall Street Journal analysis of standardized test scores given to freshmen and seniors at 200 colleges found: the average graduate from some of the most prestigious universities shows little or no improvement in critical thinking over four years. Employers fare no better. Half rate their employees' critical thinking skills as average or worse.

— Matt Plummer

Critical thinking is a question-guided process. Employees could have difficulty in asking appropriate questions about their work, finding and/or developing appropriate answers to those questions, and presenting their findings in appropriate ways. The following general procedures will help leaders ask and answer questions that assist employee learning.

Questions teach employees to . . .

1. Evaluate everything they know about their work or the problem being discussed. Give them time to answer and when they can't think of anything more, give them a few minutes to look for details they may have missed.
2. Re-organize the problem or their work into categories or groupings, by asking, "How do these things fit together? What elements are related and how are they inner related? What general groupings are there?"
3. Ask, "What is the significance of all this? What can it be used for? What are its implications? Is there anything that doesn't fit, or that doesn't agree with the facts, or with your personal experience?" Provide time for explanations and discussions.
4. Always push past the point at which employees and colleagues think they have said everything that needs to be said. Tell them to always ask questions that they can't answer, and always ask more questions than they can answer. Solutions to problems are often hidden in the details of previous answers, solutions, or past ways of completing their tasks.
5. Be respectful of the answers, comments, and questions of others. There are a number of reasons for this: (1) We sometimes forget ideas generated by brainstorming; (2) This will encourage the retracing of the steps taken to arrive at a solution alternative; (3) We can learn to deliberately apply the same steps in the future when faced with a similar problem; (4) New energy among employees will be

generated when respectful of their effort – good ideas often come from apparently trivial or insignificant ideas. This will encourage all involved to think more.

Develop Questions to Mirror Each Thinking Skill Family

Because a values-based leader has an interest in building positive working relationships and resolving workplace issues and problems, an excellent way of engaging colleagues in critical thinking is by using questioning, not as intimidation, but as a process of engagement. The series of question below have been developed to mirror the thinking skill in each family of skills. These questions can be modified or adapted to various situations, and they should be. They are meant to be flexible and adaptable. In general, these questions are a gateway to critical thinking. To become a leader-teacher, a manager, supervisor, department head, or even CEO one should become intimately knowledgeable of each thinking skill family and the questions that mirror them. This will take time and effort, including practice. Patience with self and others is a necessity.

SKILL FAMILY #1: ATTRIBUTING QUESTIONS

1. Do the descriptors accurately describe the characteristics of...?
2. What relationships/order/patterns are found among these characteristics?
3. Are the various characteristics alike in any important ways?
4. What conclusions do you reach from these descriptors?
5. From these relationships and characteristics can you begin to develop an outline for preparing a report or for doing additional research?

SKILL FAMILY #2: Inferring Questions

1. What might happen (consequences) as a result of choosing a certain option?
2. Can you evaluate each consequence as relevant or irrelevant to the problem-solving situation?
3. Can you evaluate each consequence as having a positive or negative effect on the decision being considered?
4. What reasons can you give for choosing one option over all others?
5. Can you apply this information back to the report you are preparing?

SKILL FAMILY #3: Explaining Questions

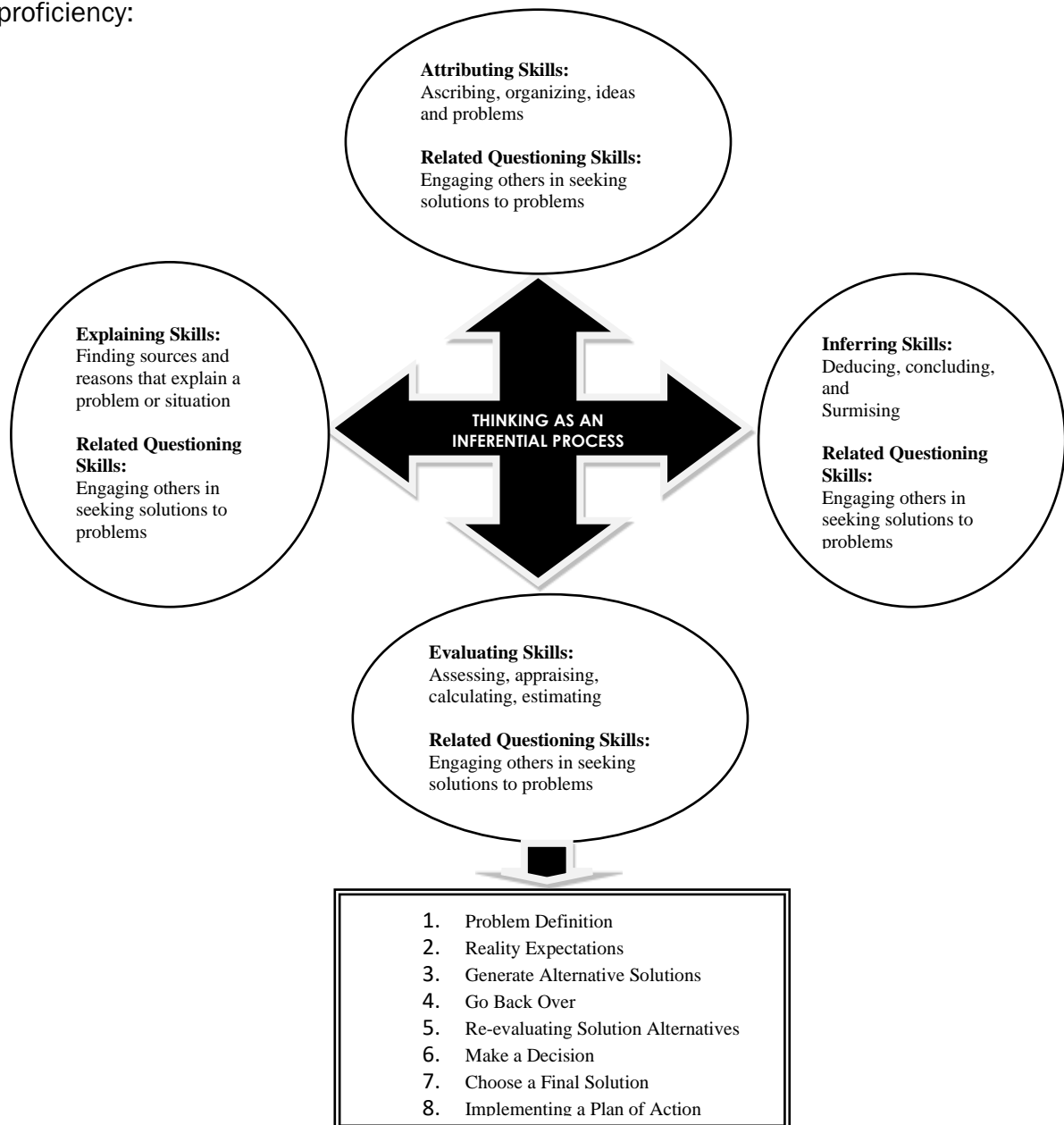
1. What causes can you think of that would account for an event, action, or behavior?
2. What evidence do you have or can you find that accounts for or against an event, action, or behavior?
3. What reasons can you give for reaching a conclusion you have drawn?
4. Do your reasons or does your evidence support your conclusions?
5. What causes, reasons, or evidence most explains the event, action, or behavior?

SKILL FAMILY #4: Decision Making/Problem Solving Questions

1. What is it that makes a decision necessary?
2. Can you identify the problem that needs solving?

3. What options do you have for solving this problem and do you have information to support the consequences of each option?
4. How reliable is the information that you have about each option? Should you seek additional supportive information?
5. Considering these factors, what options should you choose? This could be an either/or question or a both/and question. Many times, several solution-alternatives are possible and, pragmatically, should be pursued.

For quick reference, the following problem-solving organizational chart summarizes, in a graphic form, the basic skill families and questions leading to problem-solving proficiency:



Conclusion

Infusing Thinking into Workplace Learning

It is often said that what is needed is commonsense. As E. A. Burtt explains, “We want to find out how the revision of commonsense in the direction of a wiser common sense is accomplished, and what role changing presuppositions [assumptions] play in the process.”¹³ Jonathan Baron calls for actively open-minded thinking because “. . . we must work actively against wishful thinking and bias toward pet possibilities. Because good thinking involves competition among possibilities, evidence, and values, it is almost always quantitative, in the sense of weighing things against each other. When we pit safety against price, we must ask how much safety for how much price, and how much we care about each. Sometimes it may help to make the quantitative aspects explicit.”¹⁴

Baron provides the following suggestions for overcoming bias, probing assumptions, and releasing commonsense from the tentacles of tradition. These can be adapted to workplace problem solving. As a supervisor or manager becomes a teacher, he or she should:

- Explain her or his questions and why they are important.
- Present the most obvious answer or answers.
- Consider less obvious alternatives, or objections to the obvious answers.
- Rebut the criticisms, or explain how the original answers can be modified to deal with them.

Baron has observed that many individuals will have trouble with this. Thus, good thinking can be promoted by encouraging discussion in which alternative points of view are requested and debated. Individuals should be praised for bringing up an alternative or a criticism. Most importantly, we can help our colleagues learn to think by telling them explicitly what our standards are and then acting consistently with these

Critical thinking has always been a prized attribute of leadership, but over the years, especially as business schools have emphasized quantitative skills over qualitative ones, critical thinking dropped by the wayside. Now as the rate of complexity rises, the need for critical thinking resurfaces. — John Baldoni

standards in everyday work practices and when evaluating subordinates. These recommendations are important for critical thinking development where all employees are encouraged to develop their abilities to think independently and reflectively.

Above all else, the workplace can be a place for teaching and learning, especially learning to adapt to workplace changes and complexities. Change is perhaps the one constant in our lives. But what kind of change brings with it the improvement of people and society? I would suggest it is deliberate change created by people of value who consistently use rational decision making in their lives. Here, the reference is to thinking that is creative and critical, positive and developmental, and supports the ethical dimensions of a values-based organization. Critical thinking requires a context. Whether we are a business person or engineer, a scientist or minister, thinking is and should be molded by the ethical principles supportive of our lives and livelihoods. Such thinking

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has moral underpinnings, including the courage to apply these principles and practices in daily activities and decision-making.

Matt Plummer asks Why is it so difficult to teach people how to think critically? He answers by saying,

It starts with the fact that there is little agreement around what critical thinking is. From there, it gets even less clear. Most employers lack an effective way to objectively assess critical thinking skills and most managers don't know how to provide specific instruction to team members in need of becoming better thinkers. Instead, most managers employ a sink-or-swim approach, ultimately creating work-arounds to keep those who can't figure out how to 'swim' from making important decisions.¹⁵

Experience has taught that employees bring to work their own ideas, hunches, and assumptions (and much more). The language they use is a clue to our understanding of what they are thinking, not only what they are saying. In this way we are challenged to understand in what seemingly cultural and familial ways they are able to manipulate their own ideas and resolve workplace problems. This requires both reason and imagination—the adaptive logic that sets us apart as a species.

Also, a goal of workplace education involves life-long learning. When the workplace is flourishing at its best, there is joy and excitement for all participants. Active learning and willing involvement are far removed from the lifeless task of listening to a lecture or just obeying a directive from above. This will narrow workplace inclusiveness and causes boredom. Active dialogue and discussion can create excitement, motivation, and creativity. When employees are engaged, learning happens.

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About the Author

Joseph P. Hester is an independent writer living in Claremont, North Carolina. He earned the Ph.D. in Moral Philosophy from the Franklin College of Arts and Sciences at the University of Georgia in 1973. During this time, he held a teaching assistantship with the

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Department of Philosophy and a research assistantship with what became the Torrance Center for Creative and Critical Thinking. He was selected as the 1995 International Torrance Scholar of the Year for his 14-book series, *Philosophy for Young Thinkers* and his book, *Teaching for Thinking*. His post-doctoral work included education and leadership about which he has written widely. Now retired, he serves on the Editorial Board for the *Journal of Values-based Leadership* and the Advisory Board for the *Humanities Bulletin*.

Dr. Hester can be reached at southcline@gmail.com.



CAM CALDWELL
AMERICAN UNIVERSITY IN
THE EMIRATES, UAE



VERL ANDERSON
DIXIE STATE UNIVERSITY ST.
GEORGE, UTAH USA

University Professors as “Transformative Leaders”

Abstract

University professors have a moral obligation to be ethical leaders in guiding their stewards. Transformative Leadership, a concept identified in both the educational and business leadership literature, provides a valuable model for university professors to consider as they interact with students and help them to learn and to prepare for the challenges of the modern world. This paper integrates the education and business leadership perspectives of Transformative Leadership and identifies the contributions that this leadership model can contribute to the effectiveness of university professors who adopt its principles.

Introduction

Great leaders in every walk of life are recognized for their ability to achieve worthy goals (Burns, 2010; Rath, & Conchie, 2008), their commitment to achieving a noble purpose (Lussier & Achua, 2015; Conger & Kanungo, 1998), their efficient and effective use of resources (Bennis & Nanus, 2007), their ability to inspire others (Pava, 2003; Kouzes & Posner, 2017), and their personal integrity (Hosmer, 2010; Kouzes & Posner, 2011). In today’s performance-dependent world, university professors in virtually every academic discipline share this same set of responsibilities (Marion & Gonzalez, 2013).

The purpose of this paper is to explain the values-based responsibilities of the modern university professor, incorporating the leadership perspectives of “Transformative Leadership” – an ethically-based leadership model that honors the many responsibilities of leaders. The paper begins by briefly describing the nature of the “product” provided by university faculty members at colleges and universities and the obligation of those who teach to “add value” to students. Following that introduction, we identify the leadership perspectives that comprise Transformative Leadership – including both the education-related framework that focuses on eight underlying principles and the business-related model that incorporates six well-respected leadership perspectives.

After integrating these two approaches to Transformative Leadership, we then identify how the responsibilities of university professors are achieved by transformative

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leadership to demonstrate how and why that leadership model makes such a powerful contribution to student learning when adopted by university faculty. We then suggest four contributions that this paper makes to the leadership literature and the benefits achieved when university professors adopt the transformative leadership role in their classrooms. The paper concludes with encouragement to university faculty members to reflect on the moral obligations that they owe to their students and the underlying values that they apply within the university classroom.

The Educational “Product”

The academic experience at great colleges and universities provides students with the opportunity to learn substantive information about a future professional career, to increase their understanding of a specific academic focus, and to enable them to discover their own identities (Flum & Kaplan, 2012). Hadar and Hotam (2012) describe the role of education as the internalization of patterns of thinking, values, views, and behaviors – as viewed in terms of what really is, rather than what ought to be in the world.

Heather Malin (2018, p, 14) describes education as empowering individuals to find their life’s purpose – and defines that purpose as a “higher-order goal” that is a motivating force in individual lives. Discovering that purpose and affirming one’s identity is a self-reflection activity that requires individuals to not only affirm their own values and the standards that equate therewith, but that provide the opportunity to compare individual behavior with those same values and standards (Burke & Stets, 2009).

Education also includes organizational and societal level impacts on individuals. Reimers (2020) identified five dimensions of the educational product of higher education that include five contextual insights about the world and its complex nature.

- ***Cultural*** – Education includes implicit assumptions about organizational and national cultures.
- ***Psychological*** – Education influences and increases one’s understanding of the mental and emotional factors in life.
- ***Professional*** – Education not only can develop personal skills that affect individuals’ professional lives, but can frame the context of a career or chosen occupation.
- ***Institutional*** – Education helps individuals to understand the stable, valued, and recurring priorities and behaviors of organizations that have a major role in communities and countries.
- ***Political*** – Education clarifies the processes of governance in countries and organizations and the strategies and activities involved in decision-making processes.

By explaining the functioning of societies at each of these five levels, education enables learners to understand how they can fit within the world in which they will live and work.

More than ninety years ago, the brilliant Alfred North Whitehead (1978) explained that the ideal byproduct of education is its natural capacity to inspire individuals in the lifelong pursuit of continuous learning and improvement – rather than to simply dispense knowledge about a specific subject area or academic discipline. To educate is to draw from others the inherent ability within them to recognize their highest potential (Yair, 2008).

Thus, the greatest benefit of education and its most important byproduct is its capacity to unlock the human spirit, to inspire individuals to pursue becoming their highest and best version of themselves, and to achieve a vision of life's most noble purposes (Maslow, 2014). In every real sense, then, we suggest that fulfilling the calling of being an educator is a sacred and covenantal responsibility in which those who teach also serve, inspire, empower, and enable others to build upon the principles which they share with their students (cf. Pava, 2003).

Great teachers are, in every sense, leaders, mentors, and exemplars – partners in a shared journey in the pursuit of wisdom – rather than simply relegated to assist students in the acquisition of data, facts, and knowledge (Glasper & Caldwell, 2016). As leaders in the process of learning, the role of teachers is complex and multi-faceted when done well. By doing more than simply explaining theoretical concepts and teaching about specialized topics, great teachers add value to the lives of their students by helping them recognize the challenges that they and their fellow citizens will face in the troubled world in which they live (Mintzberg & Caldwell, 2017).

Transformative Leadership

Transformative Leadership is universally described as a practical value-based approach to building relationships. Shields (2020) described the education-focused version of Transformative Leadership as “distinct from other leadership theories because of its inherently normative and critical approach grounded in the values of equity, inclusion, excellence, and social justice.”

Within the context of education research, Transformative Leadership is founded upon eight tenets or principles. Shields lists those principles as follows:

- ***A Mandate for Deep and Equitable Change*** – This need for change reflects a world where change is seemingly constant and omnipresent (Kotter, 2012).
- ***Deconstructing and Reconstructing Knowledge about Justice, Inequity, and Injustice*** – Justice and trustworthiness are widely recognized as two sides of the same coin and are closely related but subjectively perceived factors that influence perceptions about leaders (Colquitt & Rodell, 2011).
- ***The Inequitable Distribution of Power*** – The misuse of power by leaders often results in perceived breaches in ethical duties and undermines commitment (Cramer, 2005).
- ***An Emphasis on both Individual and Collective Good*** – Balancing the needs of individuals and organizations enhance achievement of personal growth

- and welfare while benefiting organizations and adding value for society (DePree, 2004; Burns, 2010).
- ***A Focus on Emancipation, Democracy, Equity, and Justice*** – Acknowledgement of the primacy of personal rights demonstrates that people are valued ends, rather than simply the means to public benefit (Wood, 2007).
 - ***An Emphasis on Interdependence, Interconnectedness, and Global Awareness*** – The importance of recognizing the consequences of moral choices – including the obligation to future generations – affirms the need for long-term thinking as opposed to an ethic of short-term self-interest (Friedman, 2009).
 - ***The Necessity for Balancing Critique with Promise*** – Leadership must be aligned with reasoned action to rationally understand the consequences of choices and their logical impacts – with citizenship including the active pursuit of the public good and a willingness to take a position against dysfunctional choices (Jackson, 2000).
 - ***The Exhibit of Moral Courage*** – Although effective leadership demands the ability to get things done within the dominant social and political systems, leaders must also actively push for change and transformation in the achievement of noble purposes (Serrat, 2017).

Like Shields, Nicoll (2014) has also called for an emphasis on transformative change and a fundamentally new paradigm in thinking about the leader's obligations to society and to individuals – a shift in perspective that Transformative Leadership principles make possible. As Shields (2011) has noted, Transformative Leadership is both normative, or values-based, and instrumental or outcome-based in the pursuit of transformative changes.

Transformative Leadership is also a business-related model that integrates six highly-regarded and ethically-based leadership perspectives (Caldwell, 2012). The six perspectives that make up this business-related model are briefly described as follows.

Transformational Leadership

Transformational Leadership is a change-focused perspective of leadership that reflects an organization leader's commitment to both achieving the goals of an organization while simultaneously meeting the needs of the individuals who make up that organization and inspiring those individuals to excel and become their best (Burns, 2010). Transformational leaders empower others and help them grow by aligning individual and group goals with the priorities of the leader, as well as the objectives of the larger organization (Bass & Riggio, 2005).

Level 5 Leadership

Level 5 Leadership is a perspective for leading that combines personal humility with will, or fierce commitment to the goals and purposes of an organization, to achieve unprecedented results (Collins, 2001). In his book, *The Five Levels of Leadership*, John

Maxwell (2013) described the Level 5 leader as someone who others follow because of who they are and what they represent. Such leaders “look out the window to give credit to others” when success occurs but willingly “look in the mirror” and take personal responsibility for the problems that occur in organizations (Collins, 2005).

Servant Leadership

Servant Leadership chooses service to others over personal self-interest (Block, 2013), and believes that the leader owes others the opportunity to become the best version of themselves (DePree, 2004). Robert Greenleaf (2002), who is credited as coining this term for describing leaders who willingly serve, has emphasized that the leader is morally obligated to care genuinely for the interests of others – including employees, customers, and the society at large. In their book about the important role of servant leaders, Jennings and Stahl-Wert (2016) explain that such leaders earn the respect of others through genuine commitment to others’ welfare and growth.

Charismatic Leadership

The Charismatic Leadership perspective suggests that leaders touch lives because they are endowed with powerful qualities and the ability to connect with others due to their devotion to a special “calling” (Conger & Kanungo, 1998). The charismatic leader models the values of her or his mission or purpose and is given the authority to lead by others because (s)he is perceived to be endowed with a special level of qualities that are viewed by others as exemplary (Lussier & Achua, 2015). The personal relationship between the charismatic leader and followers inspires others to achieve the noble goals which the leader espouses (Owen, 2015).

Principle-Centered Leadership

Principle-Centered Leadership identifies core principles and values that are universally applicable in helping individuals and organizations to flourish and succeed (Covey, 1992). Stephen R. Covey (2004) developed his fundamental belief in universal principles, values, and habits in an effort to assist others to become effective at not only “finding their own voice,” but in helping others to become their best as well. Jones (1999) observed that leaders who follow true principles are effective as leaders because of their personal self-discipline and the integrity by which they lead their lives. Covey (2013) repeatedly explained that people cannot break the universal laws of life – although, he noted, they could break themselves against them.

Covenantal Leadership

Covenantal Leadership, a leadership perspective developed by Moses Pava (2003), explained that the leader’s role encompassed teaching correct principles, modeling those principles, empowering and teaching others, and applying truths in the pursuit of greater wisdom and insights. The covenantal leader advocates the importance of constantly seeking new meanings, engaging in lifelong learning, and recognizing that the pursuit of true knowledge and wisdom is an experience available to all individuals and organizations. The covenantal leader owes others the opportunity to fulfill their highest potential and that obligation is a sacred duty of true leaders (Caldwell & Hasan, 2016).

These six leadership perspectives each contribute to Transformative Leadership and its ethical commitment to long-term value creation, building relationships of high trust, and honoring an organization’s obligations to stakeholders. *Figure 1*, provided below, is a pictorial representation of the business-related Transformative Leadership model.

Figure 1: The Six Perspectives of the Transformative Leadership Model
(Caldwell, et al., 2012)



Xu and colleagues (2016) noted that the business-related model of Transformative Leadership was closely aligned with Lawrence Kohlberg’s stages of moral development. Gandhi and Martin Luther King are examples of historic leaders who modeled Transformative Leadership principles – enabling them both to be perceived as authentic and trusted leaders (Holt & Marques, 2012).

Integrating Education and Business

Although Transformative Leadership is viewed somewhat differently within the contexts of education and business, there are natural overlapping characteristics in how Transformative Leadership influences conceptual thinking, the articulation of value priorities, and the role of leaders within both contexts. *Table 1* lists the eight principles noted by Shields as defining education-related Transformative Leadership and identifies how the six perspectives of the business-related model are aligned with those defining principles.

Table 1: Comparing the Education-Related Principles and the Six Leadership Perspectives

Education-Related Principle	Business-Related Perspectives	Comment
Mandate for Change	Transformational Leadership especially emphasizes preparing for change.	The ability to constantly change is an ever-present reality in all aspects of life.
Knowledge about Justice, Inequity, and Injustice	Principle-Centered Leadership is value-based and principle-centered and emphasizes honoring others.	Leader trustworthiness as an ethically-based fundamental is incorporated in all six perspectives.

Inequitable Distribution of Power	Servant Leadership turns the leadership relationship upside-down.	Several perspectives of the six emphasize leadership humility in relationships.
Individual and Collective Good	Servant and Transformational Leadership both integrate this goal.	The win-win assumption makes stakeholders owners and partners.
Emancipation, Democracy, Equity, and Justice	Covenantal, Level 5, and Principle-Centered Leadership endorse individual rights as vital.	The focus of leadership empowers and engages individuals and promotes basic fairness.
Interdependence, Interconnectedness, and Global Awareness	Principle-Centered Leadership recognizes the importance of balancing outcomes and discipline.	The emphasis is on long-term value creation and stewardship obligations.
Balancing Critique with Promise	Principle-Centered and Covenantal Leadership focus on rational knowledge and truth.	The focus on applying correct principles permeates all six leadership perspectives.
Exhibiting Moral Courage	Charismatic and Level 5 Leadership emphasize purpose and commitment.	All six perspectives are ethically-based and highly moral in focus.

Clearly, the education-related principles and the business-related perspectives of Transformative Leadership are closely aligned and reflect a commonality of focus. The priorities of both are consistent in emphasizing the ethical and moral responsibilities of leaders, in responding to the needs of an ever-changing world, and in honoring the obligations owed to stakeholders in the pursuit of excellence.

The How and Why of Transformative Learning

The Transformative Leadership model has great value for University Professors to adopt because its underlying principles, its assumptions about values, and its commitment to student learning are all easily recognized by students when faculty members incorporate it as a teaching foundation. We suggest that there are seven fundamental reasons why students in university classrooms respond to the faculty member who teaches with Transformative Leadership as her or his underlying basis for applying course concepts.

1. ***Students value the inherent virtuousness of this teaching approach.*** The eight principles and six leadership perspectives communicated to students by faculty who teach as Transformative Leaders affirms the value of excellence and virtue ethics (Solomon, 1993).
2. ***Students resonate at the emotional level with the faculty member's personal example.*** The ability to touch lives and to connect with others, to inspire hope for a better world, and to honor the obligations implicit in Transformative Leadership are perceived and respected when faculty genuinely adopt this teaching foundation (Boyatzis & McKee, 2005).
3. ***Students subconsciously understand the validity of the message.*** The Transformative Leadership message encourages students to rethink the self-serving actions of dysfunctional leaders and organizations (Block, 2013). That message strikes home at a subconscious level and students recognize the validity of a moral standard that honors duties to others and that rises above the dishonesty and moral emptiness that typifies so many leaders and organizations.

4. ***Students recognize the importance of achieving their own highest potential.*** Within each individual, there is a flame that affirms her or his personal knowledge that (s)he can achieve far more than what (s)he has ever dreamed to be possible. The Transformative Leadership concepts taught by a university faculty member validate the truth of that flame and challenge students to achieve what they implicitly know is possible, but have not yet recognized (Williamson, 1996).
5. ***Students appreciate the faculty member's interest in students' success in life.*** By challenging students to embrace the values of Transformative Leadership, faculty members demonstrate that they value students' success. The authentic demonstration of their commitment to the welfare, growth, and wholeness of their students challenges those individuals to find their voice and become the best possible versions of themselves (Covey, 2004).
6. ***Students implicitly know that they also must be part of the change in the world.*** When faculty members articulate the obligations of individual social responsibility that accompany the underlying message of Transformative Leadership, students are able to acknowledge that they must also take up the standard and contribute to making a better world (cf. Anderson, Ndalamba, & Caldwell, 2017).
7. ***Students respond to the moral and ethical obligations that life demands.*** Transformative Leadership raises the bar of moral and ethical duty required by modern individuals and organizations – asking those who lead to become ethical stewards who pursue outcomes desperately needed, but so often passed over by many self-serving leaders who willingly seek their own self-interest (Caldwell & Anderson, 2017). The message of Transformative Leadership is commonly recognized by students as aligned with moral truth.

These seven factors explain why the adoption of Transformative Leadership can make such a profoundly significant impact on students – at a time when the need for those students to join hands with others to find solutions to the problems of the world that portend burdensome challenges for both present and future generations (Friedman, 2009).

Four Contributions

By clarifying the importance of university professors being leaders to their students, we do not advocate that faculty members sponsor a specific political position or a social philosophy. To the contrary, we suggest that Transformative Leadership is simply about serving others, honoring moral and ethical duties, and the pursuing excellence as leaders become true ethical stewards (Caldwell, et al., 2012; Hernandez, 2008).

In presenting this thesis that university professors can make profound changes in their student lives by adopting the principles of Transformative Leadership, we also suggest that this paper adds value to the scholarly literature about teaching and leadership in four significant ways.

1. ***We identify the importance of Transformative Leadership as a framework for assisting university professors in adding value to the learning process of their***

- students.* Faculty members are far more than dispensers of facts, information, and data. Their role encompasses preparing students for the challenges of life – challenges that demand the wisdom and moral courage that are the underlying principles and foundation of Transformative Leadership (Shields, 2020).
2. *We explain both the education-related and business-related nature of Transformative Leadership and compare the two.* Although the scholarly literature has sometimes integrated both the education-related and business-related facets of Transformative Leadership (Shields, 2017), this paper is the first effort to provide an explanation of the education-related and business-related commonalities of Transformative Leadership in any depth.
 3. *We identify how and why university professors can integrate the principles of Transformative Leadership in adding value in student lives.* The seven reasons that we present that explain how and why Transformative Leadership can make a significant impact on students and add value in their lives clarify the potential benefits that are possible as faculty members incorporate Transformative Leadership in their teaching approach.
 4. *We affirm the profoundly moral and ethical nature of the university professor's leadership role in delivering education to their students.* Education implicitly involves the teaching of values and lights the way for students as they run the course of life (Whitehead, 1978). Education enriches the souls of men and women and the foundations of Transformative Leadership honor the obligations of educators in not only teaching students, but in uplifting their lives and making them more responsible citizens (Shields, 2017).

We suggest that these four contributions are significant for university faculty members to consider as they reflect on their responsibilities as contributors to student learning.

Conclusion

The Greek city-states that profoundly influenced civilization were based upon a philosophy of citizenship obligations and the accompanying moral responsibility to add value to the world (Manville & Ober, 2003). For physicians, that set of obligations was founded on the Hippocratic Oath's mandate, "First do no harm" (Miles, 2003). Citizenship and moral responsibility, whether for physicians or for educators, encompassed a quasi-sacred set of duties that mandated that those who served honored and added value to others and to society-at-large.

In today's world where the challenges facing present and future generations seem ominous, the need for leaders who can be trusted is acknowledged to be at a premium in organizations of all types (Harrington, 2017). The social responsibility obligations of academic institutions and the faculty at universities has been made increasingly challenging due to scarce resources, a global pandemic, and a worldwide economic recession. University faculty members, like members of virtually every other profession, have the obligation to become part of the solution in solving the troubling problems facing virtually every country in the world (Caldwell & Anderson, 2017).

Adopting the principles and philosophy of Transformative Leadership can enable university faculty members to make a profound difference in the lives of their students (Shields, 2017) – but only if those faculty members actually believe in the underlying assumptions and values upon which Transformative Leadership is based (McKee & Boyatzis, 2008). Although Transformative Leadership as a set of guidelines and principles is by no means a panacea for the problems of modern society, its tenets are worthy of thoughtful consideration by university faculty members who are deeply committed to their moral responsibilities to students and to society.

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About the Authors

Cam Caldwell has written about values and leadership and has published several books and articles about related topics. He was a Thomas S. Foley graduate fellow at Washington State University where he obtained a PhD in Organization Behavior and Human Resource Management. He worked for many years as a Human Resource Manager, Management Consultant, and City Manager and was a Covey Leadership Trainer.

Dr. Caldwell can be reached at cam.caldwell@gmail.com.

Verl Anderson obtained his doctorate degree in Business Administration from Arizona State University. He is currently a professor in Management and International Business at Dixie State University, St George, Utah. He has taught university courses as a visiting professor in New Zealand and four universities in China. He has published eleven academic textbooks, and has also published 34 articles in the past two years on leadership, ethics, China culture, kindness, strategic management, and social responsibility. His research interests include China culture and international cultures. He has traveled extensively, and annually takes groups on cultural/educational tours to China and New Zealand.

Dr. Anderson can be reached at verl@dixie.edu.



**MOSTAFA SAYYADI
GHASABEH
SAN DIEGO, CA, USA**

Transformational Leadership: Implementing a Cultural Approach in Organizations

Abstract

This study provides support for the positive impact of transformational leadership on knowledge management. This article reveals that transformational leaders contribute to knowledge management by acting as effective change agents through better management of firms' internal resources (i.e., organizational culture). In terms of mediating effects, this article shows that organizational culture is important in the relationship between transformational leadership and knowledge management. The study also shows that transformational leaders not only directly impact knowledge management but, more specifically, foster a more effective culture, which positively contributes to the effectiveness of knowledge management.

Introduction

This study expands the leadership literature by incorporating a knowledge management perspective and will provide additional insights into current theories and research in the area. Firstly, this research adopts transformational leadership and applies it within the knowledge management paradigm, and investigates if transformational leadership can affect firms' internal resources (i.e., organizational culture) to facilitate knowledge management in organizations.

Further, this study develops an integrated model including the organizational factor that mediates the relationship between transformational leadership and knowledge management. Hence, the findings from the current study have implications for top executives to enhance knowledge management with more effective leadership. Specifically, this study will investigate knowledge management as a result of transformational leadership.

Researchers have failed to portray how transformational leaders can act as change agents who affect internal resources to facilitate knowledge management within organizations. This perspective has remained unexplored. The literature lacks a coherent view of these inter-related topics.

The Link between Knowledge Management (KM) and Leadership

Knowledge is an important driving force for business success and is related to effective leadership. Knowledge management implementation in firms is determined by a set of critical success factors, one of which is the strategic dimension of leadership (See *Table 1*). Leaders can develop conducive organizational climates that foster collaboration

and organizational learning in which knowledge is shared and exploited. Therefore, if leaders do not adequately support knowledge dissemination and creation through various mechanisms such as rewards or recognition for employees who create new ideas or share their knowledge with others, knowledge management cannot be successful.

Besides the significance of leadership in KM effectiveness, another key factor to consider is organizational culture that can play a critical role in the success of knowledge management. Effective leaders can move ahead of their organizations and develop knowledge management through making cultural changes to share and utilize knowledge within organizations. *Table 1* indicates that various authors have established the critical role that leaders play to achieve the best climate and for implementing knowledge management and learning activities in the organization. The participation of people in leadership activities is inextricable from knowledge management practices (Merat & Bo, 2013). This success is dependent upon a well-formulated mission, vision, and strategy, led by effective leaders who inculcate a culture of trust and transparency of knowledge sharing within organizations.

**Table 1: Critical Success Factors for Knowledge Management Implementation
(adapted from Mas-Machuca, 2014; p.100)**

Source	Publication	Critical Success Factors
Skyrme & Amidon (1997)	<i>The Knowledge Agenda</i>	Knowledge leadership Creating a knowledge-sharing culture Well-developed technology infrastructure Strong link to a business imperative Compelling vision and architecture Systematic organizational knowledge processes Continuous learning
Trussler (1999)	<i>The Rules of the Game</i>	Appropriate infrastructure Leadership and strategy (management commitment) Creating motivation to share Finding the right people and data Culture Technology (network) Availability to collaborators (transferring) Training and learning
Liebowitz (1999)	<i>Key Ingredients to the Success of an Organization's Knowledge Management Strategy</i>	KM strategy with senior leadership support and active involvement A CKO or equivalent and a knowledge management infrastructure Knowledge ontologies and knowledge repositories Knowledge systems and tools Incentives to encourage knowledge sharing Building a supportive culture
APQC (1999)	<i>Knowledge Management: Executive Summary, Consortium Benchmarking Study/Best Practice Report</i>	Leadership Culture Technology Strategy

		Measurement
Holsapple & Joshi (2000)	<i>An Investigation of Factors that Influence the Management of Knowledge in Organizations</i>	Leadership Coordination Control Measurement
Wong (2005)	<i>Critical Success Factors for Implementing Knowledge Management in Small and Medium Enterprises</i>	Management leadership and support Culture IT Strategy and purpose Measurement Organizational infrastructure Processes and activities Motivational aids Resources Training and education Human resources management
Hung et al. (2005)	<i>Critical Factors in Adopting a Knowledge Management System for the Pharmaceutical Industry</i>	A trusting and open organizational culture Senior management leadership and commitment Employee involvement Employee training Trustworthy teamwork Employee empowerment Information systems infrastructure Performance measurement Benchmarking Knowledge structure
Yeh et al. (2006)	<i>Knowledge Management Enablers: A Case Study</i>	Strategy and leadership Corporate culture People Information technology Content quality Collaboration Communication Formalization Budgetary support
Migdadi (2009)	<i>Knowledge Management Enablers and Outcomes in the Small-and-Medium Sized Enterprises</i>	Management leadership and support Culture IT Strategy and purpose Measurement Organizational infrastructure Processes and activities Motivational aids Resources Training and education Human resource management

Theoretical Basis for Transformational Leadership and Knowledge Management

Social Capital View

The social capital view is an appropriate theory to be integrated in this article to indicate the important role of transformational leadership in facilitating relationships and interactions as a driver of enhanced knowledge management. Bourdieu (1977) coined the term “social capital,” and subsequently various authors (Coleman, 1988; 1990; Lomas, 1998; Putnam, 1993; 2000; Rose, 2000; Carpiano, 2006) have extended the literature in the area. Social capital inheres in numerous earlier concepts associated with social and economic sciences (such as social capability and civic virtue), and to some extent is driven from political theorists (such as Alexis de Tocqueville and James Madison) who have focused on the importance of pluralism and federalism in developing democratic societies (Gordon, 2002). In Coleman’s (1988) view, organizations need to improve four categories of capital to succeed in business. The four categories include financial, biophysical, human and social capital. Social capital stresses the critical role of relationships (McEvily & Marcus, 2005; Washington, 2008; Ostrom, 2009; Mustafa & Chen, 2010; Light & Dana, 2013) in influencing behaviors (Washington 2008). Based on this view, social capital is different from human capital, where human capital focuses on individual behavior and knowledge. Social capital emphasizes relationships and assets created by these relationships (Coleman, 1988; Burt, 1992; Gordon, 2002). Following this approach, Burt (1997) defines human capital as an individual quality, and highlights social capital as a quality that appears in interactions. Similarly, Putnam (1993, cited in Foley & O’Connor 2013, p. 278) argues that social capital is “a set of horizontal associations between people consisting of networks.” It is apparent that relationships and interactions are a form of capital that can be “productive, making possible the achievement of certain ends that would not be attainable in its absence” (Coleman, 1990, p. 304). From these statements, it is argued that an employee has colleagues and friends (i.e., human capital) who provide further opportunities and information for the employee. In this context, the social capital view sheds light on the development of these relationships within organizations to aggregate human capital into social capital so as to provide further information and opportunities for all members, and subsequently create valuable resources for an organization as a whole.

Coleman (1988; 1990) and Putnam (1993; 2000) have provided significant contributions to the development of this view. Coleman (1981) conducted empirical research using a sample of more than 58000 students in catholic, private and public high schools. This research provided evidence that pupils from both private and catholic high schools were more successful compared to students in public schools. Another study by Hoffer (1985) provided similar results, illustrating that students in catholic schools had the lowest dropout rate. Coleman (1987), in describing this strong correlation between catholic schools and students’ achievements, argues that a higher degree of social capital emerged in religious communities of catholic schools, and this plays a particularly important role in propelling students’ achievements and reducing

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dropout rates. Based on this view, Coleman (1988; 1990) views social capital as those resources found in social structures and relationships, and it increases the chance of success in a community. Accordingly, he posits that “a group whose members manifest trustworthiness and place extensive trust in one another will be able to accomplish more than a comparable group lacking that trustworthiness and trust” (Coleman 1990, p.304). Coleman (1988; 1990) seems to take an outcome-oriented approach toward social capital and elucidates this form of social capital as a product of investment in interactions and collective actions, which in turn improve the effectiveness of communities.

Unlike Coleman (1988; 1990), Putnam (1993) presents his twenty-year longitudinal findings on social capital in which he illustrates that participation in group-associated activities can internalize reciprocity to enhance trust among participants. In fact, he concentrates on the characteristics of communities and argues that social capital is a by-product of trust in these communities. Subsequently, Putnam (2000) developed a new approach to social capital that takes a group perspective to social capital. Putnam (2000) highlights that how groups and societies are entities that build social capital as by-products of cooperation and participation. However, there have also been some criticisms of this approach. Several researchers (such as Newton, 1999; Uslaner, 2001) have critiqued Putnam’s (2000) central hypothesis, and argue that people do not engage in networks to generate trust. Indeed, these authors argue that people participate in credible groups and communities to interact with others, but trust correlates with other factors such as equality or inequality in societies. As a result, it can be argued that although Putnam’s (2000) approach has been challenged for its fundamental assumption, but Putnam (2000) goes further and understands social capital as a result of trust in communities and social organizations that leads to mutual benefits, and thus, this approach advances the social capital view through extending it to not only for individuals but also groups and societies.

Adler (2002) illustrates how social capital could be defined using three approaches. The first highlights the critical role of social networks in developing relationships with other actors in order to enhance the performance of individuals and groups. Following this approach, Wacquant and Bourdieu (1992) depict social capital as those resources accessible through possessing social networks and mutual and institutionalized relationships among actors. In the same way, Portes (1998) defines social capital as actors’ capabilities in securing benefits received by joining in social networks. Social capital is a resource accessible through social networks. The second view evaluates social capital as a result of “collective actors’ internal characteristics” (Adler 2002, p. 21), and focuses on the importance of internal structures in improving cohesiveness to achieve goals. In light of this argument, social capital could be defined as “the existence of a certain set of informal values or norms shared among members of a group that permit cooperation among them” (Fukuyama 1995, p. 378). Finally, the third approach embraces both enhanced individual performance and succeeding individual resources views, and argues that the relationships between an employee and other people are external to the employee and internal to the firm. Following this, Nahapiet and Ghoshal (1998, p. 243) describe social capital as “the sum of the actual and potential resources

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embedded within, available though, and derived from the network of relationships possessed by an individual or social unit. Social capital thus comprises both the network and assets that may be mobilized through that network.” From these definitions, it can be seen that the social capital view is therefore based on two main aspects: social networks and collective actors’ internal characteristics such as trust-based relationships.

To help understand the relationship between social capital and knowledge management, it is useful to consider that Polanyi (1966) who shows that knowledge emerges in social interactions, and that a necessary precursor to create knowledge is to have relationships. Following this approach, various authors (Kostova & Roth, 2002; Lang, 2004; Inkpen & Tsang, 2005; Li 2005; Smedlund, 2008; Wasko & Faraj, 2005; Yang & Farn, 2009; Chang & Chuang, 2011; Rostila, 2011; Dijk, Hendriks, & Romo-Leroux, 2016) have highlighted social capital as an important facilitator of knowledge. Indeed, some describe a firm “as a social community specializing in the speed and efficiency in the creation and transfer of knowledge” (Kogut & Zander, 1996, p. 503). Nonaka and Takeuchi (1995) propose socialization as an essential requirement of knowledge creation by which knowledge is actually created in the act of sharing tacit knowledge. Trust-based relationships, therefore, are important social capital that seeks to inspire organizational members to share tacit knowledge to generate new ideas. Going a step further, social networks are also central to social capital that lead to communities of practice that are “relatively tight-knit groups of people who know each other and work together directly” (Brown & Duguid, 2000, p. 143). Mabery, Gibbs-Scharf, and Bara (2013) say that communities of practice members frequently solve technical problems and share their ideas and knowledge. This frequent contact and keenness to share existing practice and knowledge in solving daily technical problems, in turn, enhances shared understandings among members. In this way, studies (Cook & Yanow, 1993; Snyder, 1996; Wenger, 1998; Holste & Fields, 2010; Rutten, Blaas-Franken & Martin, 2016) acknowledge that sharing best practices and experiences is relevant to creating both shared understanding of problems and trust-based relationships among employees. Therefore, we can say that trust-based relationships and social networks positively contribute to knowledge work, and facilitate knowledge management. Managers in organizations need to consider social capital to enhance knowledge management in their organizations.

Social capital, trust-based relationships, and communities of practices are linked to transformational leadership. Transformational leadership theory argues that major changes depend on changing attitudes and assumptions at the individual and group levels. Transformational leadership theory also highlights the importance of employees’ attitudes and values in achieving organizational goals, and highlights how effective organizational change is a product of developing relationships. Transformational leadership firstly fosters people and then moves them beyond self-interests by linking the individual interests to the collective interests (Bass & Steidlmeier, 1999; Gillespie & Mann, 2004; Krishnan, 2005; Garcia-Morales et al., 2012). Transformational leaders, therefore, aggregate human capital as social capital to implement change to create valuable new resources for the organization as a whole. A strong alignment exists

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between transformational leadership theory and social capital view. In Pemberton, Mavin and Stalker's (2007, p. 67) view, communities of practice are groups of like-minded people whose interconnectedness requires a form of leadership in which "the freedom to explore new ideas and set its own agenda, free from the shackles of organizational missives, has been achieved by the commitment of its members and facilitated by a coordinator acting as a leader for the purposes of organizing meetings."

Transformational leadership theory is applicable to communities of practice as an ingredient of social networks. Transformational leadership also facilitates knowledge sharing through applying intellectual stimulation that enhances knowledge sharing. Based on this view, Coakes and Smith (2007) posit that transformational leadership theory is an appropriate leadership theory for contributing to communities of practice through developing innovative workplaces in which organizational knowledge is shared by encouraging participation in social networks. Similarly, Braga (2002, p. 16) maintains that transformational leaders are effective networkers who provide "a flow of ideas, questions and assumptions" within organizations. In encouraging flows of ideas and social capital, a transformational leader becomes a role model (Braga, 2002; Stone, Russell & Patterson, 2004; Webb, 2007; Alexander & Hardy, 2014; Henker, Stonnntag, & Unger, 2015) for followers, stimulating followers to develop trust-based relationships that create and diffuse knowledge. Therefore, it could be established that transformational leadership theory is highly engaged with the social capital view. This review indicates transformational leaders as social architects who enhance knowledge management by developing the organizations' social capital.

In the next section of the article, I highlight the links between transformational leadership and knowledge management, using Lee and Kim's (2001) framework. Considering the practical perspective undertaken by Lee and Kim (2001), their knowledge management framework surmises the pertinent processes that are relevant for transformational leaders, given that such leaders steer the strategic direction of organizations, empowering people and making them more responsive to market changes.

Transformational Leadership and Knowledge Management

Transformational leaders enhance innovation and new idea generation through intellectual stimulation. The empirical study by Sosik (1997) affirms this point and describes the critical role that transformational leaders play in developing new ideas. Further, the idealized influence aspect of transformational leadership is important in developing relationships. In doing this, transformational leaders act as social architects who instill trust in organizations through clarifying their own and followers' roles. It can be argued that transformational leadership can enhance knowledge acquisition and transfer. Similarly, researchers (such as Politis, 2002; Nemanich & Keller, 2007) have reported that transformational leaders facilitate the process of knowledge acquisition from external sources. Transformational leaders, therefore, enhance knowledge acquisition through intellectual stimulation that facilitates knowledge transfer and simultaneously explores more innovative solutions for organizational problems. Based

on the literature, it can be argued that transformational leadership positively impacts on this knowledge management.

In addition, transformational leaders improve knowledge integration through intellectual stimulation that facilitates knowledge sharing. Transformational leaders also positively impact on knowledge integration through idealized influence, which enhances dynamic relationships among employees and departments within companies. These leaders use idealized influence to develop trust and form the capacity among employees to develop higher functioning relationships. Liu and Phillips (2011) explored the impacts of transformational leadership on knowledge sharing, and argue that having a transformational leader enhances knowledge sharing.

Transformational leaders improve networking with external sources through idealized influence, which focuses on developing relationships. Further, leaders can inspire organizational members to network with more successful companies by using the aspect of inspirational motivation. In doing this, these leaders draw an inspiring view of future and then motivate employees to develop relationships with external environments to identify new opportunities. This study, therefore, proposes that transformational leadership positively affects knowledge management (accumulating, integrating, and reconfiguring knowledge).

Theoretical Basis for the Organizational Factor

Resource-based View and Knowledge-based View

Penrose (1959) provides an early contribution to what is known as the resource-based view of the firm. She asserts that organizations are comprised of a bundle of heterogeneously distributed resources that create a unique firm. She also argues that these internal resources reflect the degree to which a firm can expand, and the growth pathway it takes. Barney (2002), however, views a firm's internal resources as "assets and capabilities that improve firms' competitiveness in unique ways that are difficult to copy. It is critical in this view that internal resources should be rare and difficult for other firms to imitate to enhance competitiveness (Wernerfelt, 1984; Prahalad & Hamel, 1990; Barney, 1991; Cardinal, Alessandri, & Turner, 2001; Clulow, Barry, & Gerstman, 2007; Bakar & Ahmed, 2010; Darcy et al., 2014). The resource-based viewpoints to causal ambiguity and social complexity as strategic resources. While causal ambiguity is defined as multiple interpretations that lead to uncertainty and confusion, it also leads potentially to idiosyncratic and inimitable understandings and unique knowledge (Powell, Lovallo, & Caingal, 2006), social complexity refers to "the extent to which resources are embedded in multiple organizational members and the relationships among them" (Reus, 2004, p.27). An extension of this view is the knowledge-based view of the firm emerged in which a firm's capability to create and use knowledge are the most crucial factors in a sustainable competitive advantage (Zheng, Yang & McLean, 2010). A firm's knowledge capabilities, therefore, allow it to improve its performance (Liebeskind, 1996; Grant & Baden-Fuller, 2004; Darroch, 2005; Wu & Chen, 2014). How does causal ambiguity unlock tacit knowledge embedded in employee relationships? and how does it drive performance? Social capital, social relations, trust and social complexity are all

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features that are relevant to knowledge management and leadership. In the next section, as an extension of this discussion, I consider organizational culture.

Organizational Culture

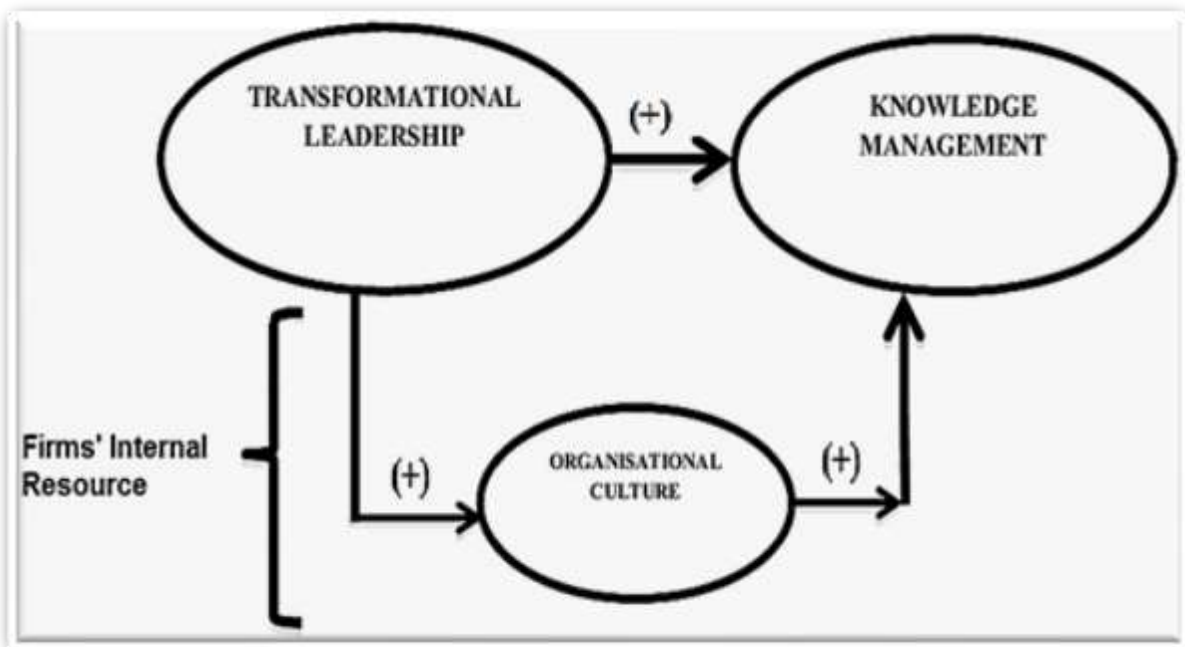
Schein (1984, p.37) defines organizational culture as a “pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.” Additionally, organizational culture includes shared behaviors, values, beliefs, perceptions and symbols held by the members of an organization as a whole, or even organizational units and other social groups within organizations (Smircich, 1983; Ouchi & Wilkins, 1985; Ogbonna & Harris, 2002; Scott, 2003; Van Den Berg & Wilderom, 2004). Furthermore, O’Reilly and Chatman (1996) understand organizational culture as what is important and appropriate Balogun and Jenkins (2003) argue that there is a link between the knowledge-based view of the firm and organizational culture. The shared assumptions and values are acquired by learning from others, and subsequently, organizational culture is a form of valuable and inimitable knowledge as the most strategic factor of competitive advantage, and an internal resource positively impacts on competitive advantage and performance.

Transformational leaders enhance interactions and dialogue to link subordinates’ individual-interests to collective-interests (Bass & Steidlmeier, 1999). In this way, transformational leaders can positively contribute to enhancing collaboration by idealized influence that develops relationships with subordinates. The social capital view connects to transformational leaders as the facilitators of trust-based relationships. Based on this, several researchers (such as Podsakoff et al., 1990) argue that transformational leadership engenders trust, thereby showing, simultaneously, concern for both organizations’ needs and followers’ interests. In particular, a transformational leader shows his or her concern through individualized consideration, which focuses on identifying employees’ individual needs. It is also argued that transformational leaders are leaders that improve trust in order to enhance the commitment of their subordinates and mobilize their support toward the leadership’s vision for change. Furthermore, transformational leadership provides freedom for followers to investigate new ideas and knowledge. Accordingly, transformational leaders can develop learning cultures through intellectual stimulation that facilitates knowledge sharing and new idea generation. Following this approach, Dix (2013, p.79) postulates that “if an organization wants to have a culture oriented towards learning, then transformational leadership is a very viable choice.” A review of the current literature, it is identified that the existing empirical studies (Darling, 1990; Vera & Crossan, 2004) have, thus, transformational leadership as an important facilitator of collaboration, trust, and learning.

To analyze the relationship between corporate culture and knowledge, Lee and Choi (2003) argue that organizational culture has three important dimensions; collaboration, trust, and learning. Collaboration refers to the degree to which employees are willing to help and support each other, and their interactions are strongly based on coactivity,

social interactions and open dialogue that can, in turn, build a climate of openness for individuals within organizations. Collaboration is a critical factor in developing access to knowledge (Grant & Baden-Fuller, 1995; Grant & Baden-Fuller, 2004), and so, too, is (Ruggles, 1998; O'Dell & Grayson, 1999; Sveiby & Simons, 2002). In fact, this cultural aspect enhances a shared understanding of the problems among employees, which is a necessary precursor to creating new ideas and knowledge (Fahey & Prusak, 1998; Leonard & Sensiper, 1998). In addition, Trust is defined as those relations based on reciprocal faith in relation to employees' performance to exhibit positive behaviors and intentions. The social capital view sheds light on transformational leadership as enabling trust-based relationships, and subsequently assumes that these kinds of relationships are ideal for sharing tacit knowledge. Lines et al. (2005) argue that leaders' ability to create knowledge and develop a more innovative climate is a product of employees' trust in their leaders' decisions. Several authors (Nahapiet & Ghoshal, 1998; Rowley, 2002; Wagner, 2003) also argue that high trust environments positively impact the tendencies of people to share their knowledge. Based on this view, Sveiby and Simons (2002) state that both cultural dimensions of collaboration and trust promote knowledge management within organizations. In addition, learning refers to the extent to which organizations encourage learning and extent to which employees are actively involved in developing formal and informal learning opportunities. A learning culture can, in turn, facilitate knowledge management through embedding organizational knowledge in employees and enabling people to create new knowledge and develop more innovative ideas to problems. Based on this review of the literature, a theoretical framework is depicted as *Figure 1*.

Figure 1: Theoretical Framework



Conclusion and Recommendations

The first purpose of this study was to explore how transformational leadership impacts knowledge management effectiveness. The study showed that transformational leadership positively contributes to knowledge management. In addition, this study aimed to identify the effects of transformational leadership on organizational culture, and to understand how this organizational resource mediates the relationship between transformational leadership and knowledge management. This study indicated that transformational leaders tend to act as change agents, who affect organizational culture. I found that leaders who exhibit a high level of transformational leadership facilitate trust and creating a learning culture. This study also suggested that culture has a major effect on knowledge management.

Furthermore, this study employed the social capital view, the resource-based and knowledge-based views, and examined the influence of transformational leadership on organizational culture, which can mediate the relationship between transformational leadership and knowledge management. In so doing, this study has opened up a new avenue of inquiry to investigate interactions between transformational leadership and knowledge management. To explore the potential interactions between transformational leadership and knowledge management, future research could attempt to incorporate other theories and models that may have relevance for example Cameron and Quinn's (1999) organizational culture model and Patterson et al.'s (2005) organizational climate model. Moreover, since organizational climate is closely related to organizational culture (Wallace et al., 1999), future research should explore how climate is influenced by transformational leadership to improve knowledge management effectiveness.

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About the Author

Mostafa Sayyadi Ghasabeh is an author, senior international management consultant, former Leadership Team Member of San Diego-based *The Change Leader Consulting Inc.*, Business & Technology Journalist, and Associate Fellow of the *Australian Institute of Management*. In recognition of his work with the Australian Institute of Management and Australian Human Resources Institute, he has been awarded the titles, “Associate Fellow of the Australian Institute of Management” and “Certified Professional in Human Resources.”

Mostafa Sayyadi Ghasabeh can be contacted at: mostafasayyadi1@gmail.com.

Common Denominators of Great Leadership

EMILIO IODICE
ROME, ITALY

Excerpts from: *When Courage was the Essence of Leadership: Lessons from History*

There could be many interpretations of what a great leader must be. Some prominent leaders and thinkers have said: The price of greatness is responsibility.

— Winston Churchill, former British Prime Minister

To lead people, walk beside them ... As for the best leaders, the people do not notice their existence. The next best, the people honor and praise. The next, the people fear; and the next, the people hate ... When the best leader's work is done the people say, "We did it ourselves!"

— Lao Tzu, Chinese philosopher

All of the great leaders have had one characteristic in common: it was the willingness to confront unequivocally the major anxiety of their people in their time. This, and not much else, is the essence of leadership.

—John Kenneth Galbraith, Economist

Leadership must be based on goodwill. Goodwill does not mean posturing and, least of all, pandering to the mob. It means obvious and wholehearted commitment to helping followers. We are tired of leaders we fear, tired of leaders we love, and tired of leaders who let us take liberties with them. What we need for leaders are men of the heart who are so helpful that they, in effect, do away with the need of their jobs. But leaders like that are never out of a job, never out of followers. Strange as it sounds, great leaders gain authority by giving it away.

— Admiral James B. Stockdale, President of the U.S. Naval War College

Great leaders are almost always great simplifiers, who can cut through argument, debate, and doubt to offer a solution everybody can understand.

— General Colin Powell, former US Secretary of State

Courage is the first of human qualities because it is the quality which guarantees the others.

— Aristotle

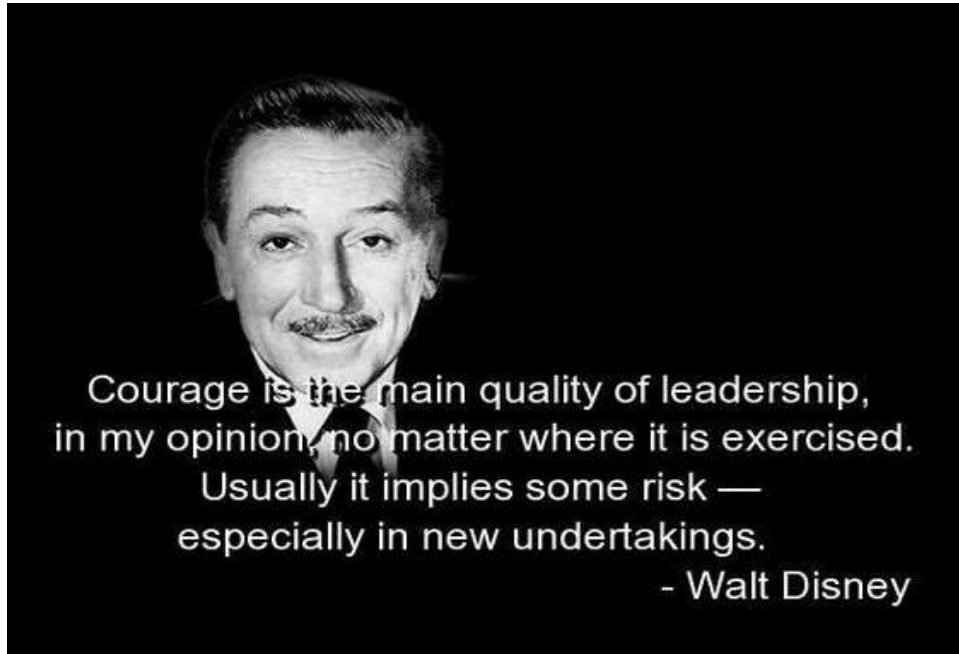
Courage is the first step. Once the journey begins, other qualities have to come to bear if one is to be a “great leader” — a term used frequently. What is great leadership?

Great leaders make significant, positive, and permanent differences in the lives of people and institutions, and stand as symbols of justice, fairness, strength, honesty, integrity, and courage. — Emilio Iodice

The impact of great leaders transcends time. We will use the examples of Julius Caesar, Augustus Caesar, Napoleon, Abraham Lincoln, Martin Luther King, Eleanor Roosevelt, Margaret Thatcher, and Oprah Winfrey to explain the key qualities of great leaders. They span over 2000 years. They represent the experience of the ages. Each left a historic legacy.

I learned that courage was not the absence of fear, but the triumph over it. The brave man is not he who does not feel afraid, but he who conquers that fear.
— Nelson Mandela

One isn't necessarily born with courage, but one is born with potential. Without courage, we cannot practice any other virtue with consistency. We can't be kind, true, merciful, generous, or honest.
— Maya Angelou



Courtesy Pinterest, <https://it.pinterest.com/pin/292522938270529442/> pbs.twimg.com

Heroes represent the best of ourselves, respecting that we are human beings. A hero can be anyone from Gandhi to your classroom teacher, anyone who can show courage when faced with a problem. A hero is someone who is willing to help others in his or her best capacity.
— Ricky Martin

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It takes courage to grow up and become who you really are.

— E. E. Cummings

Julius Caesar's absence of self-control prevented him from doing more to achieve leadership greatness. He lacked self-discipline to master his ego. This led to his downfall. If he had lived and restrained his ambition, he may have attained his many dreams for Rome and its people.



The Death of Caesar, 44 BC, by Vincenzo Camuccini, *Museum of Modern Art of Modena*



Julius Caesar, *Louvre Museum, Paris, France*

Augustus reached prominence with the opposite qualities of his illustrious uncle. His was a life of discipline shaped by powerful emotional intelligence. It was not perfect, but it resulted in an era of peace and brought Roman civilization to new heights.



Augustus of Prima Porta, *Vatican Museum*



Napoleon à Toulon (1793), *Edouard Detaille*

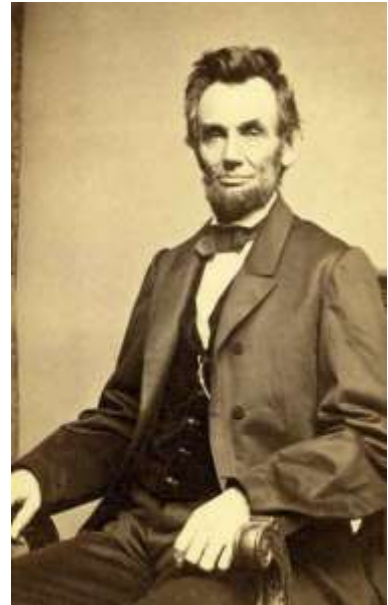
Napoleon was an extraordinary general. He inspired men and the people of France to follow him. He is still revered. Yet his urge to conquer and attain personal and national glory destroyed his ability to realize more for his country and Europe. The blood of the millions who

perished in the “Napoleonic” wars erased much of his legacy.

Lincoln was a “great leader” in the complete sense of the term. His examples of leadership, his attributes, his personal and professional triumphs, stand by themselves as a benchmark for others to aspire to. He demonstrated his abilities again and again and did so in a context of humility. Martin Luther King shared this distinction.



Dr. Martin Luther King, *Time Magazine*



Abraham Lincoln by Mathew Brady, *Library of Congress*

Like Lincoln, Dr. King had conviction, courage and wisdom, and the ability to communicate. Had he lived longer, he would have done



British Prime Minister, Margaret Thatcher, *Chris Collins of the Margaret Thatcher Foundation*



Eleanor Roosevelt, *Courtesy, the White House*
more for all of mankind.

His death, like that of Lincoln's, made them martyrs, models, symbols and icons as leaders who carry us to greatness. They were ready to die for social justice.

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Such was the case with Eleanor Roosevelt. She took risks. She would have been a first-rate leader even if she was not the wife of a president. She had the marks of greatness. Most of all, Eleanor Roosevelt was not afraid. She took stands for unpopular causes. She was thoughtful, articulate and determined. Her compassion and courage were matched by consistency, strength of character and a drive to succeed.

Margaret Thatcher shared some of these talents. She, like Eleanor, climbed mountains to overcome the prejudice against women who wanted to lead.

Oprah Winfrey had to break through the obstacles of poverty, race and gender. She grew up in a poor family. Like Dr. King, she overcame her challenges and proved that a black woman could lead with strength, wisdom and dignity and become one of the wealthiest persons on the planet.

The “common denominators of great leaders” are characteristics that *last the test of time*. They cross the ages. They are the benchmarks:

- **Strong Emotional Intelligence and Self Discipline:** Great leaders have self-control and self-discipline. They are driven by integrity and not ego. We call it “emotional intelligence.” They manage their sense of self-esteem. They do not let it control their decisions. They stress humility, reflect carefully, study, and analyze. When



Oprah Winfrey, photo by Alan Light

they do not, they fail, no matter what their past successes were. Napoleon and Julius Caesar, for instance, could not keep their pride in check.



Martin Luther King Jr. and Eleanor Roosevelt, Tribute to Dr. King, US Embassy, New Delhi, India

Arrogance overcame them.

The most able leaders set the example they, “walk the walk and talk the talk.” Trust is earned not given. It comes from being sincere, and showing constant self-



Eleanor Roosevelt, Courtesy, Franklin Delano Roosevelt Library

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control. A leader who lacks character, is dishonest, and has weak ethical values, soon loses support. If, on the other hand, a leader is impeccably honest, then they are never afraid of even the worst enemies.

J. Edgar Hoover, Director of the FBI, kept files on Eleanor Roosevelt and Martin Luther King. Neither one was frightened. They could not be blackmailed. Nothing in those files was true or so damning as to overshadow their greatness.

On the other hand, those who betray the public trust face extortion and disaster. A powerful political leader, for example, who has sexual exploits or is perceived as corrupt, could be extorted by a nation's enemies. They could be forced to reveal secrets, commit crimes, and make decisions that could destroy the country to hide the truth. Such a situation could weaken democracy and the faith of the people in its leaders. The discipline of emotional intelligence matched with a moral compass prevents this from happening.

Emotional intelligence deals with strength of mind in decision-making. Strong leaders are calm in the storm. They have character and control



Prime Minister Thatcher during the Falklands War, *Courtesy, Thatcher Foundation*

as their guide. Before Lincoln acted on an impulse of anger, he would write a letter to the person or to himself. He would read it and then discard it when his feelings had subsided. He kept control of his emotions.



Abraham Lincoln, *Library of Congress*

and control as their guide. Before Lincoln acted on an impulse of anger, he would write a letter to the person or to himself. He would read it and then discard it when his feelings had subsided. He kept control of his emotions.

Eleanor Roosevelt's stirring radio address to the women of America after the attack on Pearl Harbor showed understanding, trust, willpower, and determination in the face of tragedy. In

battle, Napoleon climbed over the dead to lead his troops forward. Leadership requires making tough choices and decisions that are not always popular.

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Lincoln faced constant pressure and criticism from within his government and leaders in society to change course. He kept his composure, even at the risk of losing his bid for re-election.

When things appeared to be catastrophic, Lincoln was able to put them in the proper context and make reasonable choices. He made his decisions with reflection and used time as an ally. His serenity and optimism through the tempests of the Civil War gave comfort and courage to those around him. “Fresh off the farms,” as he described them, he refused to execute young boys caught in the maelstrom of the conflict when they deserted. Instead, he pardoned them.

Augustus baffled his enemies with his restraint and mastery over his sentiments. Margaret Thatcher was called “The Iron Lady” for her steadfastness and unwavering adherence to her principles. She showed fortitude in applying her reforms. She reined in her emotions as she guided Britain through the Falklands War. She viewed her position as prime minister as a means to an end, not an end in itself. She used her power and role to get things done, not bolster her ego. Oprah Winfrey did not let racial prejudice and the fact she was a woman hold her back in rising to become an actress and impresario, creating jobs for thousands in her industry. Her emotional intelligence included a strong sense of optimism and thinking in terms of possibilities vs. problems.

Emotional intelligence also involves thinking like a leader. The leader’s mind is like the wheel on a ship guided by the captain. Not all have the aptitude to lead. Not all have the mental strength, intuition, and drive to lead others. Some are better followers. The mindset to lead often shows up early in life.

Oprah Winfrey knew she was meant to lead, from when she was a little girl. She was ambitious. She was comfortable leading. As a young lady, Eleanor discovered her ability and willingness to lead when she saw the slums of New York. She knew someone had to take a stand to make a change. Napoleon certainly had the capacity and mindset to lead others. As a boy, a young cadet and an officer, he took charge at every opportunity. He



Lincoln with the troops, *photo by Mathew Brady*

showed this on the battlefield and in the courts of kings.

- **Personal Presence:** A leader must be engaged with those they lead. This deals with constituents, customers, and followers.

Lincoln visited his cabinet heads, stayed with the troops, and was on the battlefield. He went to Richmond immediately after the treaty was signed to end the war to sit in the chair of Jefferson Davis. He did not cheer or gloat over victory. He was there as a symbol to those who fought, died, and sacrificed. He represented compassion, understanding, and a singular commitment to the ideals that were struggled over. Napoleon and Caesar lived with their men. Eleanor Roosevelt visited soldiers and sailors in the theatres of war.



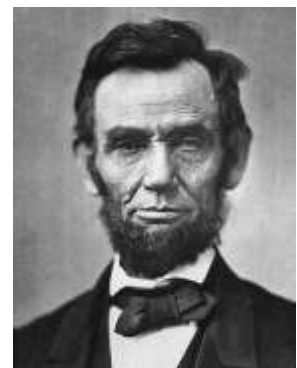
Vercingetorix surrenders Caesar during the Gallic Wars, by Lionel Royer, *Wikimedia Commons*.

She went into the coal mines to strive for workers' rights, attended civil rights meetings, and confronted those who blocked legislation to stop lynching and who slowed down the struggle for social justice.

Eminent leaders are personally present and upfront. They show they are in command. They meet with their teams and interest groups. Personal presence is the key. Presidents, prime ministers, celebrities, and captains of industry and business, portray a persona for those they command and those who look to them as models. All eyes are on them. Leaders need to be cognizant of living in a "fishbowl." Their lives and personal conduct must reflect the sincerity of their words and actions.

By being personally engaged with their teams, great leaders help develop their subordinates into future leaders. They gain loyalty and respect. Napoleon wanted his soldiers to bring him problems and solutions. He relished in resolving difficulties directly with them. Great leaders are accessible and available. When associates stop doing this, then the leader no longer leads.

- **Taking Responsibility:** Responsibility is the essence of leadership. Great leaders take it on willingly. They believe they can handle the risks of responsibility better than others. Extraordinary leaders demonstrate that the decisions they make



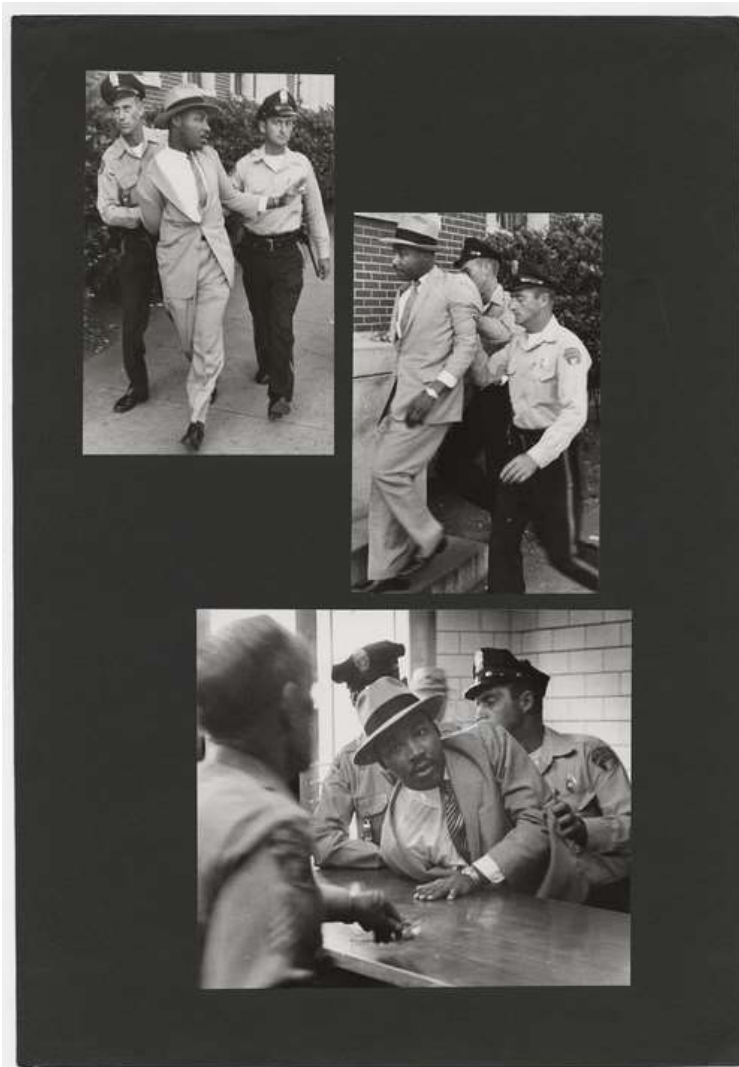
Abraham Lincoln, *Library of Congress*

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are theirs. False leaders fool themselves and those who trust them when they shirk their duty or pass blame on to others. Napoleon was a general in his twenties. He commanded armies with officers twice his age. He was not afraid of responsibility. He relished it.

Caesar conquered Gaul and ruled Rome. He led, fought, and governed with a sense of tenacity and responsibility to the Romans and those who followed him.

Lincoln took on the burdens of the Civil War as a personal crusade to preserve the Union and save the values that were the foundation of America. Eleanor Roosevelt felt her causes were part of her makeup as a person and a citizen of the United States and of the world. She believed she had a responsibility to speak out and fight no matter what the personal consequences could be. Women looked to her as their standard bearer and pioneer for equality.



Martin Luther King arrested in Montgomery Alabama, December 1956, *Courtesy, International Center of Photography*

the scriptures; Oprah did meditation exercises. In each case the mental and spiritual

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Martin Luther King did not shun duty in the face of police brutality and death threats. He stood out in the forefront like a shield to protect the values of impartiality for all people. Margaret Thatcher was not afraid to take the lead of her party and become the first woman to head a major political movement in the United Kingdom and the first woman to be Prime Minister of England. She knew she had an obligation to the citizens of her country and to women who emulated her. Oprah became a representative for African American women and all women who overcame obstacles to have the chance to use their talents.

Prominent leaders take their sense of responsibility seriously. They lead downward by overseeing those below; upward by responding, listening, and influencing superiors; laterally with peers; and inwardly by caring for their mind and spirit. Lincoln read

leadership helped the leader listen to their inner voice.

- **Being Passionate:** Napoleon and Caesar led with vigor and passion. Oprah's enthusiasm was contagious. Those who came in contact with her sensed her energy and enthusiasm. Exceptional leaders set a tone of excitement. It springs from the heart. They enjoy the experience so much that they make it look easy.



Abraham Lincoln, Lincoln Memorial, *National Park Service*

democracy. With passion, he pleaded that we, “bind up the nation’s wounds,” after the great conflict that tore apart the country.

Martin Luther King showed optimism and passion in leading his people to fight for equal rights. He convinced them that their cause was just. That nonviolence was the proper method and that courage, enthusiasm, and passion, would overcome evil.

People want to understand what a leader seeks to accomplish and whether the leader has the fervor to



Roman Bust of Julius Caesar, *Museum of Naples*

carry out their dreams. Napoleon was clear in what he set out to achieve. He promised to bring order to France. He swore he would defend the ideals of the Revolution. He carried his pledge to establish stability with zeal. He protected the principles of the Revolution with fury on the battlefield and in the French court with cunning and fervor.

- **Ambitious:** Remarkable leaders are ambitious. They seek power.

Margaret Thatcher held onto her principles. She pursued them energetically. She enjoyed being prime minister and showed it. She led because she knew she was capable.

Lincoln's passionate words sunk deep into the American psyche. He spoke about “a house divided” to show the folly of slavery and inequality. He reminded the people of the ideals that created the American experiment of



Napoleon at the Pont d'Arcole, by Baron Antoine-Jean Gros, (ca. 1801), *Musée du Louvre, Paris*

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It gives them the tools they need to lead. They inspire others to excel. Their ambition is infectious. It helps draw the most talented to them. Some experts on leadership claim it is one of the innate qualities of leadership. They view ambition as a part of one's DNA.

Caesar had a powerful desire to be in command, even in his youth. Napoleon certainly believed he was destined to rule. He felt comfortable leading at an early age. He was also audacious. He was not troubled by danger. He often acted first, and sought permission later. Napoleon rarely asked for approval. If he was not explicitly denied the right to take charge of a situation, he went forward and did what he felt was necessary.

Lincoln was a man of ambition. He kept moving forward, to seek positions of higher responsibility even in the face of failure. Oprah Winfrey claimed that her desire to achieve started as a little girl. Her grandmother and her teachers encouraged her to excel. Margaret Thatcher inherited her go-getting from her father. He was her guide and mentor. Eleanor Roosevelt knew political power would allow her to battle for her causes. She helped her husband pursue his aspirations so that she could pursue her own.

• **Creating a Brain Trust of the Best and Brightest Followers:** No one can lead alone. Superb leaders constantly search for talent. They seek those with skills to complement



Lincoln presents the first draft of the Emancipation Proclamation to his cabinet. *Painted by Francis Bicknell Carpenter in 1864, Library of Congress*

those they do not have. They look for the ability to decide as well as anticipate. They want disciples who are intelligent, have a sense of loyalty and integrity; followers who control their ego and have energy. Outstanding leaders discover blossoming leaders. They search for those who led in childhood experiences; those who were team captains, distinguished themselves in school, took initiatives, and showed signs of leadership in youth.

Abraham Lincoln was not concerned about asking his political rivals to join his

cabinet. He wanted the best possible leaders to help him govern. Experienced leaders are not impressed with long resumes or advanced degrees. Instead, they hunt for individuals who have strong ethical standards, equilibrium, a determination to achieve, vitality, and skills. They train them to bring solutions to problems and not be afraid to tell the truth. Exceptional leaders know the difference between managing and leading. Leaders set and plot the course; managers run the engine room. Both get the ship to port.

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Notable leaders avoid surprises. They do not kill messengers. Instead, they encourage them to present facts, explain what they do not know, give advice, and be able to differentiate among each point they describe.

Augustus was young, but wise. He surrounded himself with experienced followers who helped him bring peace and stability to Rome. He trusted his lieutenants and based his choices on logic and evidence. Caesar sought the best military men he could find to join his armies. He trained them in his methods and standards. Oprah selected the finest talent to organize her programs and many enterprises. She empowered them to do their jobs with creativity and independence.



Maecenas Presenting the Liberal Arts to Emperor Augustus, Giovanni Battista Tiepolo, Hermitage Museum

Napoleon had a knack for discovering exceptional people. He searched for individuals with capacities to help him win. As Caesar rose to power, he sought out those who had influence in Rome and cultivated them. He created a network. He knew the persons who held sway over the Senate, the bureaucracy and the army. He garnered their support.

Eleanor Roosevelt was a mentor for exceptional people. She helped them advance in their careers and did not hesitate to sponsor them for important jobs in the New Deal. Lincoln cultivated and sought out talent, especially in the military sphere. He wanted to end the war as quickly as possible. He needed strong, intelligent, determined officers to do so. He kept searching until he found them.



Rabbi Hillel the Elder, Courtesy, *the Free Social Encyclopedia*

- **Showing Sensible Courage:** Courage, as we have said, is the first step to great leadership. It has to be approached directly but with common sense. Leadership brings risks. Lincoln and Martin Luther King lost their lives for their beliefs. Eleanor Roosevelt and Margaret Thatcher risked theirs. They continued forward, in the face of threats. They had to make choices. To shrink from responsibility, for the sake of safety, would have destroyed the citadel of beliefs they had

constructed. Instead, with their example, they inspired others to be brave and fight for justice. Napoleon faced death many times. In each case, his valor helped spur his followers on to attain new heights. Courage is contagious.

- **Demonstrating Fairness and Compassion:** Leaders are constantly tested with thorny decisions. Balancing impartiality and compassion with decisiveness is not easy. Experience and values come into play. How does one rule with strength and determination, yet with integrity and even handedness? One could ask, for example, in the face of a management or political decision, what would Lincoln or Martin Luther King do? For a moral decision, what would Christ, Moses, or Buddha do? Great leaders have a “moral compass” which they use to make the most difficult choices.

At times the “Golden Rule” helps. Rabbi Hillel was asked to sum up the wisdom of the Torah. He said, “That which is hateful to you, do not do to your fellow.” “What you do not wish for yourself,” said Confucius, “do not do to others.” This does not prevent the great leader from choosing. It provides a better framework for choices. Amazing leaders realize they are serving others, in one form or another. They serve as guides and mentors to followers and provide services to their institutions, customers, and constituents.

- **Working Closely with Subordinates:** The best leaders carefully match the capabilities of their people with the tasks at hand. Once their players are in place, they provide trust and faith in their abilities. They give them direction and stimulate dialogue, openness, and transparency. They view them as primary assets.



The finest leaders see those who work with them as fertile soil to be cultivated and nourished and not as “dirt.” They view their expertise as building blocks for the future. Great leaders study the human capital of an organization. They connect skills with needs, recruit the best they can find and then become people focused. Lincoln knew the names of all those who worked with him and the names of their spouses and children. He showed sincere concern for their welfare.

Effective leaders take their teams to higher levels of attitude by capitalizing on and emphasizing strengths, as opposed to weaknesses. Martin Luther King knew his flock. He was close to those who were with him in protests and in marches. He had amazing

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people skills. He met with families and spoke with children. He not only preached to his assembly, he engaged them in his causes. They became their causes. He gave them hope, encouragement, and courage to persist, even in the face of violence. He saw each person as a child of God, even his enemies.

Followers crave involvement with leaders. They must know their leaders are interested in their work and point of view and not feel manipulated. Excellent leaders create fair evaluation methods that have rewards and ways to improve built into a system of checks and balances and personal and professional development. Superior leaders grow their associates, so that they can implement change. Leadership is all about change. Eleanor Roosevelt knew this. She strove to help women bring out their talents and become leaders. Even during the Great Depression, she did her utmost to encourage women to work and study and take on responsibility. She challenged them to leave their comfort zones and become more fulfilled human beings.

Splendid leaders are not micromanagers, by any means. They empower their team. They meet, talk, and discuss regularly the progress made on their shared vision. Margaret Thatcher worked with her team constantly and consistently. She consulted with them. She used their advice to both advance her agenda and to advance politically.

Napoleon had a few close aides that he worked with constantly. They resolved tactical and strategic issues by discussions. Lincoln spent hours with Secretary Seward. They told stories and jokes in an atmosphere of mutual admiration and trust. At the same time, he dealt with the nation's business and protected America's interests. The most memorable leaders show affection and interest in people as individuals and members of a larger community, working for a common cause.

- **Staying Close to the People:** Just as politicians need to be close to those who elect them, business and institutional leaders need to know their customers, stakeholders, stockholders, and whomever or whatever the constituency is from which they derive their power. Exceptional leaders realize they are servants. They serve the people who employ



Eleanor and Franklin, *Courtesy, Franklin Delano Roosevelt Library*

them, those who work with them and trust them. They are concerned about what they can do for others, not for themselves. Lincoln met with people from all walks of life, every day. They asked for help, jobs, favors, or a chance to tell their story. He was approachable and humble and portrayed an image and spirit of service to others.

As Napoleon amassed power, he became detached from the people. He delegated to subordinates the close connection with those who believed in

him. He had a growing “palace guard” that helped him lose touch with facts and truth.

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He became unapproachable. This accelerated his decline.

Eleanor Roosevelt was engaged in local politics around the country, during the New Deal, and in New York in her later years. She was constantly on the road. She travelled everywhere to give her message and meet with people of all walks of life. She saw herself as serving the underdogs and the downtrodden. She fought for their rights. She struggled to give them a voice. Margaret Thatcher was close to her electorate. She had high approval ratings and was elected three times as Prime Minister of the United Kingdom.

Oprah Winfrey had millions of fans. She stayed in touch with them via her online site, her book club and programs. Her books of famous quotations; her television programs and advice from her magazine brought her into the homes of her audience and fans.



Election poster, campaign of Abraham Lincoln and Hannibal Hamlin, 1860, *Library of Congress*

- **Persistence:** Great leaders never give up. They convey long-lasting assurance, even in the face of disappointment. Optimism from a leader is contagious. It ripples throughout the organization.



Eleanor Roosevelt, *Courtesy, Franklin Delano Roosevelt*

Lincoln had personal and political setbacks, yet he continued to voice his opinions and fight for his principles with a strong, positive attitude.

Eleanor Roosevelt needed the “skin of a rhinoceros,” as she said, to deal with criticism, lies, and disillusionments. Even so, she strove to bring fruition to her causes, no matter how difficult the road was to get there. She did so with good cheer, a sense of humor and humility.

Distinguished leaders are persistent. Impediments do not stop them. Lincoln faced constant challenges from his cabinet and his officers and the Congress. He dealt with disagreement as if it was part of the human spirit and a celebration of individuality. He confronted lies directly. When prominent politicians challenged the loyalty of Mrs. Lincoln, he confronted them.



Margaret Thatcher on the cover of *Time*, 1979, *Courtesy, Time*

He listened to their point of view. He asked questions and answered those posed to him calmly. He did so with facts, sincerity, feeling, and candor. He demonstrated that Mary Todd Lincoln was a patriot and was at his side, fighting to end the Civil War.

Few leaders could be as persistent as Napoleon. He rose to power by being tenacious and bold. He was tireless in the quest of his aims.

Margaret Thatcher lost elections before she achieved a place in Parliament. Discrimination did not stop her from reaching the highest level of British politics. Oprah failed at times. She explained how each failure gave her more courage to triumph as a woman, an African American and an entrepreneur.

- **Decision Making Based on Facts:** Abraham Lincoln was in the telegraph room of the White House nearly every day. There, he got the latest information on the battles won and lost in the Civil War. He asked questions and searched for data and truth before making life and death decisions. Excellent leaders are great simplifiers. They do so with facts. They are not afraid to decide.



Emperor Napoleon by David, *Louvre Museum*

Napoleon was rigorous in checking and double-checking information to ensure accuracy before acting. He mastered the art of intelligence. At times, leaders cannot have all the data they demand. This is where instinct and common sense come into play. Margaret Thatcher rarely decided without specifics. She became an expert on the budget of the U.K., so she could understand government expenditures with particulars and fine points. At times, she made decisions without perfect data because she had the experience to go in the right direction.

- **Communication:** The role of language is essential to leadership. History's greatest leaders were great communicators. They used the tools of their times. Caesar was an author and orator. Martin Luther King was magnificently eloquent. His messages were consistent and clear. He wrote in ways all could understand. He spoke for all people and for posterity. Few could match the volume of Eleanor Roosevelt's communications. The hundreds of thousands of pages of messages,

letters, columns, books, radio addresses, and countless speeches around the world helped her lead with her voice and pen. Millions understood her dreams of fair mindedness for America and the world.

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Napoleon was a spellbinding speaker. He matched his capacity to communicate with courage. When Napoleon escaped from exile, the King of France sent an army to destroy him. He met the French army that was sent to destroy him. He went directly to them, alone and unarmed.

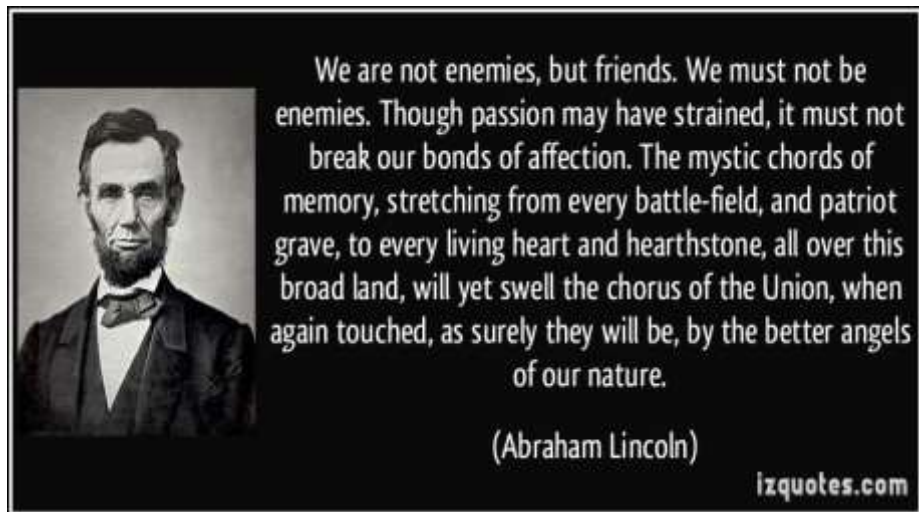


Napoleon's Return from Elba, by Charles Auguste Guillaume Steuben

"Napoleon continued to walk on, to within easy range of the guns. 'Soldiers, I am your emperor. Know me! If there is one of you who would kill his Emperor, here I am,' he exclaimed. He threw open his famous grey greatcoat, inviting a shot. It was more than the government soldiers could bear; they abandoned their weapons and ran towards the invaders, shouting 'Vive l'Empereur!'"⁵

Skillful leaders communicate with followers, clients, and constituents. They craft their message. It must be memorable. They know their audience and must speak from the mind, the heart, and the soul.

In his Second Inaugural Address, Lincoln knew his people were exhausted from the conflict. They wanted peace. Some wanted revenge. With remarkable courage, he appealed to the "better angels" of his countrymen to "bind up the nation's wounds" and care for those who suffered on both sides. His words reached deep into the souls of all involved in the War. He conveyed to them a vision of what would follow and appealed to their



Courtesy, IZ Quotes, <http://izquotes.com/>

⁵ Gifford, J. (19 March 2011). *Leadership and courage: Napoleon returns from exile in Elba*. Retrieved from <http://jonathangifford.com/leadership-and-courage-napoleon-returns-from-exile-in-elba/>

virtues of compassion and understanding to achieve a lasting peace based on reconciliation.

- **Visionary Thinking:** Great leaders project their goals to followers, friends, and enemies.



March on Washington, 1963, *Courtesy, Huffington Post*

They are not afraid to publicly explain the path they are pursuing. They do it with clarity and simplicity and assurance. Sculptors see the figures in the marble, long before they begin to chisel away at the stone. Illustrious leaders convey what they see long before it is realized.



Prime Minister Margaret Thatcher with her Cabinet, *Courtesy, BBC*

Martin Luther King's quest for equal rights was based on the principles of the Declaration of Independence and the Bill of Rights. His vision was clear. It had a strong foundation. He communicated it incessantly, whether it was from a pulpit, a march, a protest, or a jail. Lincoln's aim was to save the Union. He articulated this aspiration by his actions and words. Margaret Thatcher set out to change England by reducing social spending and expanding the private sector. Oprah Winfrey had a vision of a program that would dwell on people, ideas, social justice, and responsibility. She knew it would be a success and fought to realize her vision. Visionary leaders prefer the impractical hopes of an optimist vs. the pessimism of a realist.

Great leaders work to pursue goals, as a process of enjoyment. They show they like what they do and they convey a sense of purpose, matched with enthusiasm. They are not afraid to use humor to make a discussion lighter. Lincoln often laughed at himself. He used stories. He spoke in parables to lessen the gravity of certain issues and to bring home a point with humility and wisdom.

- **Planning and Executing:** Vision without implementation is useless. Plans are designed as maps to reach goals. Successful leaders prepare them, follow them, and change them, as necessary. The important thing is to translate goals into reality and to measure results.

Prime Minister Thatcher pushed through laws that cut back government spending, she gave incentives to small businesses and checked the growth of expenditures. It was the vision she promised the people of England. She delivered on her promises and stayed in office for eleven years.



Jacques Louis David - Napoleon Crossing the Alps, 1801, *Louvre Museum*

Napoleon said he would bring order to France from the chaos of the Revolution, and he did. He planned every move. His military strategies

became textbook examples of victory over superior forces. Illustrious leaders are visionaries. They are demanding. They insist on results.

Lincoln knew what he wanted from his generals. One after the other, they failed to execute his vision to attack and defeat the South and end the conflict. He removed one after another. Finally, he found General Ulysses S. Grant. He discovered the person able and willing to turn his aspirations into reality. Every great leader needs to find his "Grant."

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- **Integrity and Honesty:** Some may claim that absolute monarchs and dictators are notable leaders. The flaw in tyrannical rule is integrity. Lies must constantly flow to protect the regime. History is littered with tyrants who brought havoc and ruin to their people and, in some cases, the world, because their rule was based on a lack of political, social, and judicial morality. It was about the control of power, not leadership.

Hitler was a powerful communicator. He may have been a competent administrator and he surrounded himself with ambitious and intelligent men who shared his evil and distorted vision of the world. His regime, like so many similar ones, was founded on violence, brute force, aggression, lies, fear, and intellectual dishonesty. It was a colossal failure for Germany and the millions who suffered and died at Hitler's hand.

Martin Luther King was the antithesis of Hitler. He fought for freedom, democracy, and truth. His philosophy and life were based on non-violence. His legacy lasts as a model for people everywhere to aspire to because, at its heart, was the search for truth and equality.



Dr. Martin Luther King, Jr., March on Washington, 1963, *Courtesy, CNN*

Character is the raw material of leadership. If a ship is made of weak metal, assembled poorly and cheaply, it will not make it through the storms. It will sink. Such is the case with leaders.

Effective ones have a strong moral fiber. They pursue a leadership model, based on integrity and high ideals. Character is what a leader is, and not just how they perform. It is who they truly are, when no one is looking. The

pressure of command often reveals the nature of a person. It discloses their value system. Someone who has a background of loose conduct in their personal life is likely to carry these weaknesses into the workplace. Some leaders may be successful, despite their moral flaws. Imagine what they could accomplish, if they lived by a code of honor.

Eminent leaders are perceived as individuals with a sense of self-respect. Martin Luther King fought legal battles to maintain his reputation of being a man of righteousness. Lincoln gave more pardons than any president before or after his time, because he believed in sparing life and not taking it if there was another alternative. The perception and fact were that Abraham Lincoln was a man of integrity. He viewed life as precious. Oprah Winfrey showed compassion and empathy on her programs. Her charitable work reflected her high sense of moral leadership, as evidenced by the school she created in

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South Africa.

Lincoln had a reputation of honesty before becoming President. He had a sense of spirituality and integrity which he exhibited in his personal and political life. He would not compromise to achieve. He was willing to accept less to maintain his principles. His character could not be separated from his leadership. He realized that, if he did not stand on the ethical high ground, he could not expect his followers to follow suit. Lincoln knew that an institution tends to be like its leader.



Lincoln reading the Bible to his son, 1865, *Courtesy, WSJ*

Few challenged the integrity of Eleanor Roosevelt, even after she left the White House. She was accused of many things, but few would encroach on her ethics. Allegations were made, but real evidence never surfaced to prove them. Instead, she showed by her

actions the person who she was. She took risks to defend those who could not defend themselves.



First Légion d'Honneur investiture, 15 July 1804, by *Jean-Baptiste Debret, Palace of Versailles*

Oprah was careful in her use of language and her image. She defended herself when she tackled controversial subjects, but constantly projected an aura of truthfulness.

- **Searching for Truth vs. Blame:** Poor leaders look to point fingers, seek blame, and publicly reprimand subordinates. They are not willing to face the personal

reality of responsibility that comes with leadership. Lincoln took no credit for victory, but laid defeat on his shoulders, alone. Eleanor Roosevelt worked for social justice, participated in conferences and events that were controversial. In each case she took personal responsibility. Margaret Thatcher took the blame for military setbacks in the Falkland War. She gave the nation's soldiers and sailors credit for victory.

Memorable leaders give others recognition for success and assume culpability for

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failure. They seek accountability. Effective leaders are accountable to their peers and followers. They set up standards to measure success with objective metrics and feedback. Weak leaders surround themselves with “yes” people who do not tell them the truth but tell them what they want to hear. Julius Caesar and Napoleon fell into this trap. They sought disciples who reflected their image of infallibility, which led to their failure.

- **Giving Credit to Others:** The best leaders are not insecure. They know themselves. They understand their strengths and weaknesses. They are not intimidated by others. In fact, they relish in the growth and development of those they mentor. They shower praise on successful people. They are more interested in the welfare of those who follow them than their own. Oprah Winfrey is an example. She constantly gave acclaim to her team for their achievements.

Napoleon was generous in his praise of the heroism of his troops and those loyal to France. He showered them with medals and recognition. In 1802, he created the National Order of the Legion of Honor which was the highest award for civil and military gallantry.

Lincoln accorded Grant the credit for defeating the South. The General admired him. He refused to consider running against the President in 1864. The finest leaders not only pay tribute to others, but also garner loyalty.

- **Learning to Relax:** Great leaders love their roles. They enjoy what they do. Even so, they know they require time to rest and recover from the stress of command. Leadership is lonely. It requires mental and physical balance to maintain stability. Lincoln relaxed by telling stories. At times, they were to make a point but more often, they allowed him to take his mind off the tragedies that encircled his daily life. He had a good sense of humor. Illustrious leaders often do not take themselves seriously and are able to use humor to teach as well as reduce tension. Eleanor Roosevelt enjoyed the theatre. Oprah Winfrey loves a good book. Most distinguished leaders have a few good friends they share leisure time with. It allows them the release they need to continue their mission.

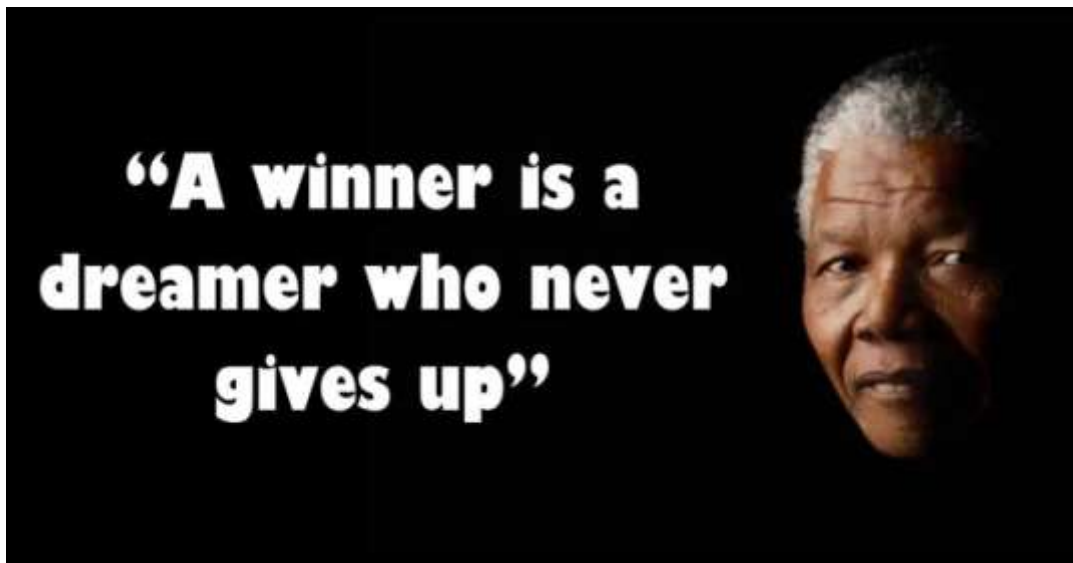
- **Maintaining a High Level of Energy and Health:** Responsibility results in high stress. It demands energy, careful pacing of work, and monitoring good health. Some historians believe Napoleon’s declining health affected his decision-making. Caesar kept himself fit despite bouts of epilepsy. Augustus led a Spartan life and ruled successfully for decades. Mental and physical health is essential, if leaders are to tackle the obligations that come with command. Oprah often describes what good health is about in her magazine and online. Margaret Thatcher knew how to pace herself from the rigors of her job. Lincoln ate sparingly, walked a great deal, and took time to unwind.

- **Love of Learning:** Learning is a key pillar of leadership. Information is fast paced and needs to be refreshed constantly. Talented leaders want information, love knowledge, are curious about novelty and innovation, and appreciate that learning is a lifelong experience. Oprah Winfrey spoke about how her education and love of reading changed her life.

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Margaret Thatcher credited her success to education and interest in learning. It helped shape her as a leader. Eleanor Roosevelt kept the picture of her teacher in London on her desk. She talked about how learning transformed her. She fought for education in America and supported learning via the arts, even during the depths of the Depression.

Great leaders learn from their peers. They meet and converse with others who are facing similar challenges. Eleanor Roosevelt took every opportunity to meet heads of state and their spouses and talk about the decisions they made and the new ones they were to face. She had access to leaders in all walks of life, and took the opportunity to learn from them as they learned from her. Oprah constantly wrote and spoke about her love of reading and persistent self-improvement. It included being with celebrated leaders, like Nelson Mandela and Bill Clinton, and learning from them. She started a book club and commented on those that influenced her most. Eleanor Roosevelt attended conferences



You Tube, Nelson Mandela Quotes, <https://www.youtube.com/watch?v=rYnptwetqIE>

and seminars, gave speeches, and listened to many. She was an avid learner and incessantly honed her skills. She also mentored others, as exceptional leaders do. Once she saw qualities in others, she did all she could to help them grow.

Courage is not simply one of the virtues, but the form of every virtue at the testing point.
— C. S. Lewis

Have the courage to say no. Have the courage to face the truth. Do the right thing because it is right. These are the magic keys to living your life with integrity.
— W. Clement Stone

About the Author

Emilio Iodice is a former American diplomat, business executive, university administrator, professor of leadership, and best-selling writer and public speaker. Iodice is author of *When Courage Was the Essence of Leadership: Lessons from History* (from which the above excerpts were taken) https://www.amazon.com/When-Courage-was-Essence-Leadership/dp/1544878117/ref=sr_1_1?ie=UTF8&qid=1517047919&sr=8-1&keywords=when+courage+was+the+essence+of+leadership#customerReviews as well as the Wall Street Journal

Number One Best Selling Book, *The Commander in Chief, The Qualities Needed of Leaders of Free Loving Nations in the 21st Century*, https://www.amazon.com/Commander-Chief-Qualities-Leaders-Freedom-Loving/dp/173455858X?pd_rd_w=1kg6K&pf_rd_p=a92e0124-cfa8-4f1e-82b5-a4a348d97008&pf_rd_r=B135ZQEJKD7SJQJDDWFG&pd_rd_r=dad30171-de92-487f-b3f7-ec57c99e909f&pd_rd_wg=uPOLk&pd_rd_i=173455858X&ref=ap_d_r_p_1_i

He can be reached at efiodice@yahoo.com and <http://www.iodicebooks.com/>



Action Steps to Overcome Organizational Crisis

— PROFESSOR M.S. RAO, PH.D.

Abstract

The purpose of this research paper is to offer innovative tools and techniques to avert corporate crises to ensure organizational excellence and effectiveness. It explains calm leadership and advocates soft leadership. It illustrates with inspiring examples of leaders including Abraham Lincoln, Winston Churchill, and Boris Yeltsin, who handled substantial crises successfully. It provides a list of leaders who led during turbulent times, saved their companies from the brink of disaster, and emerged in stronger positions; several are specifically profiled: Steve Jobs, Lee Iacocca, Ed Whitacre, Isaac Perlmutter, Richard Clark, and Gordon Bethune. It explains decision-making on complex issues and crises and shows how turbulence can be an opportunity, not a threat. It differentiates between leadership styles and the need to apply hard leadership skills during crises and soft leadership skills during normal times. It outlines action steps to overcome organizational crises. It concludes that with the advent of the fourth industrial revolution demarcated by artificial intelligence and automation, it is essential to take appropriate action steps to avert corporate crises to ensure organizational excellence and effectiveness.

Introduction

“When I think of organizations, I think of the capabilities an organization has more than its morphology or structure. The ability of an organization to have a shared purpose and the ability for employees to be productive are critical capabilities for most organizations today.”— Dave Ulrich

With increased volatility, uncertainty, complexity, and ambiguity (VUCA) globally, organizations must take appropriate measures to avert crises and act swiftly to overcome crises. Crises are the unpredicted and unpleasant chronology of events that come in battalions. Leaders must have a unique mindset, toolset, and skillset to overcome such challenges. The method of handling crises effectively is ostensibly known as *crisis management*.

Crises are experienced by people and organizations. If handled effectively, crises can invoke the best in individuals, thus unlocking their hidden potential. Similarly, crises expose organizational strengths and weaknesses, thus enabling organizations the opportunity to take appropriate action steps to achieve organizational excellence and effectiveness.

Don't React, Act

“Nothing can stop the man with the right mental attitude from achieving his goal; nothing on earth can help the man with the wrong mental attitude.”

— Thomas Jefferson

Many conflicts arise when people *react* rather than *act* to the situation. Most problems could be resolved when people persevere, embracing with a positive attitude. Here *acting* can be viewed affirmatively while *reacting* signals a negative connotation. One can easily assess individuals in the way they approach crises. If display with a positive attitude, the crises could be overcome easily.

Stay Calm in the Eye of the Storm

“Be like a duck. Calm on the surface, but always paddling like the dickens underneath.”
— Michael Caine

When one considers historical leaders like Winston Churchill, Abraham Lincoln, and Boris Yeltsin, the common connecting thread connecting is that they led with a cool and calm demeanor and handled crises intelligently and deliberatively. Winston Churchill was a wartime hero who led his country to victory during the Second World War. Abraham Lincoln was the President at a crucial time in American history, when he strove for the unity of the country while concomitantly against institutionalized slavery. Boris Yeltsin handled an army coup successfully by facing it head-on. These leaders remained calm during the crisis and set an example for others to follow. They were cool, composed, and charismatic in their leadership.

Calm Leadership

Leaders must lead from the front during crises. They must be visible to those who follow, building confidence and solidarity at every opportunity. In fact, crises reveal the true extent and level of leadership skills of those in leadership positions. Winston Churchill demonstrated his leadership skills during the war. However, he failed several internal challenges which occurred during peacetime, showing that some leaders perform better during stress than under normal conditions.

Calm leaders focus on using and managing the available resources instead of blaming the external circumstances. They have the ability to handle complexity and uncertainty, yet remain tethered. For instance, before the execution of Operation Geronimo – the raid that culminated in the capture and killing of Osama bin Laden, former U.S. President Barack Obama maintained neutral body language and kept an even-keeled demeanor although the operation was planned much earlier and could have ended in disaster. During all this time, he performed his usual duties in a normal manner.

Leaders must show Imperturbable steadiness while coping with uncertainty. When everything goes awry, they must demonstrate a cool composure and implement strategies to manage and lead their teams. They should send strong signals to their subordinates to maintain their trust and confidence. Calm leaders eschew matters over which they lack control and instead focus on action and what is actually within their grasp to confront and, if necessary, change.

Entrepreneurs Remain Unflappable

Albert Einstein said, “In the middle of difficulty lies opportunity.” Similarly, entrepreneurs have the ability to identify opportunities during times of instability. For example, when

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the Mexican economy was in ruins in 1982, business magnate Carlos Slim identified opportunities, investing heavily during the economic downturn. When investment was shunned, Slim seized available opportunities, eventually becoming one of the richest persons in the world. Similarly, Amadeo P. Giannini, who founded the San Francisco-based Bank of Italy, the predecessor of Bank of America, also converted threats into opportunities. In many cases, unintended consequences ignite unexpected pathways toward personal advancement; entrepreneurs such as Carlos Slim and Amadeo P. Giannini amply exemplify this phenomenon.

Lincoln's Leadership

Over 150 years ago, several states seceded from the American Union, forming the Confederacy and precipitating the American Civil War. On December 20, 1860, South Carolina, followed within two months by Mississippi, Florida, Alabama, Georgia, Louisiana, and Texas, withdrew from the Union. By April 17, 1861, Virginia, Arkansas, Tennessee, and North Carolina also seceded from the Union, forming an eleven-state Confederacy with a population of nine million, including nearly four million slaves. There was a bitter battle between the forces of the Confederacy and of the American Union for political supremacy. Abraham Lincoln was at the helm of affairs as the President of the American Union. He had won 40% of the popular vote, but found it challenging to remediate the contentious atmosphere. However, he remained steady and deliberative in his leadership and decision-making, ultimately leading the Union to victory, thus maintaining the integrity of America while simultaneously abolishing the institution of slavery. He proved to be one of the greatest American presidents and a role model for future presidents who, when faced with adversity, adopted many of his teachings.

Boris Yeltsin

Russia's first elected president, Boris Yeltsin, was a leader who led from the front and implemented the transition of the former USSR to Russia. He displayed great fortitude in standing up to a military coup aimed at restoring a dictatorial regime in the country. Highlighting his achievements, *The Financial Times* commented, "Boris Yeltsin had the physical and moral strength to bear on his shoulders the colossal burden of a country in a ferment of transition, its economy struggling with the twin tasks of discarding a tenacious old system and adjusting to an unfamiliarly fast-moving new one. At the beginning of his rule, he was able to grasp, either instinctively or through a quick intelligence, much of what was required."

Convert Threats into Opportunities

"People are always blaming their circumstances for what they are. I don't believe in circumstances. The people who get on in this world are the people who get up and look for the circumstances they want, and, if they can't find them, make them."

— George Bernard Shaw

Several companies have changed their marketing strategies, adopting a more local flavor, especially in countries like China, India, and Brazil, where consumer taste is broad and diverse. Besides providing huge growth opportunities, these countries also pose

substantial financial risk and potential political volatility. However, many have managed business threats and converted them into opportunities. For instance, focusing on city clusters helped a company reduce its customer service costs. Companies also realized the enormity of consumer preferences in countries like Brazil and redesigned their strategies accordingly – benefiting in the long-run. In countries like China and India, where the populations are substantial, such a large populace could be initially viewed with skepticism and considered threatening. However, when western countries realized the potential growth opportunities derived from such an expansive consumer base, these countries began to realize that excessive populations could be used for collective growth and prosperity.

Turbulence is an Opportunity, Not Necessarily a Threat

Publilius Syrus once said, “Anyone can hold the helm when the sea is calm.” Genuine leaders emerge during a storm. Real leadership skills emerge during crises. The leaders who fail to rise to the occasion during crises will never succeed as leaders. In fact, turbulence is not a threat but an opportunity to self-test and self-assess and help others make a difference through performance. Kelly Corrigan rightly remarked, “Turbulence is the only way to get altitude – to get a lift. Without turbulence, the sky is just a big blue hole. Without turbulence, you sink.” The following individuals are representative of this philosophy, displaying superior leadership skills during periods of turbulent times, saving their companies from the brink of disaster and building back stronger than before: Steve Jobs from Apple, Lee Iacocca from Chrysler, Ed Whitacre from GM, Isaac Perlmutter from Marvel, Richard Clark from Merck & Co., and Gordon Bethune from Continental Airlines. Other leaders who excelled during turbulent times include the retired chairman of Johnson & Johnson, who led the recall of tainted Tylenol bottles during his company’s crisis and Steve Case, chairman of AOL Time Warner, who mobilized his company during a tenuous moment in the early life of AOL when its national network suddenly collapsed. In each situation, the leader stepped up to the plate and guided his company through unsettling times.

Every challenge represents a potential opportunity for growth. When one encounters a significant challenge, she or he must rise to the occasion and tap into the best qualities within in an attempt to perform favorably. Great satisfaction often emanates from challenges. In fact, tough times call for sound decisions. Hence, leaders must be well prepared to face tough times to ensure organizational stability and effectiveness.

James Kouzes, Barry Posner, and Michael Bunting in *Extraordinary Leadership in Australia and New Zealand: The Five Practices that Create Great Workplaces*, share a popular riddle: If there are 12 frogs sitting on a log, at the edge of a pond and five of these 12 frogs decide to jump into the water, how many frogs remain on the log? What’s your answer? Seven? Zero? 12? Five? The correct answer is 12. Twelve frogs remain on the log. Why? Because there is a very big difference between deciding to do something and actually doing it. True leaders should bear this in mind in their quest to become steadfast and bold sources of governance.

Make Your Decisions by Head, Heart, and Gut

Jillian Michaels quoted, “Whenever you’re making an important decision, first ask if it gets you closer to your goals and or farther away. If the answer is closer, pull the trigger. If it’s farther away, make a different choice. Conscious choice making is a critical step in making your dreams a reality.” Making decisions is a major challenge for leaders and CEOs. If they are experts in conceptual, technical, and business acumen and have access to authentic information, they can make wise decisions to achieve an advantageous outcome.

Factually-based information is critical in making wise decisions. Researching and understanding accurate information is essential to achieve desired objectives. It requires experience, expertise, and judgment to choose from available sources. If there is access to authentic information, and the decision-makers have the ability to interpret and forecast both the advantages and possible disadvantages of their decisions well in advance, they will be able to make decisions easily, quickly, and wisely.

Decision-Making on Complex Issues

Theodore Roosevelt once remarked, “In any moment of decision the best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing.” Making decisions on complex issues is a major challenge for leaders. They must have the spine to make tough decisions to resolve long pending issues. My personal decision-making involves keeping multiple options ready and then seeking input from various reliable sources. I refine my decision from time to time and implement. I take feedback to understand its impact. If there are any mistakes, I take precautions to make better decisions the next time. I basically go by my head, heart, and gut. If I have complete information, I will go by the head. If I have partial information, I will go by head, heart, and gut. If I don't have any information, I will go by gut alone. I am prepared for surprises and challenges after implementing decisions. Depending on the sensitivity of the issue, I encourage consensus to make all members accountable.

Decision-Making During Crises

“The most valuable result of all education is the ability to make yourself do the thing you have to do, when it ought to be done, whether you like it or not.”

— Thomas H. Huxley

Genuine leadership gives us the following admonitions: Don’t get emotional while making your decisions. Settle down. Be cool, calm, and composed. Think of what worst and best could happen. Envision challenges in a simple way and integrate them to get the big picture. Then make your decisions by your head, heart, and gut. John C. Maxwell in *Be All You Can Be* offers a formula on timing and decision-making as follows:

The wrong decision at the wrong time = disaster.

The wrong decision at the right time = a mistake.

The right decision at the wrong time = unacceptable.

The right decision at the right time = success.

Steps to Make Successful Decisions

Our decision-making differs from time to time and depends on our mood levels. We tend to make better decisions early in the morning as we give rest to our minds the night before. By noon, we feel burdened. Hence, we may not make effective decisions. Late in the day, it is difficult to make decisions as we become stressed from having executed too many tasks. Hence, before we make major decisions, keep the mind free from pressure and refrain from becoming emotional. Rest resets one's biological button. Sound sleep, physical exercise, and proper diet invariably contribute to clearer and better thinking. Additionally, as rational and emotional animals, humans will often change courses of action and will need to properly assess their choices in the process. The success of decisions will depend on preliminary steps:

1. Examine the totality of the facts underlying the situation at hand. Understand the issues from multiple perspectives.
2. Think of what potential consequences may occur.
3. Discuss with close connections how to formulate appropriate alternatives.
4. Choose the one which is possible and feasible to execute with limited risk and maximum returns.
5. Accept feedback to improve future decisions.

Remember, whatever the steps you take, there might be a mismatch between your expectations and outcomes. Hence, be prepared for the consequences before making your decisions.

Action Steps to Overcome Organizational Crises

"It's not about the smartest guys in the room. It is about thinking collectively."

— Peter Senge

The following are action steps to overcome organizational crises.

- Don't try to cover up the crises. Express concerns about the crisis, accept responsibility, and apologize.
- Communicate clearly. Be transparent. Build trust.
- Address conflicts before they become crises.
- Have a discussion and dialogue with your team members. Build a consensus and take action. If matters progress adversely, take team members into confidence and discuss with them potential alternative decisions that would suit the situation.
- Keep all stakeholders informed to avoid confusion and chaos.
- Remember that all decisions will not always deliver fruitful outcomes.

Corporate Crisis Calls for Autocratic Leadership

Futurist Bob Johansen, in his 2009 book, *Leaders Make the Future: Ten New Leadership Skills for an Uncertain World*, introduced the acronym VUCA: volatility, uncertainty, complexity, and ambiguity. He called for specific leadership skills to leverage uncertainty and complexity – the skills and abilities needed to overcome crisis and to turnaround companies. Research shows that most productive organizational restructurings have

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occurred under the leadership of autocratic leaders. Business leaders – including Jack Welch, Steve Jobs, and Leonard D. Schaeffer – managed to turn around their respective companies, increasing profitability in the process and generating respect globally as a result of their focused leadership style. In fact, autocratic-like leaders are required during a crisis. A crisis itself does not need much explanation. It needs expert decisions from the top. Once the crisis is sufficiently addressed, it is then essential to shift governance immediately to softer styles of leadership in order to serve all stakeholders.

Be Bold to Lead in Turbulent Times

“When the going gets tough, the tough get going.” – Joseph Kennedy

The present global business environment demands not only soft leaders but also hard leaders. When times are good, anyone can be at the helm. When the sailing becomes rough, the real leaders come to the forefront to sail the ship successfully to the shore. *Team of Rivals: The Political Genius of Abraham Lincoln* by Doris Kearns Goodwin describes how Abraham Lincoln related to people. The book describes how Lincoln brought into his cabinet people who were opposed to him, including three opponents for the Republican nomination, who, for the most part, thought Lincoln was a country bumpkin. However, within a year’s time, he succeeded in getting these people to look up to him. His rivals were turned into allies because he had the confidence and wisdom to collaborate with the best people. It’s an inspiring story. Combining the perspectives of people from different backgrounds and with different viewpoints and expectations can be a source of advantage in the marketplace.

There are many American Presidents who emulate the governance style of Abraham Lincoln, especially when they encounter political challenges. Other noted examples of American Presidents who were also equally equipped to lead in turbulent times included George Washington and Franklin Delano Roosevelt. Lincoln was unmistakably a committed and dedicated leader who learned bitter lessons throughout his life – mostly from his successive political failures he sustained before occupying the office as the first Republican and the 16th President of America. His leadership style was certainly something to adopt and implement.

Conclusion

With the advent of the fourth industrial revolution, characterized by artificial intelligence and automation, it is essential to take appropriate action steps to overcome corporate crises to ensure organizational excellence and effectiveness for current times and for times to come.

About the Author

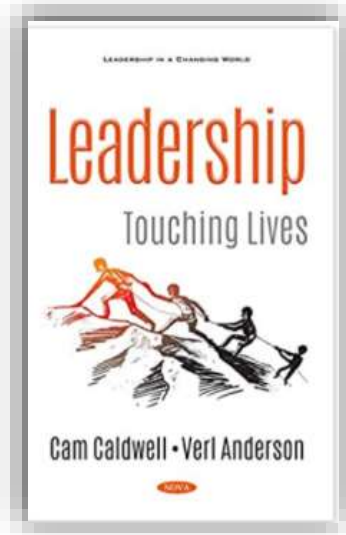
Professor M.S. Rao, Ph.D. is the Father of “Soft Leadership” and Founder of MSR Leadership Consultants, India. He is an International Leadership Guru with 38 years of

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experience and the author of over 45 books including the award-winning *'21 Success Sutras for CEOs'* URL: <http://www.com/21-Success-Sutras-Ceos-Rao/dp/162865290X>. He is a C-Suite advisor and a sought-after keynote speaker globally. He brings a strategic eye and long-range vision given his multifaceted professional experience including military, teaching, training, research, consultancy, and philosophy. He is passionate about serving and making a difference in the lives of others. He trains a new generation of leaders through leadership education and publications. His vision is to build one million students as global leaders by 2030 URL: <http://professormsraovision2030.blogspot.in/2014/12/professor-m-s-raos-vision-2030-one31.html>. He advocates gender equality globally (#HeForShe). He was honored as an upcoming International Leadership Guru by Global Gurus URL: <https://globalgurus.org/upcoming-leadership-gurus/>. He coined an innovative teaching tool – Meka's Method; leadership training tool – 11E Leadership Grid; and leadership learning tool – Soft Leadership Grid. He invests his time in authoring books and blogging on executive education, learning, and leadership. Most of his work is available free of charge on his four blogs including <http://professormsraovision2030.blogspot.com>. He is a prolific author and a dynamic, energetic and inspirational leadership speaker.

He can be reached at msrlctr@gmail.com.



Leadership – Touching Lives

Authors: Cam Caldwell and Verl Anderson

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Problem Identified and Message Defined

Beginning with an alarming Gallup poll finding that the majority of employees worldwide are self-described as “actively disengaged” from their respective employing entities – an indicator that change in leadership styles is critical for the proper protection of organizational interests and objectives – authors Cam Caldwell and Verl Anderson set forth in *Leadership – Touching Lives* to explore the reasons behind this separation between worker and workplace and to provide ways to remediate this troubling situation.

Both positive and negative elements of leadership and of particular persons in position of authority – either currently or in the past – are discussed and real-world examples are provided throughout the book.

At the outset, the authors underline the importance of leadership, describing it as a one of a “personal relationship” – where trust is generated and care for others is genuine. The ultimate goal of effective leadership is to communicate a common purpose to inspire both the leader and the follower in order for all to be the best versions of themselves as possible. Leaders must be authentic and ethical in their actions and beliefs. They must identify their own personal values and align their actions in accordance thereof. They must serve as role models, and hopefully incentivize those who are led into following the same course. It is this translation of goals into reality that ultimately earns followership and desired emulation.

How-To's

In closing the gap between the message, the messenger, and the recipient, there are common practices explained that the aspiring leader should follow. First, the person in the position of authority must identify organizational goals and if they are contrary to her/his personal ethics, engage in discourse to challenge the process and better structure the message. Next, the aspirant must understand the reason underlying each

organizational goal, communicating its context thoroughly and clearly to the follower. But having this alignment will not necessarily produce the synergy necessary to impact outcomes; a sufficient level of motivation and the required resources must be supplied to all participants in order to effect positive outcomes.

Commitment to others' welfare is integral to the process of directing people's acts and influencing their way of thinking. The authors demarcate a pathway of achieving this. Individual chapters follow particular topics as ways to produce effective leaders and to motivate and inspire followers. For example, the leader portrayed as "ethical steward" is explored and examples provided. In discussing principled leadership, the authors use the founder of Chick-fil-A, S. Truett Cathy, as a prototype of ethical stewardship. As per the reviewer's understanding, however, Cathy generated substantial public criticism with his fundamentalist beliefs, primarily due to his religious tenets – especially with respect to his stance on same-sex marriage by upholding the traditional definition. His adherence to his self-defined principles alienated many in the LGBTQ community, provoking restaurant boycotting and leading communities to ban together to prevent local extensions of the franchise. Thus, the reader must consider the propriety and relativity of one's own religious tenets when projecting them upon the workforce or community.

Eschewing Self Interest to Embrace the Common Good

A primary theme established in this book concerns the need to treat each worker/follower with respect – to refrain from viewing them as a means to an end thereby potentially relegating them to commodity status. The chasm created when leadership strategies are myopically fixated upon short-term financial goals is that the relationship between superior and subordinate is sabotaged; trust is eroded and respect quickly dissipates. Rather, the leader must forego the pursuit of self-interest goals and rather focus upon earning the trust and commitment of others by demonstrating authentic care and concern about each of the followers that s/he directs. Indeed, through this personal valuation inevitably comes a dedication to better work performance. And where leaders fail to meet established standards, a further indication of their authenticity is produced by being transparent and accountable for such failures. This is why leader self-assessment is so imperative in order to successfully allay concerns of disjointed goals and performance measures; the leader must continuously recalibrate her/himself and consistently adjust leadership traits to be in conformity with the highest principled standards. When self-glorification, power, and financial advancement become the mainstay, trust and respect are vanquished.

Leading Change

Leading change is another theme explored in the book as authentic leaders do not cover from changing business practices to accommodate societal needs and to introduce better ways of advancing a product or service. True leaders must continuously discover better ways of achieving a collective goal. If revisions to a business paradigm are legitimately mandated, the leader must guide this revisionary process in a manner that does not alienate the worker, but incorporates her/him into the reformative and decision-making process – working as a single collective and motivated unit. Former

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Kimberly-Clark CEO Darwin Smith is an example of leadership in this vein; Smith was used to show how proper management of change can be achieved when he set out on a risky venture to deviate from “business as usual” by electing to sell the company’s paper mills and to venture into a much more diverse product line. This was a then-decried move which, over time, propelled the company into a better competitive position in the market.

Employee Vestment

Successful relationship-building helps vest the employee, making her/him part of the team – an integral component in the overall success of the organization. The sense of an expansive sense of ownership and a working partnership between all the workers – managers and employees alike – strengthens the collective commitment to furthering the company’s objectives.

Integrity as a Driving Force

If a principal lacks integrity, trust will inevitably be nonexistent, for whenever a person in the position of authority outwardly lacks integrity and courage of conviction, her or his believability and credibility are compromised. Thus, it is imperative – as the authors opine – that each leader remain true to her/his ideals and ethical guidelines in order to produce a lasting and meaningful relationship with followers. In this manner, moral self-governance is essential to safeguarding the leader-follower relationship. Integrity fails where one self-misrepresents or deviates from established moral behavior; hence, an adherence to truth is mandated at all times. One example used to demonstrate the importance of integrity was founder and executive chairman of global manufacturer Huntsman Corporation, Jon Huntsman, Sr., who famously decried the notion of variable country ethical standards. He rather emphasized that the true measure of success lies not in the material acquisition for oneself, but in what the leader gives back to society.

Integrity also is buttressed by a lifetime of learning and where need be, self-adjustment.

The Value of Kindness

After an American presidential term marked by family member separation policies, immigration bans premised on a person’s declared faith, deregulation of environmental protections, and a contentious 2020 election cycle, a prominent theme today is the restoration and practice of simple kindness – respect for human life, adherence to dignity, and a focus on everyone’s personal worth. This attribute defines one’s world view and shapes the treatment of others. The practice of kindness assumes a level of sensitivity and empathy necessary to comprehend the struggles and challenges faced by others and presupposes the outcome that kindness empirically leads to greater creativity and innovation. Kindness is heralded by the authors as a trait which ultimately furthers an organization’s goals and purposes. It is kindness which distinguishes genuine leadership from a superior’s bare wielding of authority.

Service to Others

Volunteerism connotes self-giving and dedication to others reveals a sense of communal purpose. It is this outwardly service which engenders personal happiness and promotes human health – essential to valuing others and eschewing personal greed. A commonly shared commitment to producing something of value to society at large is a message that is shared and lived by leader and follower alike as the betterment of all of society rests with concerted action and focus. Deviation from this norm can, and often does, lead to consequences that include the imposition of monetary fines, loss of employment, and potential global recession. The authors intimate without specifically naming him that John Paulson, Wall Street tycoon and proprietor of a recognized failed financial instrument, exemplified self-service and the extreme lack of generosity, practices which eventually culminated in the 2007-2008 financial crisis.

Feminine Leadership

Common female leadership characteristics – or what this reviewer has previously termed the “Eve Factor” – outlines identifiable common leadership traits without engaging in gender prototyping. The proclivity to work in tandem with others, to give credit to the group rather to self, to readily admit mistakes and be accountable, to espouse ethics of caring, and to embrace diversity represent several of the noted characteristics of the female leader. Florence Nightingale was selected by the authors as a pillar of societal service in her relentless dedication to reforming healthcare in England. Other traits emphasized include the proper establishment of a life-work balance as well as the practice of listening to others as opposed to simply telling subordinates what must get done. Teamwork and collaboration are imperative in this discussion.

Stakeholder Responsibility

In conformity with America’s recent business roundtable discussion where the elements of the triple-bottom-line paradigm were notably adopted, the authors devote a section of their discussion to the leader’s dedication to the betterment of society in general. For it is through a sense of social responsibility that the worker is uplifted and joins in the collective goals of doing one’s best for the betterment of the planet. The Friedman way of focusing on financial profits for shareholders as the sole purpose of the corporation has been set aside for the wider stakeholder interest inclusion. Bengali social entrepreneur and founder of Grameen Bank, Muhammad Yunus, was chosen to epitomize the leader who exceeds basic company goals to, in his case, tackle poverty through making microloans – a practice which continues throughout the world today.

Leaders-in-Training

Lastly, the authors explore the notion that decision relegation, employee training and mentoring, and equipping subordinates all serve to produce the next line of principled leaders. Showing by example, allowing the employee to mimic the act, and then providing sound and honest feedback are all necessary to continue the process of creating and maintaining principled leaders. This treatment of the subordinate as a cherished colleague creates similarity of purpose and an ongoing chain of effective

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leadership – a model entrusted to our organizational heads to enthusiastically adopt and implement without hesitation.

Totality of Characteristics

My hat's off to authors Caldwell and Anderson in their thorough exploration of principled leadership through the vehicle of relationship-building. On a personal note, I could not help but think of another titan of industry and personal mentor – Ray C. Anderson – as one who completely filled this bill. Anderson, founder and former CEO of Atlanta-based Interface Flor, – the world's largest commercial carpeting manufacturer – exemplified dedication to truth and integrity, was an agent of change, committed himself and his company to team involvement, and incorporated followers into a shared and heightened sense of planetary purpose. In his own book, "Mid-Course Correction" these ideals were fully exemplified. Anderson saw what the petrochemicals used in his products were doing to the planet and engaged in a total restructuring of the corporate business paradigm, making him one of the first global business leaders to engage in resource protection, to embrace the triple-bottom-line approach in business dealings, and to take his followers along for the world betterment ride through acts of inspiration and personally living the model he professed.

– Elizabeth F. R. Gingerich, Editor-in-Chief, JVBL



The Commander in Chief: *The Qualities Needed of Leaders of Freedom-Loving Nations in the 21st Century*

Author: Emilio Iodice

Reviewer: Elizabeth Gingerich, JVBL Editor-in-Chief

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In a year where the world began battling a devastating pandemic, suffering seemingly irrevocable economic harm, and experiencing declining morale, so many of us have turned to people in positions of authority to give direction and hope. In a timely fashion, author Emilio Iodice has provided a manual to aid in these efforts – one which gives a thorough accounting

of which leadership qualities have succeeded in the person of the American President in the past – and which should be wholly avoided for repetition.

Worldwide Impact

Iodice proclaims from the outset that when America has failed to provide strength and integrity – as history has shown time and time – the entire world fails as well. But with its many problems and weaknesses, the U.S. remains an example of democracy and of working pluralism. These are points made by the author although he does hesitate to say unreservedly whether this is still America’s current stance and description. With a system of three branches of government and a regimen of checks and balances, the powers associated with the Office of the President have grown disproportionately, especially with regard to global affairs and in the issuance of executive orders. With that in mind, the tone set by the President dictates the position of America in the view of the world.

Iodice insists that transparency and accountability must be the primary measures used to identify the salient and desired characteristics of a U.S. President. The author notes that this assumption is one of global importance, and can mean the difference between life and death. The President, as an intricate part of the three branches of government, is the top administrator and leader of his or her political party. As its Commander-in-Chief, the American President reigns over an executive cabinet which presupposes the

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appointment of knowledgeable, experienced, and competent individuals. Any deficiencies in this decision-making process can – and has frequently in the past led – to disaster, ultimately dividing the populace, fomenting distrust in democratic institutions, and manifesting in acts of corruption and racism at the highest level. Examples given by the author on this point include Warren G. Harding’s Teapot Dome scandal, Andrew Jackson’s Trail of Tears, and Richard Nixon’s Watergate. At the other end of the spectrum were other notable examples: the vision of Abraham Lincoln which led the way to the adoption of the 13th Amendment ending slavery, Franklin Delano Roosevelt’s New Deal legislation which constructively addressed the travails precipitated by the Great Depression, John F. Kennedy’s commitment to space exploration, and Lydon B. Johnson’s monumental civil rights legislation expanding voting rights and worker protections.

Asserting Moral Character

Iodice emphasizes the importance of moral character and labels it as the underlying component of sound leadership. He asserts that it was Lincoln’s moral character which led to the execution of the Emancipation Proclamation – an executive order which bore out Lincoln’s driving belief that a house divided itself could not stand and that certain remedial actions had to be undertaken. Also highlighted are the qualities of fairness and reform as exemplified by FDR’s New Deal legislation. In this light, this reviewer cannot help but to also consider President-Elect Joe Biden’s discussion of a Green New Deal which would be configured similarly but this time tackle the problems of planetary degradation, racial unrest, crumbling infrastructure, and the growing disparity of wealth. FDR’s administrative policies showed unshakeable commitment to government reform and the pursuit of equity and justice. Theodore Roosevelt, a predecessor and distant relative, also displayed similar courage, especially as the administration disputed the growing dominance of monopolistic companies during the Industrial Revolution.

Serving the Constituency by Acknowledging Imperfections

The election process is critical as so much rides with the Office of the President as the ruler of a diverse populace and the nominator of cabinet and major regulatory agency heads. With so much at stake, “a nation risks electing leaders who are not fit for office and only reflect specific interests in lobbies that are by no means for the public good.” To honor the sanctity of this process, leaders must be held accountable whenever they break the law or betray the public trust. They must demonstrate a heightened sense of responsibility, dedicate him or herself to ongoing learning and professional growth, work to inspire others, avoid revenge, seek credentialed officials, and substitute personal ambition for what is necessary to serve the public good. The latter objective is increasingly defined by protests of young people in their demand for more fairness, racial equality, rejection of bias, and preservation of the planet. More and more, especially after the summer of 2020, historical icons, references, and past heroes are being shown for their dark sides as well, including Woodrow Wilson and Thomas Jefferson, whose certain practices and sayings actually deepened racial splintering.

As an imperfect human, the American President must allow his or her imperfections to be noted and critiqued and must continuously strive for sound reasoning and enhanced

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moral character. That assessment must survive campaigns and out-of-Oval-Office interactions like George H. W. Bush's announcement of "no new taxes" made during his political campaign. The author uses statements given by other public leaders like former New York Governor Mario Cuomo and former Illinois Governor Adlai Stevenson whose actions demonstrated a history of moral commitment and dedication to responsible and truthful government.

Innovator-in-Chief

As an ongoing learner, the American President can be one of the greatest forces supporting technology and creativity, as well as championing diversity, tolerance, and entrepreneurship. S/he can also highlight the importance of the arts and show how meaningful education and environmental stewardship are to the life and health of the planet. To exemplify this, the author borrows relevant sayings from such diverse writers and figureheads like Louisa May Alcott and Pope Francis to show how such a leader must sometimes change course from usual policies and practices in order to stimulate economic growth, and pursue fairness and equality.

The author emphasizes how genuine presidential leaders must embrace reform, in addressing the pressing needs of the times. In the early 2000s, for example, attention was recalibrated towards campaign reform changes as heralded by former Senator Harry Reid; he and his supporters viewed this call to change the system if, in their view, democracy was to survive in America. The author also expresses the need for presidents to stand for something meaningful: to embrace a movement that might not always have popular support or be safe in terms of ongoing public support and re-election efforts.

Experience Matters

Iodice stresses that experience can be a predictor of the success or failure of an administration. He cautions, however, that experience in and of itself is not necessarily a guarantor of success in the presidency, but often works beneficially for the country when the president has had prior business experience, congressional or other political interactions, and/or developed ties to working with business people and government leaders abroad. He equates business experience with the skills acquired from the farmland, from running a very large corporation, or from managing a workforce. One outlier in this regard was Warren G. Harding. Although he had considerable newspaper business, that did not preclude his involvement in corrupt practices – nor did Herbert Hoover's mining and engineering business experience shield the country from the fall of Wall Street and the advancement of the Great Depression.

Harry Truman's experience in the military as well as George H Bush's oil company operational activities and Jimmy Carter's running of the family's peanut farm developed an acumen of sorts of managerial skills. But the author also discusses the concept of "unfiltered leaders" – a concept which shows that business in one sector does not necessarily guarantee success in another.

Communicative Prowess and Collaborative Tendencies

Another significant trait ascribed to a genuine presidential leader is the ability to communicate with constituencies, emphasizing that words do indeed have consequences and may motivate and encourage true change – or alternatively, stir up the masses in an insidious manner. Iodice recognizes that the President must stay engaged with her/his constituents. Such active communication was displayed through FDR’s Fireside Chats and his interaction abroad with the troops. The author compares the synergy of these chats, Lincoln’s Gettysburg Address, JFK’s “do for your country” imperative, and Ronald Reagan’s Great Communicator status with the social media tweets of outgoing President Donald Trump. All forms of communication connected with different groups within the larger populace. It is indisputable that Trump indeed brought social media into the discussion of impactful communication techniques, leaving a legacy which will shape subsequent national elections. Another example of effective communicators, as this reviewer remembers, was Barack Obama who was ascribed the role as “Comforter-in-Chief” to the nation during a time of unspeakable horror with the mass killing of first graders in Newtown, Connecticut.

Other qualities of the Commander-in-Chief relate to intelligence and the understanding of meaningful collaboration. Statements are borrowed from such diverse sources as Michael Jordan to Neville Chamberlain to Thomas Friedman on this topic. It is this intelligence factor that establishes a credentialed and caring cabinet who will work closely alongside the President and reflect multifaceted political, economic, and social skills. Gender discrimination did not obfuscate the call to appoint the best and the brightest when FDR named Frances Perkins as the first female installed in a presidential cabinet as his Secretary of Labor. It was also FDR who forged an alliance between industry, labor, and agriculture in the fervent attempt to end the ravages of the Great Depression. The reviewer notes that these traits appear to be evident in President-Elect Joseph Biden who, at the time of this writing, has also named diverse individuals with exceptional talents to form his cabinet.

Iodice also emphasizes the challenges which have confronted heads of government in the past. The collaborative and mindful efforts of Lincoln and his cabinet were necessary to overcome the insidious forces of racism and secessionism. Another case in point was President George H.W. Bush, who, when facing the challenge of the Iraqi invasion of Kuwait in 1990, successfully forged an international coalition to engage in the ensuing Gulf War. This collaborative trait must also be exercised in working with Congress. This was achieved by LBJ who engaged in social legislation to address the ills of the time, working with members of Congress who also shared similar political philosophies and direction. The Great Depression led to collaborative New Deal legislation and LBJ’s Great Society. Unfortunately, collaborative efforts do not always insulate an administration from the perils of poor decision-making. For example, FDR was responsible for the operation of Japanese-American internment camps at the onset of WWII and was inattentive to the suffering and mass killings of Jews in the German concentration camps. LBJ’s shortsightedness led to the long and destructive years of the Vietnam War

period. These examples once again mark the imperfections of both the administration – as well as its primary administrator.

Other essential, intrinsic qualities of the President as identified by the author include character, integrity, ethical behavior, trustworthiness, and perseverance. The legacy a president leaves comes down to the forging of a reliable reputation and the steady exhibition of personal self-control. This was evident in the Theodore Roosevelt Administration – who even withstood the lodging of a bullet to continue a speech to his constituents – as well as with William McKinley who was known for his character and amiable consideration for those he served. The author further emphasizes that it is largely due to the social background and personal history of these leaders which produce an even temperament and the ability to withstand challenges while in office. Calvin Coolidge is put forward as yet another example of one who displayed a lifelong pattern of reliable character as was Gerald Ford, a politician known for a reputation of honesty and character. By contrast was former Vice-President Spiro Agnew who resigned from office after years of corruption while serving as Governor of Maryland were fully revealed.

Self-Control, Passion of Purpose

When reading the author's description of presidencies which exhibited passion of purpose guided by measured temperament, this reviewer reflected immediately on the selfless character of Barack Obama who earned the nickname of "No Drama Obama." It was this control which was needed to deal with the 2007-2008 Economic Recession, the bankruptcy of General Motors, and the capture and killing of Osama bin Laden. This combination of measured temperament and passion of purpose did not always converge in presidential leaders. For instance, while Bill Clinton managed to balance the budget, he could not control his own personal life. Teddy Roosevelt aligned his vision with his actions, culminating in the creation of the Square Deal. Roosevelt witnessed the ravages of massive industrialism and sought to temper unregulated capitalism by protecting the rights of workers and championing the historically marginalized. He sought economic progress with the construction of the Panama Canal and preservation of the environment with the installation of national parks. Ensuring self-control entails the art of self-awareness and the recognition of the tempestuousness and unpredictability of personal emotions, moods, and drives.

Lincoln is portrayed in this discussion as one who was guided by an unequivocal moral compass, complemented by the unfailing resolve to assume responsibility. He is ascribed with the patience of listening to both sides and welcoming disagreement. His decisions were made confidently, but aided by the advice and input of others.

Humility and Humanity

Successful American Presidents must exude confidence yet remain humble. For without humility, comes disregard of humanity. Presidents must forego the lure of self-aggrandizement and commit unequivocally to public service in respectful deference to all members of society. In this vein, Abraham Lincoln transformed humility and human kindness into leadership strength to effect massive societal change. Iodice instructs that

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such interaction of humility and humanity are the fundamental components of any effort to positively change the world. Such amalgamation of all of the qualities Iodice describes will inevitably be necessary to address a divided populace which faces the challenges of environmental catastrophe, inequality in income, undetermined globalism, and threats of pandemics and terrorism. Hopefully, the incoming President will deliver accordingly.

— Elizabeth F.R. Gingerich, Editor-in-Chief, JVBL

Journal of Values-Based Leadership, Valparaiso University
College of Business
Valparaiso, Indiana 46383