

Footnotes





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Leadership is a choice

ESSAY

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What comes to mind when you think of a leader? Probably a person who is bold, self-assured, and charismatic—or has some of the other characteristics commonly associated with high-profile, successful leaders.

Many of these are listed in “Being a Leader,” an article on the US Small Business Administration (SBA) website that attempts to teach aspiring leaders about the work of the late personality psychologist Raymond B. Cattell. In 1954, Cattell developed a model “to determine the traits which characterize an effective leader.” Traits listed in the article include emotional stability, dominance, enthusiasm, conscientiousness, social boldness, self-assurance, compulsiveness, intuitiveness, empathy, and charisma.

This summation of leadership has proven enduring. People remain firmly committed to the idea that there exists a leader personality type that has qualities such as those laid out by Cattell. Businesses routinely measure innate dispositions using personality tests to select and develop employees. The billion-dollar prehire testing industry sells a broad range of assessments—of questionable validity and reliability—to determine whether a candidate has these innate traits. The SBA article advises aspiring leaders to “work on developing those areas of your personality that you feel are not up to par.”

While self-understanding and personal development are important goals, there is a big problem with this approach. No one has ever figured out how people might go about acquiring a new trait, or whether attempts to develop such traits actually lead to more successful outcomes for individuals or their organizations.

In my classroom, I am working to reframe the conversation about leadership. Over the past 10 years of teaching leadership at Booth, I have been developing a new framework, which I call leadership capital. (See “What is leadership capital?” next page.) My goal is to refocus the discussion from innate traits to behaviors—from the noun “leader” to the verb “to lead;” from “manager” to “to manage.” In leadership capital, leadership is a choice.

The leader stereotype

When I teach, I ask my students for a list of words they associate with leaders. Inevitably and predictably, they produce a list of traits similar to the one on the SBA website. My students’ lists collectively tell the story of a mythic person, a change agent who has a vision for the future, breaks the mold, innovates passionately, and is volatile, courageous, and intoxicating. I suspect your list tells a similar story.

Substituting this label, “executive,” for “manager” or “leader” might help us to internalize the understanding that everyone across an organization has the choice to engage in both types of behaviors: managing and leading.

Manager, of course, is the companion stereotype to leader. When I ask students to describe managers, they produce another oversimplification, of a relatively boring person who meets targets and stays busy with tasks at hand. This manager has no grand ideas or visions. This manager will not disrupt the status quo.

These stereotypical views incorrectly imply that leaders and managers are born, not made. For this we can thank Cattell. His theories became the basis for the idea that personality traits can be used to predict and explain people’s behavior. He laid the groundwork for those personality assessments, and the mistaken belief that personality can be used to predict organizational success.

In reality, there is nothing innate and fixed about the qualities that make someone good at leading. The behaviors involved can be learned, honed, and encouraged through practice.

When we use the word “leader” as a label, we do ourselves and others a disservice. There is substantial evidence that categorizing people creates biases in how they are perceived and distorts evaluation of their performance.

Say you decide a woman in your department is an excellent manager, because she is capable, good with colleagues, and very reliable. She likes consensus and is a team builder. But she is not an extrovert and doesn’t seem to exhibit those personality traits you associate with leaders. Out of an oversimplified and limited view, you might miss that she also has the capacity to engage in leadership-type behaviors—and you may limit her opportunity to demonstrate leadership because she is labeled a manager.

Similarly, you may consider yourself a leader because you have big ambitions and grand ideas. You are unhappy with the status quo and are determined to do something about it. Once you label yourself a leader, you may discount the importance of your making this quarter’s numbers or neglect your important relationships. And if you do that, you may soon find you lack the capacity you need to engage in those leadership-type behaviors that create a different future.

Use ‘leadership’ as a verb

To move past the limitations of our stereotypes, I suggest we start by adopting the more appropriate term: executive. As the late management professor and consultant Peter F. Drucker argued, an executive is anyone who is responsible for actions and decisions that contribute to the performance capacity of his organization. This term is more inclusive because it does not apply only to people at the top of an organization. In fact, a person does not need to manage people in order to be considered an executive. Substituting this label, “executive,” for “manager” or “leader” might help us to internalize the understanding that everyone across an organization has the choice to engage in both types of behaviors: managing and leading.

What is leadership capital?

Over the past 10 years teaching leadership at Booth, I have been developing a new framework of leadership, as a choice. It references the University of Chicago's intellectual contribution that intangible assets can be invested in and managed similarly to more familiar types of capital, such as physical or financial assets.

Human capital: Human competence and the consequences of investments in human competence.

The late Gary S. Becker's contributions to human-capital theory were developed, both theoretically and empirically, in his 1964 book, *Human Capital*. As he taught us,

Economists regard expenditures on education, training, medical care, and so on as investments in human capital. They are called human capital because people cannot be separated from their knowledge, skills, health, or values in the way they can be separated from their financial and physical assets.

It is largely for this insight that Becker won the 1992 Nobel Memorial Prize in Economic Sciences.

Leadership capital: The wisdom to decide when to manage and when to lead, together with the courage and capacity to act on those choices.

For 60-plus years, we have been engaged in a futile search for the "leader personality." This search, along with various laundry lists of innate traits, has led many people to the mistaken conclusion that leaders are born, not made. Consequently, some people are thought to be leaders and others to be managers. In contrast, according to leadership-capital principles, both the behaviors of managing and the behaviors of leading are to be practiced by the same individual. As a result, every executive is faced with the choice, at any given decision point, to lead or to manage; therefore an organization that invests in the practice of leadership capital has a greater likelihood of producing value and achieving success than one that invests in identifying and building the leader personality.

Gary S. Becker, *Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education*, Chicago: University of Chicago Press, 1964.

Then understand that leadership is a behavior—and involves a choice. You will achieve more success if you embrace a more contemporary understanding of management and leadership as behavioral choices, not personality traits. Recognize that what matters is not whether you fit into some leadership suit of clothes or match up to some template of a leader personality. What matters is how you choose to behave. And unlike traits, our behaviors form the basis for skills, and skills benefit from practice.

A leadership-type behavior is focused on the future; it is concerned with a vision that will help change the present to create a better future. A management-type behavior is focused on the present, concerned with stability in the here and now. Making the choice of which behavior to practice at any given point becomes a central challenge, and my goal is to help executives make this choice by developing their courage, wisdom, and capacity.

Kurt Lewin, the founding father of social psychology, offered a version of the following equation in his 1936 book, *Principles of Topological Psychology*:

$$B = f(PS)$$

It states behavior (B) is a function (*f*) of the person (P) and their environment (S). I introduce his equation in my classes to help students understand the usefulness of situation-based explanations based on social psychology in understanding behavior versus using immutable personality-based approaches.

I always tell my students if they want to change someone's behavior, they should try to change the person's situation, not the person. Executives have less control over others' personality attributes than they do

over various outside factors, such as rewards, peers, physical space, and so on.

The challenge for modern executives is to keep Lewin's equation in mind. Your choice to lead or manage should be based on both (P) and (S), where (P) does not represent personality but person—including your values and goals. Some situations, (S), may call for having grand visions and creating new realities. Those situations may require behavior often associated with leadership, such as making difficult choices, taking risks, and tuning out naysayers. Other situations, however, may call for behaviors that maintain the status quo or execute a long-term plan, behavior that will earn you credibility, trust, and support of people whose trust and support you may need when you decide to make a different choice at a more critical juncture.

To know which behavior to practice, you first must ask the question: Should I manage or lead? Ask it often and build your leadership capital. That's how to be successful in this era, and the next one. ■

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