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Taking the lead in leadership development

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Although everyone knows that leadership is a crucial aspect of business success, there is still little academic consensus about what leadership skills consist of and how they should be taught. However, the directors of the Erasmus Centre for Leadership hope to change that.

Responsible leadership: creating shared value

By Ronald de Jong and Steffen Giessner

In a groundbreaking 1970 essay in The New York Times, the late Chicago economist and Nobel Prize winner Milton Friedman spread a doctrine that has dominated the Anglo-Saxon business world ever since: that a company’s solitary purpose is to increase shareholder value. Friedman died in 2006, but his mantra did not – until now.

Shaping the leaders of tomorrow

By Lotte Glaser and Hannes Leroy

Jazz quartets and horse coaching are among the more outlandish approaches to leadership development. With US$366 billion being spent in this market annually around the world, organisations are rightly looking for tangible and lasting results when leaders are back in the office.

Leadership: why many heads are better than one

By Folkert Mulder, Steffen Giessner and Max Caldas

Many heads are better than one, not just for large canines guarding the gates of Hades but also in the developing world of modern leadership, where the emergence of multiple leadership can be seen as very much a characteristic of our times.

Lonely at the top? Try the middle!

By Hodar Lam

A recent study finds middle managers who feel less powerful are often lonelier in their work than those who feel more so. This can have ramifications not only for individuals who feel unrecognised and alienated from those who employ them, but also for organisations themselves, particularly if the affected mid-level managers take out their frustrations in the workplace.

Employee motivation in times of organisational hardship

By Marius van Dijke

The phrase ‘new normal’ seems here to stay. Many countries are still in some form of lockdown, while others are loosening restrictions. Companies and organisations across the globe have to make major decisions quickly. But in these challenging times, what of employees and their intrinsic motivation?

Leadership without leaders: learning from Wikipedia

By Helge Klapper

Most of us accept some degree of supervision as an inevitable and necessary part of achieving a larger institutional goal. Yet, unfortunately, hierarchical supervision doesn’t work all that well for most of us.

Employee voice: an important dynamic in changing times

By Sofya Isaakyan

In these times of crisis, effective leadership has become especially critical and central to ensuring organisational strength. Now organisational leaders need to take concrete actions as they focus on three main areas.

The importance of leadership throughout the M&A process

By Taco Reus

There are no precedents that come close to the kind of economic and societal change we are experiencing. But luckily there are organisational experiences that can provide insights into how to navigate through this period.
Introduction

Leadership in interesting times

Leadership refers to how some people influence others towards common goals. It is an incredibly broad concept that not only refers to many different phenomena, but is also enacted in a variety of different contexts and can be studied from many theoretical perspectives.

Individual CEOs and presidents are leaders, but so are middle managers and team members. And they deal with a lot of issues concerning decision-making, motivation, self-regulation, organisational design, team dynamics, and politics, to name just a few areas. This edition of RSM Discovery magazine embodies this diversity in leadership.

Clearly research on leadership is valuable to the extent that it is rigorous, novel and useful. But this is not enough. Only when we embrace the variety of perspectives that we can bring to bear on leadership phenomena can we really start to understand what leadership entails and how it works. RSM’s wide variety of leadership scholars places the School in a unique position to accomplish this, as is reflected in the content of this issue.

On p05, the Erasmus Centre for Leadership and its dual mission – to equip students to be a force for positive change in the world, and to advance our understanding of leadership – is placed in the spotlight. On p09, professors Ronald de Jong and Steffen Giessner outline why the priority for leaders is to create shared value for all stakeholders.

Leadership development programmes are placed under scrutiny by Lotte Glaser and Hannes Leroy on p12, who argue that such programmes must become more evidence-based if they are to be of real tangible value.

In recent years, the Dutch men’s national field hockey team has embraced the concept of multiple leadership, and the team’s experiences provide insights that are of value for managers in corporate and other organisations (p16). And while the idiom that “it’s lonely at the top” might hold some truth, it is not only those at the summit of the management pyramid who are affected. Rather, as Hodar Lam explains on p19, middle managers can also feel a sense of loneliness, which can be detrimental to organisations if not properly addressed.

Given the tremendous upheavals and stresses experienced as a consequence of the coronavirus pandemic, organisations more than ever need to ensure employees remain intrinsically motivated as they adapt to the ‘new normal’. But how can leaders do this? Marius van Dijke suggests that creating a sense of nostalgia might well hold the key (p22).

Motivation also features prominently in Helge Klapper’s article, in which he examines the successes of Wikipedia in developing what essentially might be described as leadership without leaders (p25).

Understanding the role and importance of employee voice is crucial if meaningful two-way dialogue is to take place between leaders and followers. But much more than this, as Sofya Isaakyan explains (p28), giving voice to employees encourages problem solving and fosters innovation. The key is in managers’ learning how best to encourage employees to speak up.

As organisations adapt their operations and strategies in these unprecedented times, Taco Reus believes there is much to be learned from the often-complex processes involved in mergers and acquisitions, in which leaders must take on the multiple roles of sensemaker, sensegiver, direction giver and direction taker (p32).

We are sure you will find that these articles offer real-world relevancy and practical value and very much welcome your feedback. At the same time, if you would like to discuss any aspects of our leadership-related research, please do get in touch.
Taking the lead in leadership development

In discussion with the Erasmus Centre for Leadership

Although everyone knows that leadership is a crucial aspect of business success, there is still little academic consensus about what leadership skills consists of and how they should be taught. However, the directors of the Erasmus Centre for Leadership hope to change that.

Two missions

At the heart of the Centre’s purpose are two intertwined missions: first, to enhance RSM’s ability to train its students to be a force for positive change in the world; and second, to accelerate and integrate advances in scholarly work on leadership.

For this shift to happen, Hannes Leroy, executive director and co-founder of the Centre, explains that: ‘We are trying to get leadership development out of the more fluffy self-help realm where it typically resides into a more analytically driven curriculum.’

Although the Centre has only been open for 18 months, its directors say it has already generated a variety of new possibilities for education and research for the 13 faculty members affiliated with the Centre, their students, executives at local companies, and academic collaborators from all over the world.

RSM had long enjoyed a number of advantages as a home for leadership research, according to Leroy: a diverse international student body; close contact with outside companies; and ‘more leadership experts per square metre than any other leading business school’ – but before the Centre opened, RSM lacked an office to co-ordinate the development of its leadership studies.

“\textit{We know that leadership skills can be developed, but the research is scattered, and we are aiming for a more holistic and scientific research approach.}”

Verena Ohms, operational director, Erasmus Centre for Leadership
Taking the lead in leadership development (continued)

In discussion with the Erasmus Centre for Leadership

Not only is leadership education possible, Leroy believes that leadership could eventually become a certifiable skill. He argues that the insights organisational behaviour scholars have gleaned over the past 100 years and the current scientific approach to studying the components of leadership development are leading to a point where leadership skill could eventually become a recognised credential, like Six Sigma or a driver’s licence.

‘It’s going to be a long road, but I think an important one,’ said Leroy, who is working with an international consortium of leadership researchers from a number of business schools to come up with accreditation standards for leadership development.

A broad focus
The idea of leadership studies might conjure up a picture of earnest, grey-haired men sitting in boardrooms, but the Centre’s work actually takes its scholars and students into a surprising variety of places, from RSM artificial intelligence labs to the fjords of Norway. Centre scholars study a wide range of leadership-related issues, including leadership development, authenticity, identity-based leadership (which focuses on team building), leadership for innovation, sales leadership, and servant leadership, which emphasises the importance of ethical stewardship.

However, although they encourage scholars to take a variety of perspectives, the Centre’s directors want to make sure everything published by the group reflects the Centre’s commitment to deep, rigorous scholarship. ‘Leadership is often regarded as an art rather than a science but even art can be improved with rigorous analysis,’ Stam explained.

At the same time as the Centre’s scholars continue to work toward a tested leadership curriculum, they are also working on a variety of other projects focused on making leadership slightly easier, including:

• An app for measuring stress that monitors heart rate, to let executives know when they are calm enough to make a decision.

• Lessons on how to be your own executive coach. ‘Not only do we want people to learn the basics of leadership, but we also want them to be able to practice these skills on themselves. We want them to be able to tell themselves, “If I have a problem like this, I know how to analyse it,” and then go on to do so,’ said Leroy.

• Balance Track – an extracurricular course that covers the scientific basics of stress and teaches strategies for building a more resilient life.

• The Positive Change Project – an undergraduate volunteer programme, advised by the Leadership Centre, in which a group of students advise small NGOs on how to solve some of the problems they are facing.

• Nordic Leadership Expeditions – a week-long challenge that builds leadership skills on wilderness expeditions, navigating by both a real compass and RSM’s Leadership Compass tool, a system developed by RSM scholars to promote effective leadership.

• Port Executive Leadership Circle – an open programme for port executives developed by the Centre in collaboration with the Port of Rotterdam and the Erasmus Centre for Urban, Port and Transport Economics.

“Leadership is often regarded as an art rather than a science but even art can be improved with rigorous analysis.”

Daan Stam, professor of leadership for innovation
the business leaders most studied tended to be those with roles near the highest point of the pyramid.

The Centre is getting underway in an era when flat, team-based organisations and more robust leadership research are leading scholars of leadership to look more deeply into the mechanics of how individuals generally affect organisations, regardless of where they rank. Organisations that understand and implement leadership as a top-down practice might be missing opportunities to foster and benefit from bottom-up innovations and improvements. Centre scholars hope to achieve a rigorously data-based understanding of both the explicit and implicit ways in which leadership operates in organisations and affects members’ performance.

Between working with outside experts and their own evidence-based leadership research, Centre faculty members are gaining a much more nuanced understanding of leadership, one sophisticated enough to integrate the idea that different kinds of demeanours, for example, might be more or less useful in different circumstances. For instance, Stam notes that leaders have traditionally been encouraged to be loud and confident, but if you want to get more ideas out of your employees, this might be the wrong way to go about it.

An analytical approach to leadership is also being instilled among BSc students, through a course called Professional Development & Mentoring. In the course, Centre scholars train selected second and third year students to mentor first years, partly through workshops in which each first-year student receives personal attention and guidance from an older mentor.

The questions being asked go far beyond the tactical. Students in the MBA and Executive MBA leadership course, for example, are pushed to define their personal goals for their careers, and to keep asking themselves what is it they really care about. They are being asked to think about leadership ethics as well as strategies – about the where to and why, not just the how, according to Centre directors. First-year students learn goal-setting as well as how
to learn to work effectively and efficiently in teams—including remote teams.

‘Ultimately, what we are trying to do is prepare our students to be a force for positive change—whatever that might look like,’ said Stam. ‘To me, it’s about people becoming critical, heading into companies not just to make processes more efficient but to say, “this is all great, but why are we doing this in the first place?”’

Centre faculty members and graduate students are also working on projects that they hope will have some early practical application. Leroy, for example, works not only on studies about how to encourage leaders to share more of themselves at work, but also to find ways to communicate this authenticity to others without alienating team members, leading eventually to better performance. Similarly, Stam and Juan Pablo Madiedo, an assistant professor in the Department of Technology and Operations Management at RSM, with other collaborators, are investigating how best to handle situations in which a new leader is brought in to lead an established team; a stressful and often expensive situation for many companies.

Beyond the executive suite
In earlier times when leadership scholars focused more on the executive suite, such concerns might not have been top of mind, but that doesn’t worry those at RSM. ‘Leaders have a profound influence not only on organisational performance, but even more so on people’s lives,’ Stam said. ‘If improving leadership isn’t worth it, I don’t know what is.’

Leroy acknowledged that advancing leadership development and research is an audacious goal, but like any good leader, he doesn’t shy away from the task. ‘This might take us a couple of decades to get done but that doesn’t mean that it’s not worth pursuing,’ he said.

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‘Ultimately, what we are trying to do is prepare our students to be a force for positive change...”

Daan Stam, professor of leadership for innovation
In a groundbreaking 1970 essay in *The New York Times*, the late Chicago economist and Nobel Prize winner Milton Friedman spread a doctrine that has dominated the Anglo-Saxon business world ever since: that a company’s solitary purpose is to increase shareholder value. Friedman died in 2006, but his mantra did not — until now.

Around the world, companies are increasingly shunning shareholder primacy that has hitherto underpinned Western economics, often at the expense of other stakeholders. The new model is to create social and ecological as well as economic value, and to consider the impact of decisions — both positive and negative — on multiple stakeholders.

A new generation of responsible leaders is redefining the role of organisations in society. In 2019, the most powerful US corporate lobby, the Business Roundtable, jettisoned the Friedman model. Instead, the chief executives of 181 public companies pledged to care for the environment and create value for all stakeholders (customers, employees, suppliers and society at large).

Capitalism has to become more inclusive in order to survive. Maximising shareholder value might result in irreversible social, economic and ecological issues. A new vision is needed. There are many other stakeholders that contribute to the success of a business. Creating shared value is the new doctrine.

There are manifold symptoms that suggest we have reached the end of the industrial age. The extraction of natural resources over the last 200 years has led to unprecedented wealth (financial resources), but at the expense of other resources. It is leading to potentially irreversible damage to our environment and growing social inequality; hence it is not only about creating shared value, but also the distribution of it.

Meanwhile, we have seen the financial meltdown of 2008 that led to social disintegration and unrest, like the French gilets jaunes protests. The paradigms of the last century have increased economic inequality and undermined the relevance of capitalism in its current form.

**Sustainable future**

It is high time that the wealth accumulated over the last 200 years is redistributed and invested in creating a resilient society and the transition towards a sustainable future for the planet. The Netherlands has long been a leading environmental advocate and this is reflected in the sustainable business models of firms such as Philips, Unilever and DSM.

But corporations everywhere are keen to recast themselves as change-agents and be part of the solution rather than the cause of some of the biggest challenges of our times, such as the climate crisis. They are aligning their business models with the United Nations’ Sustainable Development Goals (SDGs) that span education, the environment...
and reduced inequality. Launched in 2016, the 17 goals are a roadmap to sustainable economic, social and environmental development.

Philips, for instance, has aligned itself to the sustainable development goals, most notably the third SDG (to ensure healthy lives and promote well-being). The company set the ambitious aim of improving three billion people’s lives each year by 2030, and its Foundation was set up in 2014 to improve access to healthcare in poorer nations, thereby reducing health inequality, among other things.

Business has a big role to play in addressing issues like the climate crisis, and they are increasingly using their vast wealth to address the big challenges the world is facing today. The burden of societal responsibility thus no longer rests on the shoulders of taxpayers or NGOs alone.

Acid test

However, the coronavirus crisis is something of an acid test for the earnest statements of intent made by corporations on becoming sustainable. There are concerns that putting purpose before profit will fall by the wayside when economies are on the brink. Indeed, companies are already cutting costs to solve liquidity problems and stay solvent.

Yet a return to shareholder capitalism as we know it would be a huge mistake and a missed opportunity to accelerate the transition to a new era. While the Paris Agreement and the SDGs have brought about positive change, some people believe it will be harder to reach those goals because of Covid-19.

However, the pandemic has actually raised their relevance. Indeed, the coronavirus crisis painfully amplifies the underlying weaknesses in society, even in advanced economies like the US.

The change in the role of a corporation is partly driven by a growing sense that profit and purpose can no longer exist in isolation: alignment will ensure success both now and in the future. Sustainability is a moral imperative, but there is a strong business case too. This was illustrated by the resilience of ethical investment funds in the earlier stages of the coronavirus pandemic, with more than half of them outperforming their benchmark in March and attracting inflows despite the uncertainties.

Sustainability can feel like a defensive mechanism, but there is a business opportunity in securing the long-term survival and prosperity of an organization, and doing so in harmony with all key stakeholders in the society in which it operates. Consider the local example of Unilever, the British-Dutch consumer goods company whose sustainable brands outperform the rest of the business and account for 75 per cent of the company’s annual growth.

“Leading with purpose means balancing financial, social and environmental development, and transforming the notion of value creation to incorporate every stakeholder.”
Developing responsible leaders

Meanwhile, the millennial generation has also contributed to the shift towards clean capitalism. There is upstream pressure from employees who are questioning their employers’ unsustainable business practices. Organisations that don’t change are shooting themselves in the metaphorical foot because the ability to attract and retain top talent is crucial to the survival of a company.

The same is true for business schools.

A new generation of conscientious students are pursuing careers outside of the usual lucrative banking and consulting industries. Instead, they are choosing jobs that have a positive and tangible impact on society, or are creating their own sustainable businesses.

This is reflected in the teaching at RSM, which is committed to being a force for positive change in the world. The Erasmus Centre for Leadership, for example, develops responsible future leaders and conducts research that helps unravel the mechanisms of effective leadership and leadership development. The Centre also facilitates leadership expeditions that get students out of their comfort zone and focusing on their authentic selves. Further, it has an advisory board that brings industry experience to academic expertise.

We have a duty to develop responsible leaders who consider more than just short-term shareholder value creation. Leading with purpose means balancing financial, social and environmental development, and transforming the notion of value creation to incorporate every stakeholder. Leading with purpose might involve trade-offs between these three key factors behind sustainable development, but marrying them all together is increasingly the mantra.

Responsible leaders take accountability for more than just the short-term financial results of their organisations. They see themselves as having an obligation to help society advance. Chief executives have a lot of influence and resources at their disposal that they can use to align the interests of multiple stakeholders around a common purpose. They put the collective interest above the individual interest, for instance, by speaking out on topics outside of their traditional domain, whether it be climate change, healthcare or inequality.

One standout example is Larry Fink, the head of BlackRock, the world’s largest investment firm, which manages some US$7 trillion of assets. In Fink’s influential annual letter to chief executives this year, he pledged that BlackRock would immediately stop investing in companies that pose a risk to sustainability, such as coal producers. He noted that climate change is an economic issue that affects house prices, insurance markets, productivity and food costs, and said it is having a growing impact on investment returns too.

The pivot to a more responsible form of capitalism requires new accounting tools that measure not just earnings, but also how income is generated. Many organisations have developed frameworks for measuring the triple bottom line, or assessing financial, social and environmental performance metrics. While companies need physical assets to run their operations, they rely just as much on the environment to provide resources, human capital to put it to good use, and society to give them a licence to function.

Companies need to look at the consequences of their decisions for all stakeholders, both positive and negative. Such a system of measurement has been developed by scholars at RSM, thus highlighting the practical application of research that is having an impact on the business world.

The challenge for leaders is navigating the myriad different metrics and standards for measuring the impact of their decisions. Business schools have a starring role to play in this, and in producing the next generation of responsible managers who lead with purpose.

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The problem is, however, that there’s often little or no empirical evidence to suggest that the programmes actually work. In fact, a study from consultants at McKinsey & Company found that most leadership programmes fail to achieve their aims. There is a booming leadership industry out there, but it’s often based on hunches. People invest tonnes of money, but if we are not careful, leadership development will be more of a feel good industry. We need to get more serious.

Indeed, the current Covid-19 fallout underscores the need for good leadership as the world becomes more complex and the economic crisis deepens. But leadership programmes are largely failing to meet this need. Leaders are not born: they are made. However, leadership development, in many cases, gets sucked into the self-help realm. Or it’s a nice perk employees have. Training and development is tax deductible, so a company will send you to a nice hotel with nice wine. These trips are often more about the context and the fluff around the training than the development itself. There is an air of escapology to it, where you reinforce the ideas people already had rather than guiding them through experimentation, so as to gain new perspectives.

**Tangible results**

RSM has sought to develop a leadership programme that is evidence-based and delivers tangible results. We want to really move the needle: to make people objectively better based on set criteria. There are so many leadership programmes that will not have that accountability.

In order to become more evidence-based, the leadership development industry needs development centres to assess the baseline capabilities of leaders and how they evolve over time. Evidence suggests that using this as a starting point for leadership development, via action-oriented learning with further assessment at the end, makes for the most effective programmes. While RSM is striving to live up to these high standards, it has a long way to go.

Leadership development is a big market opportunity, but there are competitive threats from new training providers and large organisations taking training in house. There is a growth in the number and variety of corporate training providers and consultants offering leadership development courses. However, RSM is accredited, which encourages more rigorous measurement of learning outcomes. For instance, the institution is one of just 1% of business schools worldwide to have achieved "triple crown" accreditation from three international awarding bodies.

We should be able to demonstrate that something has changed by making an assessment at the beginning and end of a programme. This goes far beyond industry-standard "smile sheets" that gauge participant sentiment at a basic level. Calls for data to measure leadership development are growing louder as the market expands and companies look to judge whether leaders have an
The School recognises that it has a responsibility to produce leaders who consider more than profit maximisation...

Leadership compass
RSM uses a ‘leadership compass’ based on a century of research into the competencies that are proven to make for effective leaders. These include being able to set realistic goals and maintain motivation (tasks, or the “what”); managing complexity well and being open to change (change, or the “why”); understanding impact on people (ethics, or the “how”); being able to connect well with others (relations, or the “who”). The competencies manifest in behaviour, such as a passion and ambition that inspire others, fairness and empathy.

The framework lends itself to producing responsible business leaders who care about a purpose as well as profit. Effective leadership means being a force for positive change. It’s not about creating the next Nelson Mandela or Gandhi; you can have a positive impact in whatever your role is.

This reflects RSM’s vision to become a force for positive change in the world. The School recognises that it has a responsibility to produce leaders who consider more than profit maximisation; they care about their impact on society and the environment too. This is reflected in students’ consultancy projects with non-profit organisations that are trying to change the world for the better. They cannot afford the talent that MBA students would otherwise bring to a big corporation.

The projects highlight key changes in leadership development, including action-based learning that tries to get executives out of their comfort zone. Meanwhile, there is an increasing use of practitioners who might have more experience in the boardroom than a classroom.

There is a debate about the benefit of this approach compared with using independent academics whose instruction is rooted in peer-reviewed research that is published not just in prestigious journals but can have an impact on the business world too. RSM sees a value in blending the relative merits of industry
Teaching ability is crucial in assessing the outcomes of a training programme. Giving and receiving feedback is an essential part of learning how to work with people and helps in creating alignment between seemingly disparate teams. This is vital for rallying an organisation behind a common purpose too.

In our programmes, leaders receive 360-degree feedback from faculty members and peers, including advice on what they think a person should "stop, start and continue" doing. This encourages participants to become more self-aware and handle difficult conversations at work. Feedback will help people to grow; it is essential for a leader to be able to take criticism well and to be able to change their behaviour. The process of measurement creates better leaders.

The approach underscores the importance of "soft skills" in leadership development, such as communication, collaboration and relationship building, alongside hard, technical abilities like number crunching. But while these "touchy feely" courses can build up participants’ resilience, they can lead to conflict too. We therefore stress the importance of creating a safe environment that encourages constructive feedback, which can take the sting out of the tail.

One way to do this would be to set up an alumni mentoring programme, especially for younger students. Graduates would give back to the school, making a positive impact, while everyone involved would gain practice in giving or receiving feedback on the students’ intended career goals. It could be a win-win.

We believe that RSM has a unique opportunity to help shape the views and approaches of future leaders before their habits are entrenched and harder to change. Our students are here for three or four years when they do their bachelor’s degree. It’s a fantastic opportunity to guide their development while they are still young and prepare them to become the next generation of leaders.

Engaging alumni, meanwhile, is important to encourage their lifelong learning. With the pace of change in business now so rapid, with people changing careers more often, living longer lives and retiring later, it seems unlikely that one or even two degree qualifications will suffice. We see the business school, potentially, as being a hub for up-to-date leadership development that alumni can call on throughout their entire career, not just at the start. This could help the school with its revenue too, guaranteeing customer loyalty.

Alumni could, for instance, go back to school at various points in their lives to top up their skills and knowledge, through an action-oriented, evidence-based leadership development programme.

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"...RSM has a unique opportunity to help shape the views and approaches of future leaders..."
Creating agents for positive change

The Erasmus Centre for Leadership (ECL) strives to create a knowledge hub for state-of-the-art leadership research, to help research outcomes make their way into RSM’s educational programmes, and to inspire the public to join the debate on leadership.

The ECL offers a platform by:

» Creating a common value proposition for leadership education at RSM driven by the current needs of business and underpinned by the latest scientific knowledge;

» Enabling business leaders to share their insights and experience with the Centre and to learn from each other;

» Providing business partners with expertise and support for leadership development so they can lead their organisations into the digital arena;

» Using business and scientific knowledge to provide excellent education to students so they can develop into agents of positive change;

» Develop tools, new procedures and programmes to provide life-long leadership education.

www.rsm.nl/leadership
Leadership: why many heads are better than one

By Folkert Mulder, Steffen Giessner and Max Caldas

Many heads are better than one, not just for large canines guarding the gates of Hades but also in the developing world of modern leadership, where the emergence of multiple leadership can be seen as very much a characteristic of our times.

As the Dutch Olympics field hockey team has demonstrated in recent years, appointing multiple leaders in a squad – each having clearly defined personal qualities and functional responsibilities – can deliver energy, cohesion and optimisation in a way that the traditional single leader approach simply cannot.

The experience of the Dutch team at the 2016 Summer Olympics in Rio de Janeiro represents the starting point for the change in approach that ended in embracing multiple leadership. Much had been expected of the team ahead of that tournament, but in the end they came fourth, after losing to neighbour Belgium at the semi-final stage.

It became clear early in the Rio tournament that the team was dysfunctional, and the appointment of a sole leader, a traditional captain, was a key part of the problem. To put it bluntly, the chosen captain did not enjoy the support of his teammates. The post-tournament response was to overhaul the squad leadership structure.

The decision was taken to change the system, and encourage leadership to emerge from the players themselves. There then followed several months of team gatherings and activities, which included training with the special forces of the Dutch army. During the bonding process, three leaders who enjoyed the support of the group merged organically and were in due course formally appointed.

One is very opinionated and not afraid of sharing his views. Another is a fine example of a sportsman who understands the red lines in processes, and will challenge those who do not do what they said they would do. The third understands grey areas, knows when to speak out and when to shut up, and gets on well with everyone.

The group has changed as older players have left and younger ones have joined, requiring further change in the leadership team to reflect the group identity. Two of the younger members have now also joined the leadership group and this process will continue as the group evolves.

All are involved in the leadership effort, sharing the workload, discussing what has been achieved in training sessions, and helping to set out future plans. They know it is the head coach’s job to make the necessary decisions, but the more they understand the underlying process the better.

Greater than the sum

Opinions matter, especially in a Dutch team, but there is a natural hierarchy for who communicates what and in what context. By letting leadership emerge organically from an already strong squad of top players, the team became greater than the sum of its parts. Having multiple leaders makes it easier for other squad members to connect.

Having multiple leaders also helps to distribute tasks and responsibility and to build social cohesion within the squad, without stifling the creativity that might make the difference between one team and the other in a closely fought encounter.

With the new multiple leadership regime in place, the Dutch men’s hockey team won the European championship in 2017, beating Belgium. In 2018, the team finished second in the hockey World Cup, losing in the final to Belgium, in a shoot-out.

While this can be seen as a setback for the longer-term project, it also serves to emphasise the need to keep developing true teamwork. In that respect, the postponement of the 2020 Summer Olympics in Tokyo to 2021 because of the coronavirus pandemic gives younger Dutch players an unexpected chance to grow into the team and a new leadership to emerge and establish itself.

Some who might not be quite ready this year to perform well in an Olympic Games, will almost certainly be ready by this time in 2021 – while an already ageing Belgium team ages that little bit more.

Driving the evolution

Many of the lessons learnt from studying leadership in the world of sport often translate readily into other fields of human activity.

A number of factors are driving the evolution of multiple leadership. These include higher levels of education, the
sustainable living, has adopted a structure based on having two chief executive officers, giving a strong signal that leadership in the organisation should be shared.

Amsterdam-headquartered global financial institution ING has in recent years adopted a team- and people-based approach to management and leadership. As it says in its own profile presentation: ‘We need to be agile, with short reporting lines and with the right people empowered to make important decisions quickly. We need to excel at attracting and keeping the talented people we need to get us where we want to be.’

Bart Schlatmann, the former chief operating officer of ING Netherlands who left the organisation in 2017 after 22 years with the group, said of the change: ‘We gave up traditional hierarchy, formal meetings, over-engineering, detailed planning, and excessive “input steering” in exchange for empowered teams, informal networks, and “output steering”. You need to look beyond your own industry and allow yourself to make mistakes and learn. The prize will be an organisation ready to face any challenge.’

It is not that everybody is the leader: there are still followers. However, that there is more than one head is both required and accepted; multiple leadership needs to be set up in an intelligent manner and monitored over time.

Indeed, a recent study exploring team leadership structure has revealed three important insights that should apply to business teams working in high interdependence and with strong motivation in competitive environments (similar to the context of the Dutch national hockey team):

- Where there is team complexity in terms of i) expertise within the team, ii) the size of the team and, iii) task complexity, multiple leadership is not only viable, but even a required option for a team leadership structure.
- Setting up team leadership needs a bottom-up approach combined with a top-down approach. Just appointing a leadership team without consultation of the team members is ineffective. The only way it works is to find out what leadership team might be accepted, how roles can be distributed, and whether the potential leaders are accepting their responsibilities.

What works in sport need not be confined to sport. We are already seeing some major corporate names in the Netherlands pushing beyond traditional leadership boundaries. Dutch science-based company DSM, which specialises in solutions for nutrition, health and growing complexity of problems being encountered and the gradual rise of the concept of multiple leadership.

A higher level of education in much of the world has had the beneficial side effect of delivering a broader spread of capabilities in many organisations. As a large number of people have become increasingly well equipped to challenge traditional hierarchical management structures, the very usefulness of such structures has come into question. Multiple leadership helps in the customisation of leadership to a specific time and context.

Collective responsibility in itself is not new, but multiple leadership, of which holacracy (a decentralised management and governance method in which decision-making and authority are distributed throughout the whole organisation) is arguably the most extreme variant used in some businesses. It is a relatively novel addition to the armoury of organisational tools and is an option that, we believe – working as a team within a team ourselves – deserves to be given serious consideration.

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“By letting leadership emerge organically from an already strong squad of top players, the team became greater than the sum of its parts.”
Team members change and situations change. As a consequence, a multiple leadership structure is not a fixed thing but rather a dynamic construction. Multiple leadership structures require ongoing mentoring and adjustments over time. It is hard work, but if managed well, it pays off.

Addressing complexity
The complexity of many modern problems is well illustrated by recent events surrounding the emergence and spread of the coronavirus known as Covid-19. Readers will need little reminder of how an outbreak of it in a remote town in China that most of us had never even heard of caused utter chaos as it moved in a westerly direction.

This will surely serve as a future case study in the application of different rules in different countries. Despite the claims often made by the most sincere supporters of the European Union as a long-term project in standardisation and harmonisation, Europe was not well enough prepared to tackle the problem as a united bloc. Effective leadership, for the most part, clearly went missing.

In some respects, the ongoing Covid-19 experience serves to underline the need for diversification of thinking, of heightened co-operation and greater alignment of the elected leaders of individual countries in acknowledging a major new challenge, addressing that new challenge and (we clearly must all hope) successfully solving the problems it has posed.

It’s winning that counts
Returning to sport, preparations are under way for the postponed Summer Olympics in Tokyo, despite the global isolation caused by the coronavirus pandemic.

Whatever Olympic idealists might believe, it is the winning that counts, not simply the taking part. Any leader worth their salt will want to progress as far as possible in any competition, if only on the grounds that if games or matches are taking place, someone has to be the winner and someone else the loser.

This notion is ingrained at the top level. Compromising and being nice will not win anyone a gold medal. But focusing on constantly improving performance very possibly will.

Doing one’s best is relatively easy. Raising the standard that represents one’s best is more of a challenge for individual team members and for their leaders. Multiple leadership has a central part to play in that constant, dynamic process.

Folkert Mulder is a management consultant specialising in facilitating organisational transformation and strategy redirection. He is part of the coaching staff of the Dutch men’s national field hockey team, and serves as a board member of the Erasmus Centre for Leadership.

Steffen R. Giessner is Professor of Organisational Behaviour and Change, and Chair of the Department of Organisation and Personnel Management, Rotterdam School of Management, Erasmus University.

Max Caldas is head coach of the Dutch men’s national field hockey team.

“The development and maintenance of multiple leadership and team functioning: a qualitative study of sports teams, working paper written by Folkert Mulder and Steffen R. Giessner.
Lonely at the top? Try the middle!

By Hodar Lam

A recent study finds middle managers who feel less powerful are often lonelier in their work than those who feel more so. This can have ramifications not only for individuals who feel unrecognised and alienated from those who employ them, but also for organisations themselves, particularly if the affected mid-level managers take out their frustrations in the workplace.

I first realised how lonely managers could be while working in the HR department of a large company. Every week, my supervisor scheduled an hour-long meeting for the two of us in which we would go over the progress we were making. Often, after dispatching our business in the first five or ten minutes, he would spend the rest of the hour talking about problems he was having in his work life and his personal life.

After a few of these sessions, I began to realise he was lonely and that he was using our meetings to alleviate some of his feeling of disconnection.

Toxic handlers

For professionals who spend a lot of their day with people, middle managers seem to be a surprisingly lonely group. Their experience is a good example of how loneliness, which is an emotion stemming from the discrepancy between expected and actual relationship quality, is different from objective conditions of isolation, ostracism, or a lack of social support. This is why mid-level managers can feel lonely without being alone at work: caught between superiors who tell them what strategy they should pursue and the teams they have to supervise, many feel they have no colleague with whom they can share their troubles.

Although they generally pay close attention to their superiors, they often feel they don’t get the same degree of attention in return and that their effort goes unrecognised; feelings that give them an even deeper sense of alienation.

To borrow the scholar Peter Frost’s term, these lonely middle managers are often “toxic handlers”, forced by their position to absorb negative emotions from others who are both above them and below them in the organisation.

Maybe that wasn’t the best way for him to handle his personal problems, but it did make me aware of loneliness as a major problem for middle managers. Later, after I started studying organisational behaviour at RSM, I looked further into this subject, and discovered that loneliness at work is very common: 11-50 per cent of all workers report that they feel lonely at work, and around 50 per cent of managers. Yet there is little in-depth knowledge or empirical evidence of the phenomenon, partly because unlike stress, loneliness is often stigmatised as a personal failing.

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Often, they don’t even realise that this is a root cause of their trouble; they see loneliness as almost part of the job, the price of authority.

It almost goes without saying that this has some important ramifications. For any individual, loneliness is bad. It can lead to emotional exhaustion, which in turn can cause sleep problems, a sharper temper, less ability to reason, and more difficulty exercising self-control. Such troubles are not desirable in any worker, but in a manager they might have even more serious ramifications, because that person is in a position to make things difficult for the rest of their team.

When lonely managers act out their frustration, they are in a position to trigger more workplace stress, limit employee creativity, inspire more unethical behaviour, and spur higher turnover. Among other things, earlier research on lonely managers suggested that they sometimes base hiring decisions
Lonely at the top? Try the middle! (continued)

By Hodar Lam

Our survey showed that their subjective power had led them to engage in self-disclosure, particularly to their superiors. Self-disclosure is more than just sharing – it is about sharing personal, sensitive information, such as one’s worries, setbacks, and sensitive personal facts. This conclusion remained after we statistically ruled out alternative explanations, such as the level of hierarchy and need to belong of our participants. We believe upward disclosures are highly valued, because being able to take the risk to do so signals trust, support, and attention from the person above.

Sharing with people down a rung or two, however, did not seem to have the same social-bonding effect, contrary to our initial hypothesis. Unlike my old boss, most managers who answered our survey reported they did not feel less lonely if they shared personal information with people who report to them.

Mid-level managers tend to internalise self-disclosure to followers as part of their leadership roles and responsibilities. Our theory is that they might interpret downward disclosure simply as fulfilling a responsibility, rather than providing intrinsic value and meaning to the relationship.

Coming in from the cold

These nuances in our findings give us hope that this loneliness can be reduced in ways that will make managers happier and the entire organisation more productive. Although our primary focus was mid-level management, these results can also be applied further up the ladder. The observation that it’s ‘lonely at the top’ might have some truth to it: upward disclosure is simply not viable in top management, thus reducing the opportunities to feel emotionally and socially connected.

problems. However, we also found that managers who believed they felt personally powerful enough to influence others for reasons that were not dependent on their official role, tended to feel much less isolated than managers at the same level who felt less personally powerful.

The question was why? My co-authors and I had a hypothesis that this difference depended on a somewhat circular dynamic: we believe that people who feel more powerful personally tend to reach out more through self-disclosure and this act of sharing makes them feel less lonely – a reverse mirror image of the pattern in which those who feel less powerful often withdraw, and feel more lonely.

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For professionals who spend a lot of their day with people, middle managers seem to be a surprisingly lonely group.

Who is lonely?

To better understand the dynamics of loneliness on the corporate ladder, my two PhD supervisors and I conducted a three-phase online survey of 200 mid-level British managers in 2017. The average age of the group was 36 and there were slightly more women than men.

The results of our survey confirmed that their loneliness is detrimental to the daily functioning of the lonely group in our sample, who suffered from emotional exhaustion, ego depletion and sleep

“Who is lonely?”

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The results of our survey confirmed that their loneliness is detrimental to the daily functioning of the lonely group in our sample, who suffered from emotional exhaustion, ego depletion and sleep...
While additional research should further clarify causes and possible cures of managerial loneliness, the results of our study suggest that there are already a number of things companies can do to make their lonely managers’ days less oppressive. By making a few minor and inexpensive changes, companies can encourage more upward sharing of personal information, reducing managerial loneliness and the expensive, painful consequences it can have on both the individual and the enterprise.

In particular, we think four measures could help make many managers feel closer to their organisation:

- Foster stronger ties between middle managers and senior managers. Structured mentoring programmes between people at different levels of the hierarchy can go a long way toward making people feel more at home.
- Encourage participation in larger organisation-wide conversations, giving managers a sense that they are part of the organisation.
- Give managers real decision-making powers. If our theory is correct and loneliness stems from a perception of personal powerlessness, more legitimate control should help both managers’ subjective feelings about their position and their effectiveness in it.
- Most of all, don’t accept loneliness as part of a business leader’s job description. Organisations should talk about loneliness more often, in open forums, internal communications, development programmes, etc.

Particularly in our present era of nearly flat organisations, it makes no sense for the company to acknowledge the isolation felt by employees as anything but a risk to mental health and a hindrance to productivity.

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1 Based on Saporito’s (2012) online article: https://hbr.org/2012/02/its-time-to-acknowledge-ceo-lo

This article draws its inspiration from the working paper Breaking free from loneliness at work: The role of subjective power and upward self-disclosure, written by Hodar Lam, Meir Shemla, and Steffen R. Giessner.
Employee motivation in times of organisational hardship

By Marius van Dijke

The phrase ‘new normal’ seems here to stay. Many countries are still in some form of lockdown, while others are loosening restrictions — all dependent on externally driven timelines, internally driven politics, and a host of known — and as yet unknown — variables. As countries deal with the crisis, companies and organisations across the globe have to make major decisions quickly. But in these challenging times, what of employees and their intrinsic motivation?

If companies make products, how can they remain viable in the face of drastically reduced consumer demand? If they provide services, how can they survive when their premises are shuttered? And if they are part of the fabric of our society — such as local, regional and national governmental organisations — how do they continue to function with stay-at-home orders?

Of course, employees face challenges of their own. Can they juggle working from home with the demands of family and home schooling? Have they been fired or furloughed? Or are they essential workers who now face a more demanding work environment than ever before?

Clearly, organisations and their employees must now deal with all of these factors. Some are proactive, some are reactive, and some seem frozen in place. But whatever approach organisations are taking, those working for them are feeling the effects. More than ever, organisations now depend on their employees to move beyond selfish self-interest to focus on collective well-being. However, a large component of this collective drive depends on a sense of perceived justice within the organisation. Unfortunately, research into organisations demonstrates that these factors can be severely compromised in times of change. Plainly put: in times of crisis, organisations find it difficult to be fair.

Defining fairness

Investigators in this area often divide the idea of “fairness” into various dimensions, with procedural fairness and interactional fairness being among the most prominent. Procedural fairness involves interactions between the organisation’s supervisors and employees. Do employees receive a voice in important decisions such as who gets promoted and who gets let go? And is the well-being of employees taken into account? Interactional fairness involves the information employees receive. Are they kept in the decision-making loop? Are they treated with dignity and respect?

Most organisations try their best to ensure procedural and interactional fairness. However, both of these types of fairness come under fire in times of major upheaval and change, and many organisations fail in this regard. How do their employees react? Some become passive and withdrawn. Others attempt some type of retaliation. And still others simply leave. All of these outcomes lead to negative effects for both employees and the organisation.

Maintaining motivation

This raises an important question: how do employees who perceive a lack of fairness maintain their motivation? Our work has looked at the power of nostalgia (a sentimental longing for the past) to maintain intrinsic motivation. Intrinsic motivation as defined within the context of organisations means active engagement in enjoyable and interesting work activities. This type of internally driven employee motivation is of vital importance to organisations — if their employees are happy, persistent, focused and...
personal resources they can rely on to get them through challenging times and situations – and reduced fairness. In other words, feelings of nostalgia can create a ‘reservoir’ of social connectedness that increases intrinsic motivation towards their daily work and maintains co-operative organisational behaviour.

Giving employees a voice
The cynical among us might feel that stimulating nostalgia is self-serving from the perspective of organisations. However, the beneficial effects are seen not just on an organisational level – they can include employee-specific coping mechanisms in times of organisation crisis.

Clearly, organisations of all types and sizes will need to look closely at their management styles and decision-making processes. A move towards central management usually results in decreased employee representation and lower perceived employee “voice”. A move towards decentralisation might increase employee voice, but might also reduce organisational cohesiveness.

This is playing out in a fascinating way in the USA, as national COVID-19 efforts collide with a wide variety of state-driven reactive approaches and timelines.

Harnessing nostalgia
As organisations move forward, a focus on stimulating nostalgia might help to maintain employee motivation. This doesn’t mean getting stuck in the past or moving backwards. It can involve symbols of a cherished past. Or perhaps a collective remembrance of momentous events in the organisation’s history.

"...a sense of nostalgia in the presence of low fairness can lead to increased intrinsic motivation with accompanying beneficial outcomes for the organisation."
Organisations depend on their employees working together towards a common set of goals. When external forces endanger these goals, organisations must do all they can to ensure that this sense of collective ambition is maintained throughout upheaval and change. Companies that harness the power of nostalgia will be in a better position to maintain their momentum until the "new normal" becomes our everyday working lives.

Marius van Dijke is Professor of Behavioural Ethics, Chair of the Department of Business-Society Management, and Scientific Director, Erasmus Centre of Behavioural Ethics.

This article draws its inspiration from the papers:


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"As organisations move forward, a focus on stimulating nostalgia might help to maintain employee motivation."
Leadership without leaders: learning from Wikipedia

By Helge Klapper

From preschool on, almost none of us like to be told what to do. For the most part, too much direction tends to take the fun out of a task. Sooner or later, however, most of us accept some degree of supervision as an inevitable and necessary part of achieving a larger institutional goal. Yet, unfortunately, hierarchical supervision doesn’t work all that well for most of us, particularly when the people in question are highly skilled, emotionally invested professionals.

A supervisor can order something done in a particular way, but often at the price of the employee’s engagement and creativity. Subordinates who don’t trust their superiors’ judgment will tend to disengage.

Many managers struggle to direct and supervise without crushing their employees’ motivation. More established firms can often partly offset the harmful effects of hierarchical supervision by giving employees bonuses and other financial incentives. However, this solution is not perfect, particularly for the most dedicated employees. A number of researchers have found that intrinsically motivated employees sometimes respond badly to financial incentives. There are also practical concerns: cash-strapped companies might lack sufficient resources to stoke their employees’ enthusiasm.

However, now that the success of more and more firms depends on the ability of highly engaged and creative teams, many managers are looking for a solution to this old problem that goes beyond that familiar cash-for-compliance trade-off.

Wikipedia is one enterprise that appears to have found a different way. Founded in 2001, it is now the third-most visited website in the world, according to the Ahrefs traffic monitoring service, with more than 2.2 billion visits every month. Websites with similar levels of traffic are routinely valued at billions of dollars.

Yet despite its scale, the non-profit online encyclopedia is written, edited, and run entirely by volunteers. In any given month, more than 130,000 volunteers are busy expanding and improving the site, which now contains 52 million articles in 309 languages. Those 130,000 writers are supervised by 1,000 administrators – also volunteers – who resolve problems and adjudicate editorial disputes as they arise.

In a traditional organisation, 1,000 administrators could not possibly supervise the work of 130,000 people (particularly given that they lack any of the usual carrots and sticks of corporate life) but this non-profit organisation has worked out a model that keeps the site growing and improving without alienating too many of its article writers.

How does Wikipedia do it? As an innovation management scholar with an interest in organisational design, I thought the answer to this question would be not only interesting in its own right, but also useful to managers looking for a way to maintain their employees’ enthusiasm while keeping them focused on achieving the firm’s larger goal.

Normally, it would be extremely difficult to understand the managerial dynamics of such a large enterprise as Wikipedia, but several aspects of its structure make it easier. First, all the work is entirely online and decentralised. Second, there is an extremely clear division between users who have additional rights, eg, restrict editing access to pages or block users, and those who don’t. Such distinctions don’t exist in many analogous organisations, such as crowd-sourced software groups. Finally, Wikipedia is a highly transparent entity.
Leadership without leaders: learning from Wikipedia

By Helge Klapper

Reviewing 642,916 article-discussion pages logged between 2002 and 2014 gave us an unusual opportunity to make a quantitative assessment of how this organisation’s unusual administrative process functions.

In order to investigate whether users appreciate the intervention by admins, ie, whether they “like being told what to do”, we calculate their monthly activity in terms of entries. The more they write, we argue, the more they are engaged and motivated. Then we check whether users increase or decrease their overall activity after they have been told by an admin what to do.

Specifically, we look at page restrictions. Here, admins can stop users from editing a page, because that page has been repeatedly vandalised or is very controversial (think of Donald Trumps’ Wikipedia page). So, if after being told to stop working on a page, users increase their effort on all other pages, we argue that this intervention increased their motivation. (Note: technically, it is a bit more complicated, as we use a difference-in-difference technique and compare the activities of the users who have experienced interventions with comparable users who have not.)

Winning factors

Our analysis uncovered a number of factors that have made Wikipedia’s restricted management system work. To begin with, the relationship between writers and admins is deliberately non-hierarchical. Founder Jimmy Wales and his co-founders designed the system in such a way that the admins take care of various editorial duties with respect
to the article but lack any direct power over the writer.

This division of authority is an important element in the Wikipedia system. A number of studies have shown that people often find this kind of lateral authority less demotivating to motivated workers than direct hierarchical authority.

However, the impact of their actions was less pronounced with experienced contributors. Our review of those pages found that writers who were newer to Wikipedia tended to be more receptive to the admin’s suggestions, particularly when the admin was an expert in a particular field. The longer writers had been involved, the less attention they paid.

Admin interventions tended to be better received when the authors perceived the admin as competent. People responded better when they saw the admin more as a neutral and capable arbitrator than as a traditional, hierarchical leader.

about how an article should be written, intervention by admins was highly appreciated. For example, the page on *Zwarte Piet* (“Black Pete”), the Dutch version of Santa’s helper, might become very controversial as editors try to describe the historic and current aspects of the tradition. An admin intervening here can be seen as very helpful, as they enable editors to focus on less problematic pages.

**Make your next move lateral**

Can an organisation co-ordinate and direct its employees without demotivating them? The experience of Wikipedia suggests it is possible, provided you restrict the authority of supervisors to enforcing mechanical standards and arbitrating decisions – and if those supervisors can exercise that authority on a lateral rather than a hierarchical basis; that is, through a focus on completing a task rather than on the performance of individuals.

Despite being obtained in the context of a not-for-profit entity, these results appear generalisable to many corporate settings where managerial authority is restricted in ways intended to help resolve co-ordination conflicts among intrinsically motivated staff – for example, in skunk works, in crowdsourcing processes, and in pressure groups. Our results suggest too that companies such as Zappos, the online shoe merchant, which operated for a long time as what leaders describe as a holocracy – a largely management-free organisation – might improve their efficiency by clarifying more of the decision rights of different team members’ roles.

For managers in an organisation with many largely autonomous and intrinsically motivated employees, the Wikipedia model might also be worth considering. Strategists trying to drive disruptive innovation might also want to look at this model, in order to predict the conditions under which an enterprise designed for the collective production of public goods might serve as a paradigm for management practices in private business.

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This article draws its inspiration from the paper *On the effects of authority on peer motivation: Learning from Wikipedia*, written by Helge Klapper and Markus Reitzig, and published in *Strategic Management Journal*, 2018;39:2178-2203. DOI: https://doi.org/10.1002/smj.2909

"For managers in an organisation with many largely autonomous and intrinsically motivated employees, the Wikipedia model might also be worth considering..."
Employee voice: an important dynamic in changing times

By Sofya Isaakyan

In these times of crisis, effective leadership has become especially critical and central to ensuring organisational strength. Now, more than ever, organisational leaders need to take concrete actions as they focus on three main areas.

First, they need to manage themselves. They need to accept that they cannot control everything, that they might not have all the information available, and that some answers might come slowly. Being resilient is key – the best managers in times of crisis can handle stress and are able to adapt quickly to changing situations. They constantly need to assess the situation, act, pause, and then re-assess the result of their actions on the situation to identify what has gone well and what needs to be changed.

Second, they need to manage external stakeholders such as suppliers, banks, other clients, and so on. They need to reach out proactively, sharing their ideas and concerns and hearing the other side. This is an opportunity to both help and ask for help, addressing challenges through a collaborative approach.

Finally, and probably most importantly, they need to manage their internal stakeholders: employees. They need to communicate to their employees what they know and what they don’t know. But two-way communication is equally critical. They must provide employees with opportunities to openly express their ideas, suggestions, and concerns. This article focuses on this often-neglected phenomenon of how employee voice behaviour can help managers succeed.

Most organisations should encourage employees to engage in “voice” – speaking up with constructive ideas, suggestions, or concerns with intent to bring positive changes. This is beneficial to organisations – it helps identify emerging issues and problems, it improves decision-making processes, and it fosters innovation. However, the COVID-19 virus has sent organisations spinning – forcing them to make hard decisions quickly in a complex atmosphere of ambiguity. Now, more than ever, employees are in danger of losing their “voice”.

“The idea of employee voice doesn’t occur in a vacuum. The relationship between employees and their managers can have a major influence on how managers react to voice.”

When managers don’t listen

The expression of work ideas can spur useful discussions, action planning, and problem solving. To work, however, these ideas must be heard, addressed, and implemented. But in many organisations, managers often react negatively to their employees’ input, ignoring the ideas they hear and carrying on with “business as usual”. They might reject ideas not for their inherent value but because of feeling threatened. Employees who challenge the status quo can be interpreted as voicing personal criticism. As a result, managers might perceive this voice as a challenge to their authority, credibility, and competence.

This happens every day across countless organisations. And it is unfortunate, because it leads to situations in which great ideas are buried, and in which employees who do not feel heard become demotivated and unwilling to speak up in the future.

Employees can choose to voice their ideas publicly, during a larger meeting with others present. Indeed, most organisational literature emphasises the importance of discussing ideas in groups of people with different perspectives. This allows employees to challenge each other, come up with a variety of suggestions and develop the best possible solutions. Employees can
have heard it too. The image management perspective, on the other hand, suggests that managers are more likely to feel that their competence is being questioned when employees speak up in public. As a result, they can react defensively and shut down the public voice. A series of studies we are currently conducting provides support for the image management perspective, and suggests that managers are indeed less likely to endorse public voice due to enhanced image concerns in public settings.

Relationship quality
The idea of employee voice doesn’t occur in a vacuum. The relationship between employees and their managers can have a major influence on how managers react to voice. If the employee and the manager have a “distant” relationship, the manager will usually be less likely to endorse an idea, especially if it is expressed in public. If the manager has a close, trusting relationship with the employee, they will give them the benefit of the doubt and see public voice from them as a benevolent attempt to bring positive changes. As a result, they will be more likely to endorse it.

But here’s the rub: employees who are more distant are more likely to have non-overlapping and unique perspectives vis-à-vis managers, but will also have fewer opportunities for private interactions with them. If managers are averse to public channels – often the only channel available for these relationally distant employees – they will miss out on important divergent opinions. Although this allows them to save face, these managers ultimately bring about dysfunctional organisational behaviour.

Voice and silence
When talking about voice, we should also address the phenomenon of silence. Until recently, organisational scholars have treated voice and silence as opposites: low voice must equal high silence, and vice versa. In fact, our latest research project shows that this is not true. The extent to which people speak up is independent from the extent to which people intentionally withhold ideas. In other words, an employee might frequently speak up with some ideas (high voice), while also withholding a lot of other ideas (high silence). At
Employee voice: an important dynamic in changing times (continued)

By Sofya Isaakyan

the other end of the scale, an employee might speak up infrequently (low voice) and at the same time not withhold any input (low silence), but only because they simply agree with the status quo.

Importantly, we found that two different mechanisms motivate voice and silence. The extent to which employees voice their ideas or concerns is primarily motivated by their level of perceived impact (i.e., a sense that their voice can bring positive changes). At the same time, the extent to which employees withhold their ideas or concerns is primarily motivated by their perceived level of psychological safety (i.e., a sense that their voice won’t lead to personal harm or negative repercussions). This means that organisations need to develop two systems: one that focuses on increasing voice and another that focuses on decreasing silence.

Beyond an open-door policy
To encourage voice, organisations should move beyond an “open-door” policy to an approach in which they actively increase employees’ sense of perceived impact. Managers should solicit employee input, and show them that they will act on this input if possible. Of course, the organisation doesn’t need to implement every idea. But employees must feel that their ideas will be taken seriously. To further instil a sense of impact, managers can highlight past employee ideas that have been addressed and implemented.

Managers should also actively increase a sense of psychological safety to reduce silence. This means creating an atmosphere in which nobody shouts down another employee or laughs at their ideas. Informal meetings work best here, where employees feel comfortable sharing their input and people are not afraid to make mistakes.

Organisations should also communicate the benefits of public voice to managers and explain to them that it is often productive for people to challenge each other publicly. This might encourage managers to endorse public voice without being overly concerned about how this might impact their image. And given that individuals with higher levels of leader identity are more likely to actively seek out opportunities to lead and advance their leadership skills, voice behaviour turns out to be a great trigger for leadership development.

Finally, employees should be aware that, when they do not share a close, trusting relationship with their manager, they might be more successful in gaining managerial endorsement by expressing their opinions or concerns in private rather than in public settings.

Leadership development
Speaking up can also have add-on organisational benefits down the line in terms of employee leadership development. Most organisations usually put employees through formal leadership development programmes. However, leadership development can also occur during on-the-job experiences. Building on the idea that acting like a leader can make you feel more like a leader, we have found that the more employees speak up, the more they view themselves as effective leaders. And given that individuals with higher levels of leader identity are more likely to actively seek out opportunities to lead and advance their leadership skills, voice behaviour turns out to be a great trigger for leadership development.

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“Speaking up can also have add-on organisational benefits down the line in terms of employee leadership development.”
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The importance of leadership throughout the M&A process

By Taco Reus

As the current global health crisis continues to unfold, it has become clear that organisations in nearly all industries and countries around the world need to change their operations and strategies, and change them rapidly. There are no precedents that come close to the kind of economic and societal change we are experiencing. But luckily there are organisational experiences that can provide insights into how to navigate through this period.

I think that research and managerial experiences in mergers and acquisitions (M&A) can be particularly useful because these events are among the most common and consequential examples of strategic transformation that companies go through.

Much analysis and due diligence goes into these events to make the best choices based on the facts and figures. Yet, decisions are inevitably made by individuals with biases, emotions and personalities affecting other individuals with similar biases, emotions and personalities. When considering M&A, success in large part depends on a leader’s ability to understand, recognise, screen, and attend to the hard facts and figures as well as these human factors that shape, and are shaped by, the transformation.

While focusing on the facts and figures can be difficult enough, the “softer” human factors of these major transformations are often misunderstood, not recognised, and as a result poorly screened and attended to, with very hard consequences for effective leadership throughout the M&A process.

The M&A process is a delicate, personal and interpersonal process that needs to be led through a variety of leadership roles. I would suggest there are three principal practical implications for managers and businesses. One, the identification and optimisation of these different leadership roles. Two, effectively timing the switching of roles. Three, being receptive to leadership from across the structural levels of the organisation, and from across fading and newly emerging organisational boundaries.

Different stages, changing roles

Leadership takes different forms at different stages of the M&A process: leaders are sensemakers, sensegivers, direction givers and direction takers. Excellence in all is essential.

As sensemakers, leaders need to interpret diverse elements of information originating from many different internal and external sources and stakeholders. This information processing is important to distil critical strategic questions, such as whether the decision to buy or sell is right, which target to select, what price to pay and how to integrate units. As sensegivers, leaders shape the interpretations that others have of the acquisition and influence the way they see the future combined firm. In rapid transformations, this sense-giving might require sense-breaking, involving the destruction or breaking down of meaning. As direction givers, leaders transform strategy into concrete action and courses of action. And lastly, as direction takers, leaders make it clear that they value and pursue the action and courses of action voiced by others.

Leaders as sensemakers

In the pre-deal stage, leaders need to take a central position in the interpretation of information, as sensemakers.

Much uncertainty and ambiguity surrounds acquisition decisions. While uncertainty can fairly easily be resolved by obtaining more information, ambiguity can actually grow with more information when it feeds diverse meanings.

In order to resolve ambiguity, leaders need to interpret and closely engage with highly complex and often contradictory information. It is therefore important that the leader takes an active role in this information gathering process. Biases pop up most viciously when leaders keep the information processing mostly at a distance, to a team of middle managers, analysts and consultants, without deeply engaging with the information itself.

While focusing on the facts and figures can be difficult enough, the “softer” human factors of these major transformations are often misunderstood, not recognised, and as a result poorly screened and attended to, with very hard consequences for effective leadership throughout the M&A process.

This requires an understanding of not only the financial and strategic qualities of a deal but also of the organisational, legal, social and psychological implications of the deal. With such deep understanding of the information, leaders can be better interpreters and can best make sense of the specific opportuni-
Diverse stakeholders need to be aligned to the motives and plans. This takes the form of inspiring and genuine construction of meaning in communication and negotiations.

Good sense-giving can only be effective if it is preceded by good sense-making. This is highly important because of the high levels of uncertainty and ambiguity, but also because of the bad reputation of M&As fuelled by widely publicised acquisitions in the past. The classic example here is Daimler’s acquisition of Chrysler in 1998; its US$35bn value making it the largest industrial merger in history at that time. The deal was done in a matter of months. Considering the size of the deal, this was sense-making on speed at best. Jurgen Schrempp, Daimler’s CEO at the time, could not resist the quick move to sense-giving. While he inspired various stakeholders, cracks in the story quickly showed – most vividly, he initially gave sense of the deal as a merger of equals but then showed a leadership takeover that was more akin to an invasion than to an alliance. The label “merger of equals” lost its meaning because of this deal.

Leaders as direction givers
Early in the post-deal phase, the leader needs to prioritise direction-giving. The role of information processing continues to be key. It is important to manage the intense levels of uncertainty that organisation members and other stakeholders are likely to experience. Organisation members, customers, shareholders and the media will look for leadership to give direction for the proposed transaction, and how promises of synergy potential will indeed translate into synergy realisations. Without justification and transparent direction-giving, the morale of organisational members will likely plummet. Effective leaders will take the opportunity to demonstrate through clear and genuine justifications that they have a thorough understanding of the target unit and its place in the newly combined firm.

Leaders as direction takers
Once the uncertainty and ambiguity of the early post-deal period is reduced, the role as direction giver diminishes; otherwise the leader risks becoming domineering or repetitive. Target managers might not expect to have a loud voice early on. Yet after some time they will expect it, and need it, to help realise synergies, identify unexpected opportunities, and fulfil their desire to play a role in the shared future of their newly combined firm. Leaders then need to be ready to switch gears to receive direction from others. Acquisition implementation success depends on key members across fading firm boundaries having a voice in the direction of the newly combined company.

“\textbf{The M&A process is a delicate, personal and interpersonal process that requires smart shifts in leadership roles.}”
The importance of leadership throughout the M&A process (continued)

By Taco Reus

“As shifts in emphasis occur at different levels and across former firm boundaries, organising the roll-out of these different forms of leadership is very difficult.”

An overall insight we take from researching a wide variety of large acquisitions, foreign deals, and acquired divested units, is that the process is greatly affected by the extent to which the direction of target managers is taken into consideration or not. Acquiring managers’ conscious or unconscious sense of superiority in terms of managerial styles and the need for direction-giving early on often constrains the ability of managers to become effective direction takers. Such dynamics destabilise organisations, and often weakens post-deal performance. Fortune comes more readily to the leader who is sensitive to the need to switch between giving and taking direction.

The challenge of switching
A great challenge of leadership is knowing when and how to switch between these different roles. It is tough because the different roles are driven by the distinct, even instinctively contradictory, activities of sense-making and sense-giving, and direction-giving and direction-taking — particularly because switching roles might be needed very quickly.

As shifts in emphasis occur at different levels and across former firm boundaries, organising the roll-out of these different forms of leadership is very difficult. The dark side is that leadership routines of one kind quickly run deep in terms of personal and interpersonal preferences and expectations, thus complicating switching roles. The bright side is that leaders can train for these roles and anticipate when they become more and less important.

In conclusion
As I noted at the start of this article, organisational transformations are likely because of the health crisis that has shaken the world in recent months. M&A activity has come to a grinding halt in the first half of 2020, and likely remains risky for some time to come, particularly because sense-making, for example through due diligence, is greatly constrained. A rebound is likely when wealthier buyers go shopping for good deals. Yet, if buyers and sellers aim to regain financial and organisational health, they need extraordinary sense-making, sense-giving, direction-giving, and direction-taking. Particularly in times of social distancing, constrained travel and limited communication channels, leaders, now more than ever, need to be innovative and collaborative in the ways they take on these roles.

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