

Inside the Mind

of the World Class Leader



by David H. Burnham
President and Founder,
Burnham Rosen Group



David H. Burnham, Founder and President of Burnham Rosen Group and the co-author of the McKinsey Award-winning Harvard Business Review article, “Power Is the Great Motivator,” revisits his collaboration with noted psychologist Dr. David C. McClelland. His follow-up research study results in the startling conclusion that the way outstanding leaders think about leading others has profoundly changed over the last 20 years. The current data shows that a new way of thinking is driving success in today’s complex organizational environment.

Inside the Mind of the World Class Leader

Through this article, we enter the mind of the world-class leader. We learn how “InterActive Leaders” consistently deliver top-quartile business results and high employee morale by changing their paradigm of leadership—leadership is not something we do to others, but something we do with others. Through this lens, leaders see the people they lead as the source of power and an ultimate font of ideas, solutions and possibilities. They realize that results do not energize people; rather, energized people drive results.

Successful organizations are built by effective leaders - leaders who produce outstanding results and high levels of morale. Are such leaders born or made? Is successful leadership a matter of personality, behavior or luck? Is the making of a leader mysterious or predictable? These questions have driven organizations to allocate time and money attempting to learn, for example, “Who will be successful in a particular position?” “How can a good individual contributor be successful on a team?” “How do we deal with a leader who is failing?”

Over the past several years, my colleagues and I have arrived at some new answers to these long-standing questions. Employing a leadership development methodology that has demonstrated an unparalleled rate of change¹, we have seen our clients sustain improvements in both business results and employee morale.

Working at senior to mid-levels in a wide range of organizations - financial services, pharmaceutical, fast moving consumer goods, high tech, consulting, publishing, defense, aerospace and non-profit - our development programs have resulted in better business performance and improved morale. This is because our approach is based on decades of empirical research on what really drives personal change.

What Really Accounts for Success?

More than twenty years ago I was hired by a leading toy company to improve sales. While the usual considerations of product mix, advertising strategies, etc. were all important in defining the possible change levers, company statistics made it clear that some sales managers were achieving greater market penetration and sales growth than others. So, my colleague, Harvard psychologist David C. McClelland, and I set out to discover if there was anything significantly different about those sales managers than their less effective counterparts.

It turned out that there was.

We found that what really distinguished top performing sales managers was not their behavior, but their inner motivation—the way they thought about leadership. These high performers held similar beliefs and attitudes about how to lead that subtly affected their behaviors and resulted in more favorable outcomes. In contrast, their less successful counterparts were motivated differently and held other beliefs and attitudes. And, although they behaved similarly, their results were only average. In other words, inner motivation was the critical, differentiating factor.

McClelland had previously proposed that individuals could dramatically change their business results by altering this inner motivation.² By administering a common assessment tool developed by Harvard’s Henry Murray,³ McClelland and I found that a concern with influence and influence relationships - what psychologists call the Power motive - characterized the inner motivation of these top sales managers. Furthermore, when we linked our finding to a theory developed by Abigail Stewart,⁴ we realized that a particular orientation of the Power motive

differentiated the successful sales managers. This Power orientation created leaders that were fair, just, and basically democratic in style, yet who ultimately viewed themselves as the font of power. We called these sales managers Institutional Leaders.

Now that we knew inner motivation accounts for success, we turned to the next question: How do we help those who are not making the grade? Using a methodology we call Thought→Action Training™, we taught a group of average performing sales managers to think like the Institutional Leader. As we reported one year later in *Power Is the Great Motivator*,⁵ two-thirds of those trained had significantly improved their teams' sales performance and employee morale. We concluded that it was possible not only to identify what a leader in a particular role required for success, but also how to enable average performers to achieve superior leadership results.

During the next decade, while working as a consultant to a wide variety of industries, I found that the Institutional Leader profile differentiated the successful from the less successful in numerous management and leadership roles. Once again, short-term training interventions resulted in measurable improvement in the performance and the morale of their direct reports for about two-thirds of managers in sales, production, distribution, marketing, and research and development.

However, beginning in the late 1980s, the data I continued to collect and analyze was beginning to show a new trend. The correlation between success (as measured by top quartile business performance and employee morale) and the Institutional Leader profile was falling. It became clear by the early 1990s that the Institutional Leader profile was, in many cases, no longer leading to the most successful outcomes.

Since the early '90s, I have collected data that strongly suggests the emergence of a new paradigm of successful leadership. This paradigm begins with an individual's inner motivation and is then reflected in his/her beliefs and attitudes. Finally, it is carried out in behavior. Leaders who exemplify this new paradigm produce outstanding business results and high morale in the organizations they lead. I call them InterActive Leaders.

Leadership Success in a More Predictable World

In order to understand the InterActive Leader, it may be useful to understand first the original research into leadership and the Institutional Leader.

From the 1950s through much of the '80s, the organizational environment had several distinct characteristics:

- People were primarily accountable for individual results.
- Shared responsibility, in all but the most avant-garde organizations, was virtually unknown.
- Theorists and management consultants urged organizations to provide individual performance feedback such as "Management by Objectives" (MBO).
- The separation within organizations as a result of functional "chimneys" meant that even senior managers were individually accountable for their functional results.
- Conflicts were to be resolved or negotiated upstairs, and everyone attempted to meet his/her own interests as much as possible.
- New products had long runs, and the rate of change was relatively slow.

In this environment, the key drivers were **efficiency, focus and order**.⁶

McClelland's original research in social motivation had identified at least three major motives: Achievement — the need to perform well at a given task; Affiliation — the need for friendship and close relationships; and Power — the need to be involved in influence and influence relationships.

Through much of the '80s then, the race was won by organizations that could harness and direct the short-term focused and task-oriented Achievement motive.

Among other factors affecting leadership style were these:

- Organizations were primarily male-dominated.
- Promotion was usually equated with some combination of seniority and performance.
- For the most part, continuous employment was reasonably assured and expected as long as the individual and the organization stayed within a set performance and behavioral range.
- Rewards of all types were typically tied to individual goal accomplishment.

The Institutional Leader predictably excelled under these conditions. He (for it was rarely a she) coached others to set individual goals that were directly in line with the arousal of the Achievement motive (i.e., goals that are specific and achievable yet challenging). He was fair and just both in distributing rewards and, when necessary, in administering punishment. He provided a charismatic, inspiring vision to those he managed, and a kind of order that made the long-term direction and future clear to all. As such, he was in a position to make decisions that he viewed as being in the best interest of accomplishing that vision. If those decisions were made fairly and within that context, no one really questioned them. In fact, employees would become upset when the leader appeared to vacillate or permit contradictory courses of action to occur.

The following beliefs and attitudes surfaced in interviews conducted with Institutional Leaders:

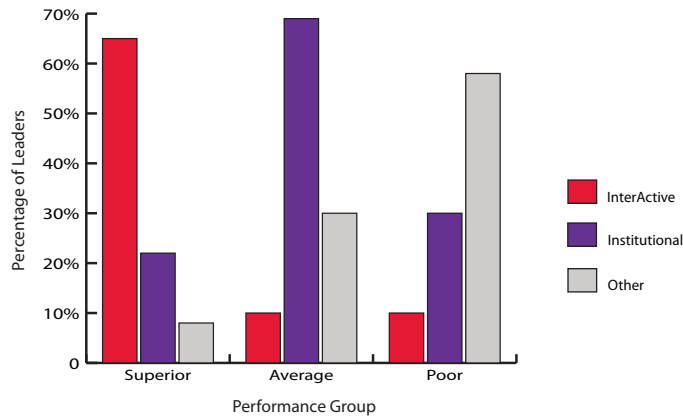
- "My job is to provide answers to others."
- "People need me."
- "Everyone needs a sense of order and certainty and it is my job to provide it."

Behaviorally, the Institutional Leader was perceived as interpersonally effective. He usually listened well, responded to people's stated and/or unstated concerns, made it clear he would listen to a well-reasoned argument and, if appropriate, change an action or decision. In short, he was not an authoritarian boss but an effective coach whose behaviors resulted in high employee morale and excellent performance through the individual arousal of Achievement motivation. As long as he continued to make the "right" decisions (i.e., those that were not later proven to be "wrong"), to produce a vision people could believe in, and to manage with a style that did not violate the norms and values of the prevailing culture, people could follow him. In fact, employees would even be eager to do so.

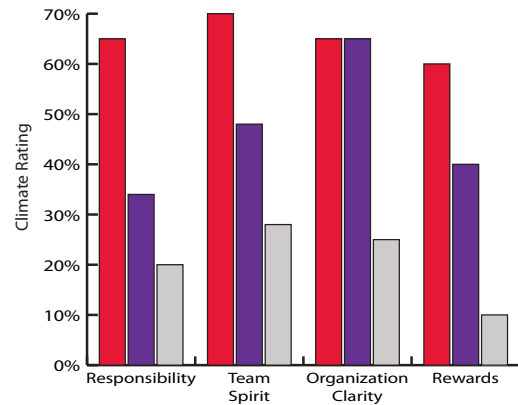
The key word here is "follow." The Institutional Leader was and is characterized by a commitment to the organization — a commitment he carries and exemplifies. He perceives it as his

The Data Speak

Motive and Performance



Leadership Profile and Morale



Teams led by InterActive Leaders are about twice as likely to deliver superior performance than teams led by any other type. In addition, team and organizational morale are directly affected by the motives of their leaders; teams led by InterActive Leaders have significantly higher morale. These patterns appear repeatedly in Burnham Rosen Group's research.

responsibility, even obligation, to do what is “right” for the organization. Of course, he is pleased when others support this goal, but ultimately this is not a responsibility he shares with his subordinates. Within his group, it is his assumed burden to carry the best interests of the organization.

InterActive Leadership Delivers Superior Performance

So in the current world, it seems that nearly twice as many leaders with the InterActive profile are achieving superior results than leaders with the Institutional or other profiles combined, as shown by the graph (above left).

In addition, the data indicate that the trend to InterActive Leadership is both widespread and generalized across industries. Upon removing from the sample those leaders in relatively stable industries (e.g. paper, steel, and coal) in which the rate of change is low (and the average age cohort quite high), the data become even more striking. Nearly 60% of superior performing groups are led by those with the InterActive Profile.

This data only measure business results attained by the leaders' groups, and clearly correlates inner motive and business results. However, the data alone cannot answer other significant questions: Do people find one type of leader better to work for than another? To what extent are people satisfied with their workplace as a function of performance?

Since employee morale is an essential element of successful organizations, I addressed these questions using the measure of Organizational Climate as developed by George Litwin and Robert Stringer at Harvard Business School, one that David McClelland and I also used to assess employee morale in our earlier research study. All direct reports of the leaders in my sample were asked to complete questionnaires about their perception of the climate. The results were then correlated with both their leaders' profiles and group performance. Again, some

dimensions of the survey revealed no significant difference between perceptions, but those that did are shown in the graph (above right).

When we compared groups by leader's profiles, it was clear that the InterActive Leaders were producing higher employee morale. The Rewards dimension measures the extent to which people perceive they are fairly recognized and rewarded for their contribution; it does not directly measure the individual's perception of his/her compensation. A score at the 60th percentile is very high against the norms established for the instrument, especially when compared to the results of Institutional Leaders (40%) and Other Motivations (10%). Team Spirit (defined as pride in being part of a well functioning team) and Responsibility (defined as perceiving that the individual holds personal responsibility for achieving results) showed similar trends. Only in Organizational Clarity (defined as perceiving clarity in the direction in which the group is headed) did the Institutional Leader produce a score equal to that of the InterActive Leader.

As an interesting aside, when data are grouped by business results rather than leader profiles, they become less significant. One possible interpretation is that people's sense of job satisfaction comes not so much from results attained, but from how they perceive their contribution to the overall effort, including their sense of whether or not they are 'seen' and valued. It is clear from the chart that people in groups led by InterActive Leaders consider themselves valued. If morale were the only criterion for success, I can state with some certainty that, at least for now, the InterActive Leader is a “hands down” winner.

The conclusion seems clear: given the superior business results that InterActive Leaders are attaining, all leaders and their organizations should aspire to InterActive Leadership, and should train and mentor new leaders accordingly. The question then becomes: “Is it possible for individuals to change?”

Top Quartile Results Today

The InterActive Leader



Most of the description of the Institutional Leader still rings true with leaders today. In fact, my research shows that many of them reported very similar beliefs and values, and many led groups whose results were considered acceptable to their organizations.

However, business leaders are well aware of the wide gap between “acceptable” and “outstanding” performance; this gap can be crucial in competitively distinguishing the winners from the also-rans.

For example, in the financial services and investment management industry, “outstanding” is commonly defined as being consistently in the top-quartile of investment performance. In manufacturing, production excellence is measured against time, quality and cost benchmarks. In most line positions, quantitative excellence is usually both measurable and trackable.

For leadership, qualitative benchmarks are equally important. Measures of employee morale, when designed and administered

correctly, cross-validate with quantitative measures of business performance. They can also indicate sustained motivation to work toward goals. In the 1990s, I replicated and extended the research study that David McClelland and I conducted two decades earlier. During a five-year period, I tracked the quantitative and qualitative performance of 140 leaders in

18 multinational organizations representing 8 industries. Of the 140 subjects, 70 fell squarely in the average or acceptable range of performance, and 70 qualified as consistently outstanding performers.

The results of the research were striking. Outstanding performers continue to be strong in the Power motive but, unlike average performers, their orientation towards Power has changed. In the 1970s, the Institutional Leader saw him/her self as the source of power. In other words, “Leadership is something I do to others.” The new data from the follow-up research clearly indicate a significant change has taken place. The new InterActive Leader derives his/her power from others: the team, group or organization he/she leads. From this perspective, “Leadership is something I do *with* others.” This change in orientation has profound implications on the beliefs and assumptions that motivate and drive a leader’s behaviors. The case example in this article may help to illustrate the nature and significance of this essential difference.

Training InterActive Leaders

Old dogs may be hard to teach, but leaders are not.

As of this writing, my colleagues and I have had great success with people at all levels of leadership. In the past two years, we have trained over 1,000 senior to mid-level leaders in a wide variety of organizations. Our findings confirm at least a two-thirds change rate amongst participants. More importantly, the people with whom they work report noticeable improvement in these leaders’ business results and employee morale.

We have designed a short, intensive, three-day workshop with follow-up coaching targeted at enabling participants to think like the InterActive Leader. The empirical research behind our approach makes a powerful case for change. Experiential exercises and simulations help leaders learn how their thoughts drive current actions/outcomes. Finally, our Leadership Assessment and individual coaching gives leaders the ability to make specific changes based on a new and heightened degree of self-awareness.

How does this training produce so much so quickly? Because we work with people at the level of motives, rather than behavior.

Unfortunately for both the businesses and the individuals involved, much current leadership training is only at the behavioral level and does not address the deeper, inner motivation. Worse, behavioral training may feel good to the participants as well as the organizations that sponsor it. Research into the actual impact of these efforts⁷ often shows that untrained (control) groups do as well as trained groups. So the cost-benefit ratio of behavioral training may actually be negative; it can serve as a placebo to compensate for the lack of attention to really developing leaders, but the effects are almost always short

lived. “Acting like” a leader rarely produces real and lasting improvement in business results.

David McClelland first addressed the idea of altering inner motivation to produce new outcomes in his 1965 article, *Can Achievement Motivation Be Developed?* Drawing on his research into the Achievement motive and its correlation with success in small businesses, McClelland postulated that if entrepreneurs could be trained to think like Achievement motivated individuals, they should become significantly more successful in growing their businesses. In a series of experiments throughout the ‘60s and ‘70s, small business owners and managers were trained in the Thought→Action Sequence™ of motivation. Control groups were established so the data could be tracked against non-trained groups and/or against groups trained in the standard curricula for small business management. The results were compelling. Two-thirds of those trained went on to develop their businesses significantly and positively as measured by growth in revenues, employment, and profitability. The control groups’ performance varied. However, even in the best comparable group, only one-third came close to matching the performance attained by those trained in Achievement motivation. In short, the training doubled the success rate.

In the 1970s, once we had determined that the Institutional Leader profile was strongly correlated with successful business results, we designed a training program to enable managers to develop the associative Thought→Action Sequence™. As we reported in *Power Is the Great Motivator*, McClelland and I again demonstrated that two-thirds of trained managers substantially increased business results and employee morale after training. Other related research in the effectiveness of what has come to be known as “motive training” indicates that similar results can routinely be achieved by short-term training

The Emergence of the InterActive Leader

The weight of history gives us the image of the “top-down,” command-and-control leader: among the military, the captains of industry, the patriarch. The emergence of InterActive leadership as the successful model has been dramatic. What accounts for so great, and so rapid, a change? Many social, psychological, technological, and economic trends have converged more or less simultaneously to demand it.

Jobs today require more complex collaborative efforts in order to succeed. Achievement motivation, which is satisfied by individual work, frequent quantitative performance feedback, incremental improvement, and effort, is increasingly maladaptive to such demands. Achievement-motivated individuals, as McClelland’s research has repeatedly demonstrated, do not require a meaningful sense of purpose to be energized to act. They require goals that are challenging, yet

are achievable through an individual’s efforts and are under his or her own control.

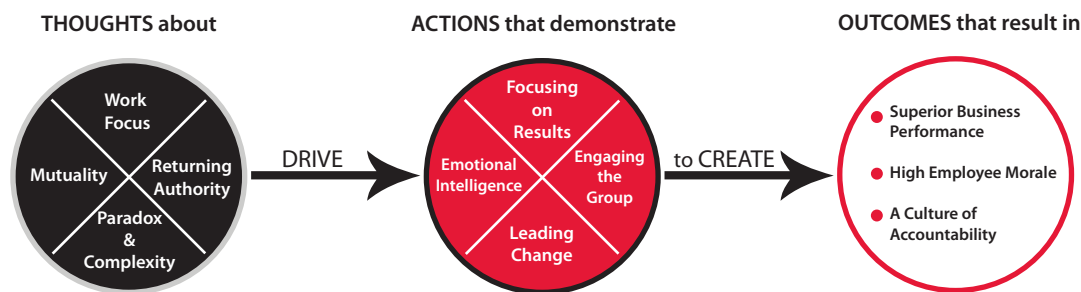
Even sales jobs, the classic role for an Achievement-motivated individual, often do not fit these requirements today. Computer and software system sales, for example, require a team of experts working collaboratively with each other and the prospective customer.

Change has accelerated—the fact that this is clichéd makes it no less true. In today’s hyper-competitive business environment, expertise lasts nanoseconds before something new appears on the horizon. As a result, only well-integrated teams can effectively handle the sheer mass of information and complex problem solving.

Further, although many still crave the “all-knowing, all-seeing” leader model,

beware the leader who attempts to fill those shoes and then stumbles. Those who ask for “strong and decisive leadership” are the first to cry for the leader’s blood! Few of the baby-boomers, later gen-Xers, and fewer still of women and minorities bring with them the assumptions of the old-style hero model of leadership (even when it is dressed up in new democratic clothing).

In addition, information has become widely dispersed and readily, instantly accessible. So managers can no longer credibly plead that they alone have the information necessary to make decisions. For all these reasons, the age of the Institutional Leader is drawing to a close. Organizations that have recognized this are moving towards structures that are more team-based, collaborative, non-hierarchical, cross-functional, and flexible. To succeed, leaders themselves must mature.



interventions, provided that the training is targeted at developing the full range of the thought pattern (motive).

The success of training individuals to address their underlying inner motivation lies in its depth. This approach does not attempt to change individuals’ behavior; that happens after the training. Rather, we enable individuals to learn new ways of thinking about their jobs by testing and re-shaping their beliefs and assumptions. Thus, the basis is created for lasting, meaningful change.

In my research study, I have identified the competencies of the InterActive Leader in the form of the Thought→Action Sequence™ that defines this profile. Briefly, the thought pattern of InterActive Leadership falls into four categories:

Work Focus: InterActive Leaders psychologically prepare for work by continually thinking about planning and modifying their plans based on the outcomes that are generated. In addition, they bring a high level of pride in work.

Mutuality involves seeing others as equals whether or not they are positionally above or below you. This involves a high degree of empathy and authenticity.

Paradox and Complexity: This is the emotional maturity to tolerate ambiguity until the right answer emerges versus forcing things with quick, decisive (and often misinformed) action. This category involves impulse control and self-knowledge.

Returning Authority to Others: InterActive Leaders think about who the appropriate decision maker is in each situation. More than delegation, it is accurately identifying who wants to be involved and who will bring ownership and pride to making sure the issue is addressed effectively.

By developing these thought patterns in the leaders we train, and then coaching them to continue producing these thoughts in action in the workplace, we have demonstrated, over time and in a wide range of circumstance, that InterActive Leaders are not necessarily born, nor are they only a product of luck, personality, or magic. InterActive Leaders can indeed be made, made cost-effectively, and made to last.

We have also shown that by promoting and developing InterActive Leaders, organizations build a business environment of enhanced employee morale and superior results.

How InterActive Leaders Excel: A Case Study

Michael was an Institutional Leader at one of the plants of a major fresh foods processor. Jill, his peer, was an InterActive Leader. Both of these plant managers had recently taken over facilities that were not particularly effective at achieving company goals and were well below industry benchmarks. Both were determined that their respective plants would not only succeed, but would surpass company benchmarks – a real stretch goal.

While both were considered hard-working, “competent” managers, their results diverged sharply over time. After one year, Jill’s plant’s performance levels and employee morale had increased by roughly the same amount as Michael’s. However, years two and three saw Jill’s plant surge ahead dramatically in terms of unit costs, profitability, meeting delivery deadlines, and employee morale.

What differentiated them? Institutional vs. InterActive leadership.

Michael quickly announced a vision for his plant to become the company’s highest performer; the standard, he announced, would

be measured in terms of customer satisfaction, product quality, on-time delivery, and the lowest unit cost. His mission was to provide the highest quality fresh food to the consumer at the lowest possible cost. Michael then convened his management group and gained their endorsement for his vision and mission. He enthusiastically and personally talked with small groups of workers throughout the plant and solicited their input on how to achieve his goals. He freely acknowledged that the plant was now a long way from the new ideal.

Michael led subgroups of his management team – augmented by a cross-functional slice of workers throughout the plant – to identify options for improving customer satisfaction and product quality, meeting delivery deadlines, and lowering unit costs. Performance data were gathered, tracked, and widely disseminated. Options were analyzed and chosen, with strong guidance from Michael as well as broad involvement throughout the process from all levels of plant personnel. Individual responsibilities were identified and, for each change in the overall process, an individual was held personally accountable for achieving the desired results.

In the year following Michael’s appointment as manager, plant performance went from well below to slightly above average, and individuals throughout the plant reported increased job satisfaction. Michael had clearly improved both performance and satisfaction through the assignment of individual responsibilities and accountabilities, and the frequent and wide dissemination of performance feedback. As consistent with our earlier research, he had aroused and reinforced the Achievement motive—the individual’s desire to do better. Two years later, Michael’s plant was still performing at or slightly better than the norm. Although a clear improvement, it was not the

highly successful result that leaders who behaved as Michael did would have achieved in the ‘70s and ‘80s.

Jill’s plant (let’s call it Essex) began at a similar, low performance level.

Jill’s approach differed from Michael’s in some crucial ways. She did not develop a personal vision and a mission for her plant. Instead, she brought groups of people together and asked them the following questions: What was their purpose in working at Essex? Why were they there? What did they hope they and their co-workers could accomplish together and be proud of? She readily acknowledged that she had no predetermined answers to these questions, but emphasized that they needed to shape them together to arrive at something that was meaningful to as many as possible.

During a period of several weeks, she and her management group collected input from virtually everyone at Essex. After long hours of debate, they shaped what they referred to as a “statement of purpose.” It reads: “We are committed to providing our customers with fresh foods that they truly *want* (their emphasis), and are made of the healthiest possible ingredients at the highest possible standards of quality.” For the most part, this stated “purpose” was not very different from Michael’s vision and mission. Nevertheless, the essential difference was that Michael emphasized the lowering of unit costs whereas Jill ignored financial criteria altogether. The process however, was very different. In Michael’s plant, involvement began after he, the leader, established direction. After all, it was ultimately his vision and mission even though he actively sought to establish buy-in and collect input. Jill did not attempt to set direction; rather, she initiated a process in which everyone would contribute to or be directly involved in setting the plant’s direction.

Another essential difference showed in Michael and Jill’s definitions of the leadership role. Michael assumed that if people could not come to agreement within some reasonable period of time (usually assessed by Michael), then it was his role as leader to provide clarity and direction. So, even though he wanted to arrive at decisions acceptable to everyone, he would intervene fairly often to resolve differences. On the other hand, Jill believed her role as leader was to ensure that differences were surfaced and the group found ways to deal with them to their satisfaction. She believed it was rarely her role to resolve differences. In fact, Jill reported in an interview that her “failure” experiences as a leader were those in which she had acted to decide. She viewed such action as producing short-term comfort for some and long-term dissatisfaction for others, while simultaneously reinforcing the mindset that only the leader holds the responsibility for the overall success of the group.

Instead, Jill insisted that the group keep differences on the table until everyone agreed upon an answer or a way to deal with any difficulty. Essex’s statement of purpose reflected this



leadership approach. One group argued strongly that since Essex shipped only to supermarkets and had no marketing and sales (those functions were located in corporate), the phrase “that their customers truly want” would be beyond their control to assess or monitor, and inconsistent with the definition of their business as a production unit. Others argued that the purpose of food preparation was not solely for the monetary benefit of the supermarket’s employees or shareholders. Food was necessary to sustain people’s health and vitality, and to give them pleasure. Therefore, the statement was a critical definition of what constituted real pride in Essex’s production. One group or the other was ultimately going to cave in, and both looked to Jill to decide.

Jill responded by saying that she was not sure which group was correct. She agreed with the first group that the plant did not know and had no direct measurement of what the ultimate consumer wanted. She also agreed with the second group that if they could not find real meaning in the plant’s sense of purpose, working for Essex would be just a job and no one really wanted to spend his/her life punching a clock. She pointed out two criteria that had to be met for the group to succeed. First, their purpose had to be attainable. That is, it had to be under their direct control or indirect influence. Second, the purpose must be genuinely meaningful to a broad cross-section of plant employees. With these in mind, the group returned to work. Eventually, they identified that they could use their broad range of contacts with their supermarket customers and colleagues in corporate marketing to monitor customer response and preferences. In this manner, they would achieve a fair degree of influence on making their purpose (manufacturing products that their customers truly want) a reality. This breakthrough enabled the group to “close” tentatively on the issue at hand.

Jill did not stop there. She gained consensus from the group that before final closure on an agreed-upon purpose, each member would present the purpose to every employee and get his/her feedback. Assignments were duly made, and the group agreed to report back in a week to decide upon the next move. Upon reconvening, they presented lengthy reports and had extended discussions before closing on a statement of purpose. Obviously, this process took considerable time. Michael would have found it inefficient and ineffective, an opinion also held by many of Jill’s subordinates. However, while Michael’s plant

appeared to be well on the road to implementing change, he had not addressed any of the long-term problems. On the other hand, Essex now had a shared sense of purpose that belonged to nearly everyone.

We can easily contrast Jill’s and Michael’s approach to leadership. She trusted that the group could, would, and must craft some meaningful sense of direction in order to succeed. Her role as a leader was not to provide the answer but the framework and the will to lead them there. What happened next was equally telling. She posed these questions to the entire organization: What must happen to achieve this purpose? How will we know if we are doing so? As Michael did, Jill involved people throughout the plant; unlike Michael, she did not heavily guide the process or seek to arrive at one “right” answer or plan.

Essex began experimenting with various ways to serve their direct customers and the ultimate consumer more effectively. Jill kept everyone informed about these experiments as she encouraged people to try new things constantly. She frequently emphasized that the only failure is in not trying at all rather than trying and not succeeding. By the second year, Essex had evolved into a high-performance laboratory of collaborative effort towards achieving the shared purpose. Corporate marketing, viewing Essex as a natural ally and a place to try product innovations, began channeling most of its new efforts through the plant. Customers responded favorably and Essex products’ shelf space expanded as demand grew. Essex was the most successful of the company’s plants by the end of the third year of Jill’s leadership.

This example illustrates several essential differences between the two managers, the most important of which is the shift in the source of power. Michael represents the old style leader who is, right or wrong, the source of power. Jill is the new style leader who has matured toward relinquishing some power to the collective wisdom of the group. ✱

About Burnham Rosen Group

Burnham Rosen Group is dedicated to developing and supporting world-class leadership and superior performance within organizations around the world. Founded in 1995 by David H. Burnham, BRG applies the scientific discipline of empirical research to the art of leadership development, culture change, and talent management.

The BRG team combines decades of in-depth leadership benchmarking expertise and a solid record of implementing strategic change with major organizations around the globe, helping leaders to produce world-class business results, improve employee morale and create a culture of accountability in their own organizations.

For More Information

To learn more about Burnham Rosen Group's research or to discuss how BRG can help your organization deliver superior performance, contact Burnham Rosen Group at:

US Office:
88 Broad Street
Boston, Massachusetts
02110
United States of America
+1.617.350.6100

UK Office:
Willow Tree Cottage
Ashampstead, Berkshire
RG8 8RA
United Kingdom
+44 (0) 1635 201958

www.burnhamrosen.com

How Superior Leaders Have Changed

	Late 20th Century	21st Century
Motivation	I influence you Self → Other	We influence each other Other ↔ Other
	People need me	We need each other
	I must provide answers	We don't need to know all the answers
Beliefs	I must set the direction	The group must set the direction
	I must create certainty about the right course of action	The group must learn to be flexible and to manage paradox
	I must decide what is right and always be fair and consistent	The group must decide what is right
	Information is power. Use it strategically	Information is power. Disperse it widely
Actions	Provide vision	Co-create and share purpose
	Direct others skillfully	Strive for mutuality
	Coach and cheerlead	Stimulate questioning and dialogue
	Make decisions	Share decision-making with others
	When people can't agree, the leader decides	When people can't agree, the leader makes it mandatory they find agreement
	Leads by consensus, but is ultimately in charge	Leads by consensus and insists the group take charge

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² McClelland, David C. (1965, Nov-Dec). Achievement motivation can be developed. *Harvard Business Review*, 6-25.

³ The Thematic Apperception Test, Henry Murray.

⁴ As reported in McClelland, David C. (1975). *Power: The inner experience*. New York: Irvington Publishers.

⁵ McClelland, David C. & Burnham, David H. (1976). Power is the great motivator. *Harvard Business Review*, 54(2), 100-110.

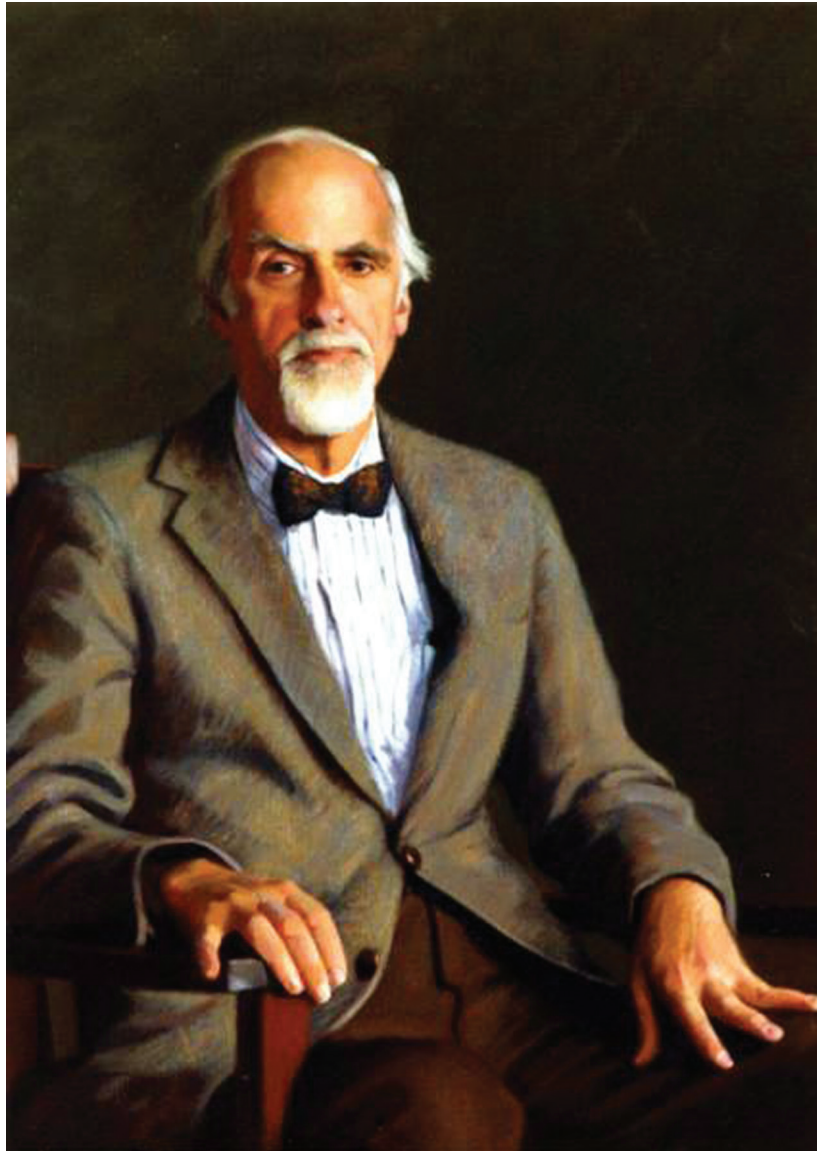
⁶ Defined as a related series of thoughts and feelings which lead to predictable responses to situations.

⁷ Goleman, Daniel. (1998). *Working with emotional intelligence*. New York: Bantam Books.



BURNHAM ROSEN GROUP

The Science of Superior Performance



David C. McClelland
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