

The Leader

Four years ago, the U.S. Army published a manual on leadership with three words imprinted on the cover: “Be—Know—Do.” References to that manual on leadership Web sites brought a flood of calls and e-mails from people who felt the U.S. Army had developed the perfect shorthand phrase to describe the concept.

“Ten years ago, that wouldn’t have happened. These days, people are hungry for meaning and significance,” says Frances Hesselbein, chairman of the board of governors of the Leader to Leader Institute, formerly the Peter Drucker Foundation for Nonprofit Management, New York City. Her own definition of leadership is even simpler: “It’s a matter of how to *be*, not how to *do*. We may spend much of our lives learning how to do and teaching others how to do it, yet in the end it is the quality and character of the leaders that determine the performance, the results.”

Teaching potential CEOs not only how to do, but how to be, has become the challenge of business schools as they determine how to coax their students into developing the practical and ethical frameworks that will enable them to be leaders. The increasingly urgent focus on leadership has partly been a byproduct of corporate scandals and partly a response to a cry for leadership from the business community.

“About 20 years ago, business schools became more focused on teaching technical skills, and these hard skills began to crowd out softer skills,” says Richard E. Sorensen, dean of the Pamplin College of Business at Virginia Tech in Blacksburg. “Then businesses started to say, ‘Hey, your graduates have great tech skills, but they can’t lead different types of task forces.’ Some of them also couldn’t run a meeting, communicate with people, or get teams to agree to common goals.”

To create students with those abilities, more and more schools have put leadership skills at the heart of a business degree. Since 1992, all MBA students at the University of Pennsylvania’s Wharton School in Philadelphia have been required to take a leadership course in their first year. “The underlying premise was that companies that hire our students want them to come out of the program having acquired all the skills that define great leadership,” says Michael Useem,

professor of management and director of the Center of Change and Leadership at Wharton.

Sorensen expects leadership eventually to become as important as technical skills at b-schools. That’s certainly true at Virginia Tech, which has made an emphasis on leadership almost as high a priority as its emphasis on the IT skills that are the school’s hallmark. The b-school administrators who share Sorensen’s views on the importance of leadership are realizing that their next hurdle is to figure out how to teach the concept in a classroom setting.

Leadership Deconstructed

For the most part, today’s business educators are trying to break leadership skills into a variety of teachable chunks, some of them experiential and some of them observational.

“We can’t teach people how to lead, but we can provide ideas, justification, and a few devices to help students develop their own leadership styles,” says Useem. “We conjure up in the classroom situations where they are put on the line and have to think strategically.”

Students also study leaders who have operated with and without integrity. “Through case analysis, along with an introduction to more conceptual ideas, we provide students with a framework to think about their own character development and integrity,” Useem says.

Leadership is taught on multiple levels, says Lee G. Bolman, Marion Bloch/Missouri Chair in Leadership at the Bloch School of Business and Public Administration at the University of Missouri-Kansas City. Not only must students acquire an understanding of the concepts and strategies that result in good leadership, they must learn about themselves and their own beliefs.

“Leadership is a performing art in which self is the vehicle,” says Bolman. “In some ways it’s like acting. In knowing who I am, knowing something about how people see me, knowing what I care about, what my goals are, or what’s important to me, I can understand who I am as a leader.”

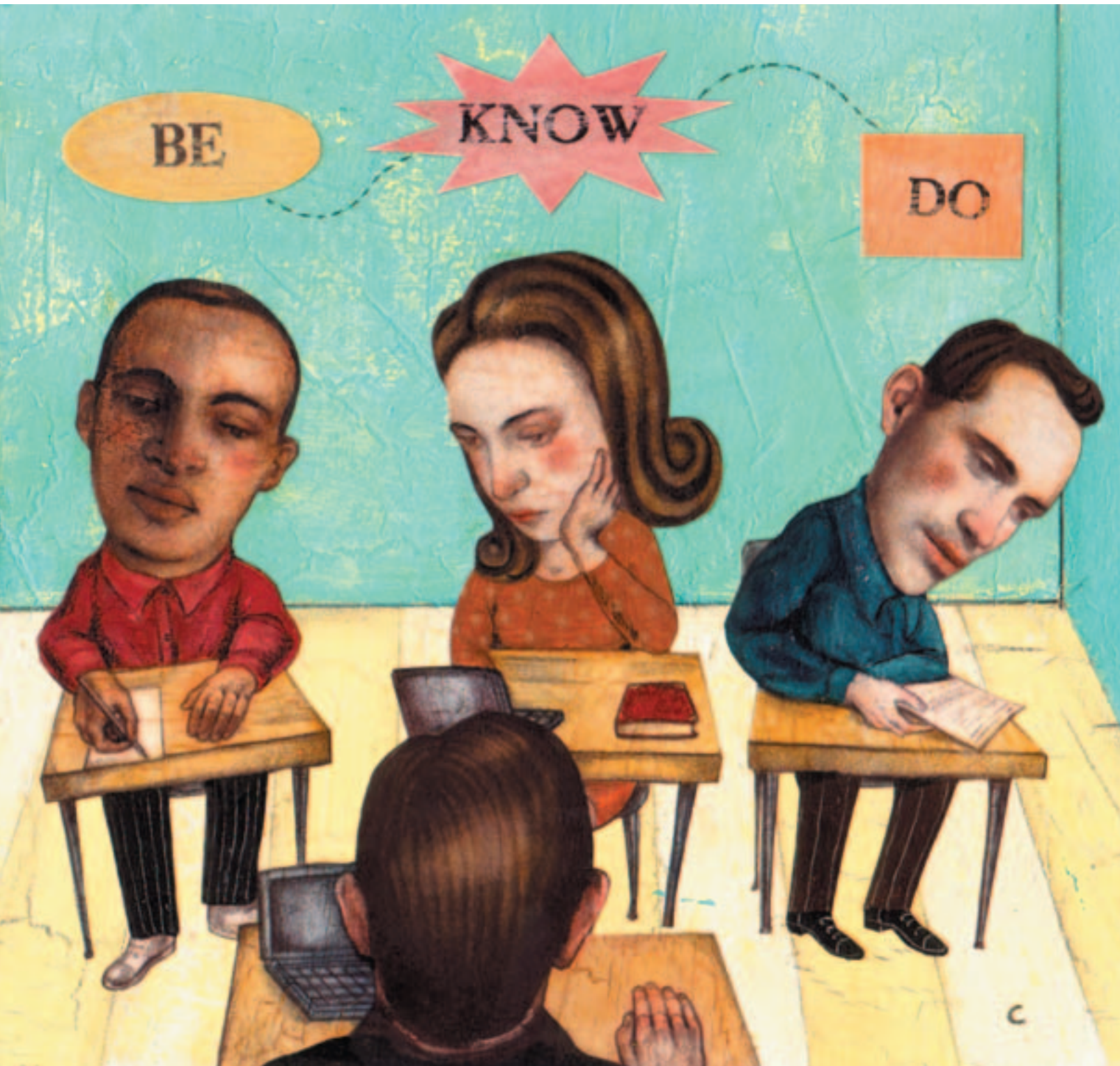
Therefore, to learn leadership, students undergo a three-part learning process that fairly closely follows the dictate of that old Army manual. They are exposed to case studies so

Business students learn to uncover their leadership potential by studying role models, developing self-awareness, and facing challenging situations inside and outside the classroom.

by Sharon Shinn

illustration by Craig Larotonda

With in



they *know* about good and bad leaders; they experience challenging situations where they have a chance to *do* exercises in leadership; and they develop an awareness of their own skills and personal beliefs so they know how to *be* excellent leaders.

Exposing students to an array of good and bad role models might be the easiest part of teaching leadership. At Wharton, students look at executives from AT&T, HP, IBM, Toyota, Daimler-Benz, and British Airways to deconstruct what corporate leaders did right and wrong and what they should have done differently.

“I tell them, ‘Don’t try to emulate anybody else, but look at the best and the worst to know how you want to behave,’” says Useem. He stresses how eBay’s Meg Whitman built a top-notch management team that saw her through rough times, whereas Ken Lay had no such talent to draw on when Enron started going down. “I tell students, ‘You don’t want to copy Meg Whitman or do the exact opposite of what Ken Lay did, but borrow from the best of Meg Whitman and avoid the worst of Ken Lay. Decide what you need personally.’”

Bolman notes, “Students can learn a great deal from wrestling with leadership challenges, even if they’re doing it vicariously.” At UMKC, teams of students research leadership issues at Enron and Andersen, drawing some background information from a multimedia presentation put together by the Darden Graduate School of Business Administration at the University of Virginia. “There are wonderful video clips of Jeff Skilling and Ken Lay and the whole senior cast of characters at Enron talking about their values and their ethics. That gives you a very interesting set of questions. When they say these things, are they sincere? Are they lying? If they’re not lying, what happened at Enron? We also look at more heroic examples like Jack Welch of GE or Ricardo Semler of Semco in Brazil. I look for a range of people.”

Leadership Through Experience

Providing students opportunities to exercise leadership in demanding situations is at least as important as discussing the issues of leadership. At the University of Michigan Business School in Ann Arbor, incoming MBAs participate in a program called Multidisciplinary Actions Projects (MAP), in which teams of four to six students analyze business problems and offer solutions to real-world problems. “They spend seven weeks in the field full-time on multifunctional projects



with multifunctional faculty supervising them,” says Noel M. Tichy, professor of organizational behavior and director of the Global Business Partnership at Michigan. “We have 60 projects, 25 of which are now global.”

Tichy also runs a global health-care program for vice presidents of medical centers who come to Michigan for a week to work on a project framed by their CEOs. Participants return to their jobs and continue to work on the projects for another six months. “These are real projects with real decisions made at the end of the program,” he says.

Such real-life experiences are crucial to developing leadership skills, Tichy believes, comparing the learning system at business schools to medical schools. “You do not learn open-heart surgery from the best researcher. You learn it from a cardiologist who has cut 1,000 times and takes you with him into the operating room.”

Other schools have crafted a variety of experiential learning opportunities, some of which take place in the classroom, some outside. “We offer mentor/mentee experiences, where students spend time shadowing someone in the real world,” says Bolman. “We also send students into real-world situations.”

For instance, in UMKC’s EMBA program, second-year students are put in consulting teams and assigned to assist small, struggling, inner-city businesses. “Many of the businesses have very weak management systems—they’re very loose and entrepreneurial,” says Bolman. “Inevitably, what the students find out is that a lot of the challenges rise from working with the people, particularly whoever is in charge.” Partway through the consulting project, Bolman says, the faculty leads the students through a leadership assessment process so students can study the links between leadership, strategy, and culture.

At Virginia Tech, students in the business leadership minor practice leadership through voluntary activities. For instance, the career fairs are all student-run, and about \$3 million of Virginia Tech’s investment portfolio is managed by students working in self-led teams. A number of students, primarily scholarship recipients, also participate in a special leadership program set up at one of the residence halls. Through this program, they work on leadership development and experiential learning by providing high school and campus leadership training, supporting events like Earth Day, developing campus diversity initiatives, and working on other projects.

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Some leadership activities, however, can take an even more adventuresome turn. For instance, Wharton students can choose to participate in a series of Leadership Ventures, out-of-classroom experiences that allow them to make decisions under stressful conditions. These excursions include treks through the Himalayas, Ecuador, and Patagonia, as well as a day at the U.S. Marine Corps training center in Quantico, Virginia. "Going through the pressures of a Marine Corps drill helps students become better at making tough decisions when the world seems to be going to hell in a handbasket," says Useem. "Getting through the Marine Corps training will give them the confidence to get through their current experience, whatever it might be."

These experiential learning opportunities tend to kick-start a student's sense of self-awareness as well. For instance, at UMKC, a one-hour simulation gives students a chance to practice leadership skills—but also forces them to make some self-assessment. That simulation, which is centered around an organization trying to produce a product, includes among its players a client, a top manager, and various workers. The simulation is set up so that every player feels a high level of pressure to achieve his particular goal.

"It gets intense," Bolman says. "I'll interrupt the exercise halfway through so we can reflect on what's going on and students can get feedback from the people around them about how they're responding to challenges. This is one important way that people can learn about themselves."

To encourage that sense of self-awareness, Bolman also has his students write a "leadership autobiography" in which they describe the people and events that have influenced them. "That history is enormously influential in a lot of ways, but most people haven't really thought about it or used it to think about where they are now or where they might go," he says.

Leaders as Teachers

Students become most aware of their own leadership strengths when they begin training others to be leaders, and those leadership qualities are developed most rapidly when the learning occurs in teams. While history primarily has viewed leaders in "great man" terms, says Bolman, significant shifts in the working world have led to shifts in the view of leadership.

"As we move to more complex organizations existing in a fast-changing turbulent world, the old model of one person at the top making the decisions just doesn't work," Bolman says. "As businesses have decentralized and moved decision-making to a variety of nodes, they inevitably need more leadership from more people in more places in the organization. Historically, the assumption has been that leadership is some-

thing people do with their subordinates. One of the things that people who are reasonably sensible realize is that, no, leadership is something you do with subordinates, with peers, with people outside, and very much with your boss."

Most business schools require students to function in teams at least part of the time to hone their ability to work with others. At Wharton, incoming MBA students are divided into teams, as balanced as possible in terms of genders, nationalities, and business backgrounds. To complete their various projects, the teams rotate leadership responsibilities among the members while the others take on different roles, such as background researchers. "The best projects come from the teams that learn to act together and exercise shared leadership," says Useem.

Hesselbein of the Leader to Leader Institute refers to this shared leadership responsibility as "circular management," and it's a style she has employed for at least 30 years. She acknowledges that it's not easy for many of today's organizations to dismiss the old command-and-control form of leadership. "If you throw out the old hierarchy, that old chart that everyone inherits, then you have to look at the language. You have to purge it of 'up' and 'down,' 'top' and 'bottom,' and 'superior' and 'subordinate.' We find when people move into a circular system, enormous energy is released. But you have to have faith in your own people and your own ability to lead to move an organization into this kind of structure."

You also have to be willing to teach leadership concepts to others, for one of the key components of today's theory of leadership is that more experienced executives must constantly teach leadership skills to those coming after them. At the University of Michigan, Tichy leads five-day workshops for incoming MBAs that explore the "virtuous teaching cycle," in which learners become teachers who continue to learn interactively from their own students. The program is designed to help them develop a platform for their own "teachable point of view" that they can then pass on to others as they enter the corporate world.

This concept is also in play at Wharton. Through its Cadre of Leadership Fellows, select students receive additional training in how to help teams lead themselves more effectively. While working with study teams, students develop their own leadership capabilities and learn how to develop leadership in others. "One of the defining elements of leadership is being good at helping others develop leadership in themselves," Useem says.

Useem also drives home that point when he finishes teaching a course on leadership. "I tell students, 'You've gone through a number of ways to conceive, define, and illustrate

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leadership. Now your calling is not only to exercise it but to help everybody around you, especially subordinates, become better at it as well. Leadership is not just about your making the big decision, but about your training the next generation below you to be the best leaders they can possibly be.”

Change and Ethics

Not only must today’s leaders develop self-awareness and learn how to teach concepts of leadership to others, they must know how to cope with two of the most critical issues in business today: change and ethics.

“Without question, the No. 1 theme in business in the last few years has been teaching people how to create change and to know when to do it,” says Useem. About six years ago, he says, Wharton created its Center for Leadership & Change Management, dedicated to helping people understand how to “lead and how to make decisions during times of enormous uncertainty and stress. So when markets are volatile, when the world is really unpredictable, when competitors are appearing in the backyard, and when globalization leads to the lowering of national boundaries, they can be swift and sure-footed.”

Change and leadership are strongly linked, agrees Bolman. Leaders—who are often the change agents—do not always understand that even positive change produces a sense of loss, he says. Because the leaders have already integrated their own sense of loss into the project, they have moved past its effects and are not prepared for its impact on the people around them. “But if they aren’t aware of its effects, they might not be able to make sense out of what are often surprising, powerful, but sometimes subtle and hidden ways people resist change.”

One of the frightening things about change, says Bolman, is that it reconfigures basic routines, so that things once taken

for granted no longer apply. “In organizations, not only does change disrupt patterns, but it often means that you’ll be asked to do things that you might not understand how to do,” he points out. “All of a sudden, in a sense, you’ve been de-skilled. That can be really scary—and infuriating.”

Good leaders not only understand how change will affect their people emotionally, but they forecast when change might occur, so that they can be more prepared to deal with it. The Leader to Leader Institute suggests that organizations undergo a self-assessment every three years, revisiting their missions and scanning the environment for two or three major trends that will have the greatest impact in upcoming months. “If the board of governors and the management team keep watching for change, they will always have the missions and goals that serve them best,” says Hesselbein. “That’s one of the best ways to lead change. Then there are no surprises—that you have any control over, that is. There are always earthquakes.”

Just as important as the subject of change is the topic of ethics. “My own view is that you can’t talk sensibly about leadership without talking about how leadership is based on certain criteria and values,” says Bolman. In the past, he notes, leadership classes took more of a how-to approach. “How do you lead? Should you be more task-oriented or more people-oriented in your leadership style? But inevitably you get to the question of purposes and values, and those have to be part of the subject matter that’s taught.”

In fact, the ethical base at the core of any leader determines what kind of leader he will be, maintains Sorensen of Virginia Tech. “You can have a very effective leader who has no ethics, such as Hitler or Stalin; but a leader who does not have ethics creates a disastrous situation,” he says.

Corporate Challenge

Universities that don’t find ways to offer MBA students more practical experience will find themselves left behind by corporations that engage in their own leadership training programs, believes Noel M. Tichy of the Michigan Business School. It’s a trend he predicts will continue, even if universities create strong leadership programs.

“Fundamentally, the leaders will be doing much more of the teaching inside the organization,” he says. “Leaders develop leaders. Professors and consultants are the worst people in the world to develop them.” He likens teaching leadership to rais-

ing children. “If you had kids, would you hire a consultant or a professor to sit at your breakfast table and share your values with your children?” Since the answer is clearly “no,” he believes some of the strongest leadership programs in existence are those at companies like GE, PepsiCo, Royal Dutch Shell, and Best Buy, where top executives engage directly with rising managers.

Tichy taught for many years at GE’s Leadership Development Center in Crotonville, New York. At the time, executives were learning from case studies and hearing lectures from professors based at a variety of elite business schools. Tichy helped reorganize the center so that managers began to focus on “action learning”—real work projects. “We decided to throw out the cases and bring the top executives in so we could wrestle with

While many schools have incorporated ethical discussions into their basic lectures for more than a decade, Useem admits that these issues have taken on “a certain degree of salience in the past 18 months, particularly in terms of character and integrity.” Hesselbein, too, believes that recent corporate scandals have increased overall interest in hard-to-pin-down qualities of values and principles.

“Ten years ago, people who would have said, ‘Oh, those are nice concepts but they don’t apply in the real world’ are very interested in that kind of leadership,” she says. “As times grow more tenuous, people tend to examine not just what they’re doing, but why.”

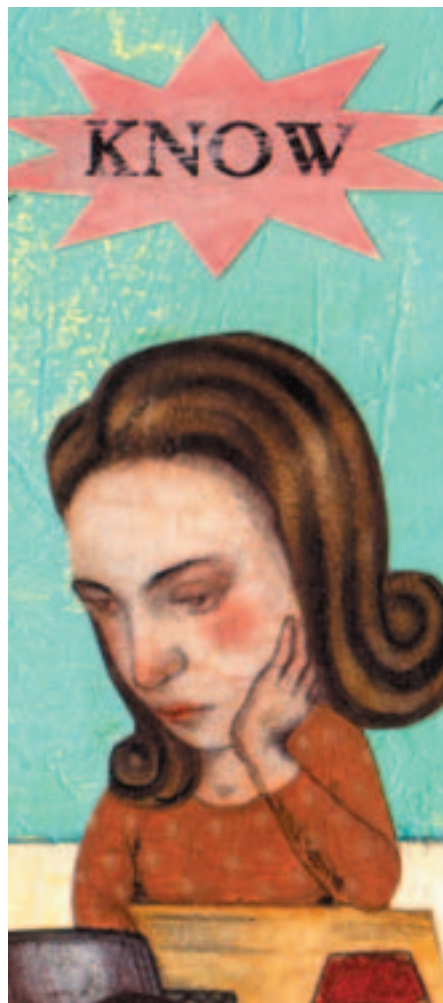
The Impact of Leadership

While today’s business schools are determined to share all the concepts of leadership with their students, many of them aren’t content to stop there. For instance, at Virginia Tech, the emphasis on leadership permeates the entire campus and spills over into community outreach programs. Through its Institute for Leadership in Changing Times, Virginia Tech shares resources among business, military, and women’s leadership programs. It also teaches leadership concepts to executives and police officers, who need to learn management skills on top of pure technical skills to advance in their careers.

In addition, the school runs a program, co-sponsored by the Virginia Police Chiefs Association, designed to teach lead-

their problems,” says Tichy. In addition, during Tichy’s tenure there, teams of executives were trained in concepts of marketing, finance, and geopolitics, and then sent to southeast Asia to look for new joint business ventures that would work for GE.

Tichy says that programs like Michigan’s Multidisciplinary Actions Projects take steps in the right direction of providing real-world experience to MBAs. Nonetheless, he believes most schools only take students “one quarter of the way” to full development; they can only go the rest of the way through significant, practical experience. If programs don’t become more grounded in real-world problems, he says, business schools will exist merely to screen candidates for corporations looking to hire “smart people interested in business.”



ership to high school students. The local police associations identify and recommend the students for the program, which is run by Virginia Tech undergraduates, giving them a chance to practice their own leadership.

“The high school program, as you might expect, is also a way to try to interest these students in applying to Virginia Tech,” says Sorenson—and the school finds other ways to stress the value of leadership to potential applicants. Brochures about the leadership program are mailed to all students offered admission to Virginia Tech, and the school’s Web pages are filled with information on the topic. “We focus on the whole issue of leadership so we can get a higher percentage of students with that background coming to Tech,” says Sorenson.

Leadership is also one of the criteria for granting undergraduate scholarships. “We look at students’ leadership involvement in church groups, athletic teams, or honorary societies,” says Sorenson. “We think that student participation in development activities at the high school level will lead to student participation here on the Virginia Tech campus. This in turn predicts their job participation when they graduate.”

Such an unrelenting focus on leadership skills has an ultimate benefit to students once they graduate, says Sorenson. He believes that recruiters will “increasingly look for some kind of validation that students have experiential skill sets, rather than just looking at what students earned on the CPA exam and grade point average.” To give students a tangible credential to show prospective employers, Virginia Tech has developed a leadership minor that shows up on student transcripts. Sorenson says that recruiters are highly interested in this proof that students have such skills. “We find that it amounts to a \$2,000 salary differential. That’s certainly an attraction to students participating in the program,” he says.

As leadership centers proliferate and books about leadership crowd the shelves of bookstores everywhere, both students and corporate executives have many opportunities to further their understanding of this critical business skill. It’s a skill that virtually everyone in the workplace, at every level, will be expected to exercise at some point—and those who have practiced and prepared for it are the most likely to succeed when faced with their first real-world chance to lead. ■