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Catch My Fall: The Importance of Developing a Leadership Philosophy Statement in Sustaining Original Values and Leadership Direction

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Abstract

This article draws attention to the need and importance for chief executives to formulate a Leadership Philosophy Statement (LPS) as an aid to guiding them as they execute their duties of leadership. As companies adhere to mission statements (MS) which are developed to light the pathway to success, so too does the leader need a leadership philosophy to pursue that mission. The interconnectedness of organizational mission statements and individual leadership statements is highlighted to emphasize the importance of having related goals between leader and organization. The structure of the LPS as well as its content is discussed to better inform leaders of the best approach to writing a LPS.

Introduction

Leadership is an ongoing developmental process which adapts to changes in the market environment. And while there are numerous theories and approaches to leadership and how leadership changes, the literature fails to point out that a leader is a human being; a constant human being. And although their style of leadership may change over time, although not radically, it remains that the values held by these individuals remain constant. Yet, too often, we see instances where seemingly good human beings engage in unethical and illegal behavior at the workplace. A compromise of the personal self and the business self has occurred. While individuals would never dream to engage in wrong behavior, the pressures of business demands and the “get the deal done at all costs” mantra clouds the situational thought processes of business transactions. In addition, leaders who have proven themselves as proficient leaders all too often find themselves in periods of leadership where every decision they make seems to work against them and ultimately leads to their downfall. The question bodes: how could these intelligent,

smart, well-qualified individuals make such catastrophic decisions which led to their and their company's downfall? Research by Carton, Murphy, & Clark (2014) informs that leaders have difficulty in consistently communicating their vision and values to employees. The presence of an LPS may help improve the leader in being consistent with projecting and implementing his/her message and promote a greater understanding and alignment among employees of desired practices and outcomes.

This article posits that leaders stray from the core values that created their success – which inevitably leads to their downfall. Consequently, this author proposes that leaders should not only create a written Leadership Philosophy Statement, but should also revisit this statement each and every time a major decision arises. All great leaders, theorists, and practitioners espouse a core value that guides all decision-making and subsequent choices as well as provides courses of actions and indeed a way of thinking. Gandhi, for example had “peace” at the core of all his actions; Buffet invokes “value” at the core of his stock purchases, and Jobs imbedded “creativity” at the center of his thought processes. This one message, this one thought, permeates everything and guides everything. So, why then do some formerly accomplished leaders change and become poor leaders? This article argues that a deviation from the core principles that enabled leaders to rise and produce positive results is the root cause for the downfall of such previously successful leaders. To explain this deviation, possible reasons are proffered while concomitantly emphasizing the importance of adherence to core values through the maintenance of issues presented in a leader's Leadership Philosophy Statement. This article, therefore, focuses on key items of concern for inclusion in all LPS. And while there is a multitude of research on leadership and leadership philosophy – particularly in the practitioner domain – there is limited available research on the development and construction of a LPS by senior executives. This article aims to address this gap in the literature.

Background

Although ultimately leaders are responsible for the success or failure of their respective enterprises, the level of blame assigned to them quite often is the result of how much control they had over the situation. This approach to success and failure is supported by Fiedler's contingency theory (1971) which states that the success or failure of leaders depends upon the control they had, or in some instances lacked, over the situation and whether their basic motivation was people-oriented or job-oriented. Furthermore, who is doing the blaming also determines the level of failure assigned to a leader (Meindl, 1990).

With the caveat that failure, although measurable, is determined by those conducting the evaluation, we now contemplate the reason(s) for the occurrence of leadership failure. Thus, in assessing failure, we must be aware that while beauty is in the eye of the beholder, failure then is in the mind of the evaluator. Leaders are blamed more vehemently when failure is a result of internal factors as opposed to external pressures (Hino & Akoi, 2013).

Success happens for a reason; however, failure occurs for a plethora of reasons which include engaging in unethical practices, the inability to adapt to changes in the

market, and internal misalignment of people and resources which result in poor decision-making. Whatever the cause, it becomes apparent that leaders have separated from their original mindsets that were originally successful and had presented the opportunity to be chosen as a leader. The damage that failure causes can be so immense that the development of a LPS can help a leader stay true to the original ethos of leadership which proved successful for them in the past.

Purpose

As there is a strong connection between an organization's mission and its leader, it is imperative to discuss mission statements and their purposes. While Drucker (1971) identifies the mission statement as reflecting the organization's objectives, it has since evolved to represent a variety of domains including organizational identification and values, customer orientation, stakeholders, and product development. Hence, it has developed into a statement of organization characteristics and indeed individual personality (Mintzberg & Quinn, 1996).

Available research indicates that mission-centric organizations experience higher levels of performance and return on equity than those who do not have a mission statement (Mohammad & Karami, 2009; Green & Medlin, 2003; Bart, Bontis, & Taggar, 2001; Baetz & Kenneth, 1998.) Yet further research indicates that their effectiveness is debatable (Braun, Wesche, Frey & Peus, 2012; Desmidt, Prinzie, & Kramer, 2011). However, what does emerge from all areas of available research in this area is that the quality and relevance of the mission statement greatly determines what its impact will be (Blair-Loi, Wharton, & Goodstein, 2011; Khan, Chaudhry, & Khan, 2010). Thus, it is arguable that if used correctly, the mission statement functions as a tool that can positively impact the financial performance of an organization. Nowhere has this research uncovered literature which suggests the development of a mission statement to be detrimental to organizational performance. Therefore, it is in the organization's best interest to carefully craft, maintain, and utilize a mission statement aimed at all organizational stakeholders. Consequently, the relationship between leader and mission statement arises as an issue for discussion.

If the mission statement can be directly related to company performance and is developed by senior management, then ostensibly leadership priorities impact performance. Consequently, through extrapolation it becomes reasonable to assert that the form of leadership responsible for company performance can also be identified and documented. This is where the LPS connects with the MS.

Because leaders, for a variety of reasons struggle, underperform, and fail the needs of the organizations they manage, an LPS is warranted. To negate the chances of failure, something is needed to keep leaders focused, grounded, and in alignment with the recipe that made them successful. That necessary tool can be the LPS. The simple purpose of an LPS is to help leaders succeed by reminding them of how best to lead in a manner congruent with the organizational mission. If an organization has a mission and vision statement to guide it, then too should the chief executive have a mission or vision statement to guide their decision-making process towards the achievement of the overall organization's mission. In other words, how can leaders

create a mission statement for an organization if they don't have their own philosophy on how to lead towards that mission? In fact, the absence therefore of a leadership statement could be an indicator of a leader who is not fully aligned with the organization which he/she leads. The LPS is then the insurance policy statement that helps a leader avoid developing decision-making behavior which would not be beneficial.

The need for a LPS has also grown because leadership has become increasingly challenged over the past decade with respect to competitive global pricing, corporate governance, and the eternal quest for increased efficiencies (Brown, 2013; Kor & Mesko, 2013; O'Shanassy, 2010). These issues, combined with the speed of information through technological advances, have made decision-making an immediate process and every competition a sprint race. Failure to win in the short term evaporates a customer's confidence that an organization can perform over the long term. This splintering of decision making has therefore compromised the grounded, long-term view that most CEOs espouse and forced them to engage in riskier decision making; and for many seasoned CEOs, this is not a skill set they have practiced (Walter, Kellermann, & Lechner, 2010). Leaders, therefore, rather than change their decision-making process, need to apply their philosophy of leadership to how they make decisions. The return will be that their style of leadership has not changed, but has helped them adopt new decision-making processes which, in turn, have increased their overall self-confidence.

Considerations for Leadership Philosophy Statements: Structure & Content

Structure

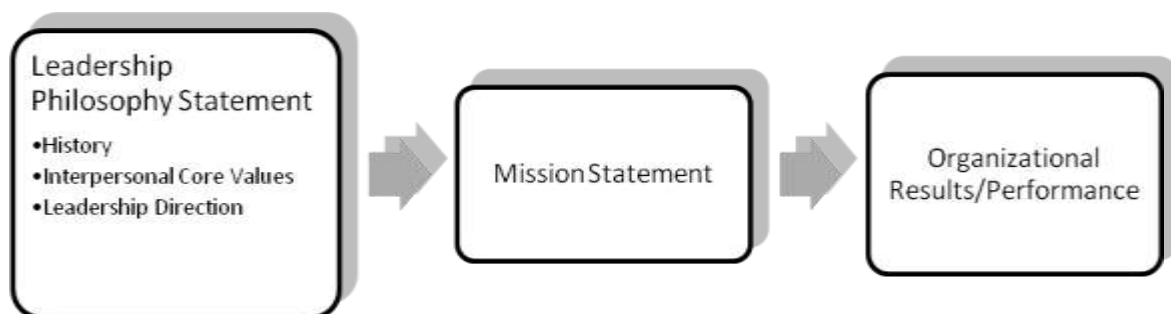
Thus far we have outlined why mission statements exist and why leadership underperforms in the context that executive leadership and MSs are more closely aligned than is evident from a simple reading of a mission statement. We have, therefore, highlighted the need for both MSs and LPSs. We now embark on offering a framework for LPS development. While we know a CEO, together with his/her executive team, cannot radically change the product of a company, we propose that the CEO can change "how" that product is delivered in a way that aligns with the leader's successful leadership history.

While the MS has a wider audience, the LPS is a more intimate document written for, and by the leader, and at his/her discretion and is shared with that leader's executive team in order to make them aware of the leader's core values and precisely what will guide future leadership decisions. It is built upon past leadership success and lays the framework for future decision making. The greater importance of this document is that it is centered on the core beliefs of the leader with regard to how to lead organizations and interact with followers; essentially, it is the mirror image of what the leader wants to evoke in congruence with that person's leadership style.

For purposes of construct fluidity, the following three-pronged approach may best accommodate the design of the LPS:

1. **History:** How I've led and what the pillars are that have made me successful as a leader.
2. **Interpersonal Core Values:** Employees execute the leader's plan. The better they are treated and regard the leader, the more they feel connected with the leader and identify with the organization. In this context, how a leader treats and values people is central.
3. **Leadership Direction:** Based upon my history and interpersonal relationships, how I envision leading in an uncertain and ever-changing future must be scrutinized. Have my actions and the way I work with people translated into future success and what changes do I need to make in order to successfully navigate the future? How must I change how I manage operations in the future without compromising what makes me successful is an imperative consideration.

Figure 1 clearly illustrates the influence the LPS has on MS formulation which in turn guides an organization in the execution of its plans to realize organizational success. As can be seen, the MS is the vehicle which carries the priorities of the CEO in achieving the organization's goals. Figure 1 below tracks that process:



Content

In delving deeper into the above categories which guide LPS development, it is very easy to fall victim to highlighting all the positives and looking at things through rose-colored glasses. However, it is imperative to be aware of both the positives and the negatives which affect how we lead. There is an abundance of literature on the positive attributes of leaders such as being motivational, a great communicator, results-oriented, innovative, and having an analytical mind. There is yet further literature on familiar styles of leadership such as servant leadership, authentic leadership, and transformational leadership. However, there is markedly less attention paid to the negative attributes and styles of leaders. Research by Toor and Ogunlana (2009) on negative leadership traits termed "organizational neutralizers" revealed that poor communication, abuse of power, and lack of experience are the main culprits in derailing leaders. Therefore, in the absence of any concrete plan for the future, many leaders who simply lead and learn by doing (Nixon, 2003) would be best advised to merely avoid any potential pitfalls as opposed to attempting to create an innovative masterplan for the future. This is quite often done with "survival" as the plan in harsh economic times (Nickell, Rollins, & Hellman, 2013).

In terms of **history**, we consider the key personal drivers that created success for the leader. Historically, the leader self-examines to identify trends and traits which consistently contribute to success. The leader may identify a strong work ethic, timely communication with peers that engender trust, organizational restructuring skills, or well-developed industry analysis as hallmark traits to achieving success. This research does not advocate doing more of the same just because it previously worked but rather being aware of which approach worked in certain situations and knowing when to reuse it again to achieve a higher probability of success.

In the area of **interpersonal core values** (IVC), the leader seeks to understand the interpersonal relationships that have returned productive working relationships: that is, what types of professional relationships worked best, why did relationships develop and grow, were they built on trust and integrity, and what types of relationships failed to produce. Here our leader is seeking to understand the best way to maximize relationships. Central to IVC is the communication of what is important to the leader and what it is he/she represents in terms of values-based leadership. Once subordinates understand the core values of their leader, they will be more comfortable in their own future decision making without second guessing what they “think” the leader would want.

Is the **leadership direction** I want and need to take the organization realistic? Have my successes thus far indicated that the direction is attainable and reasonable? Is it overly ambitious? Is it consistent with my history and what I stand for in terms of IVC? These are vital questions for leaders to ask themselves because an envisioned future that does not dovetail with the leaders’ experiences and values is strongly in danger of failing. The blueprint the leader has for the future must be believable by organization employees in order to promote personal investment. It must also build upon the leader’s skills and any changes must not endanger or compromise the leader’s core skill set. In other words, the leader must use caution so as to not over-manage or over-lead the organization. A realistic future that should be idealized is one that leverages organizational key competencies while concomitantly being creative to establish or maintain separation from competitors.

Ultimately, the LPS must speak to the leader – it’s a personal document built upon personal honesty with oneself; where and why they’ve seen success, what’s important to them as a leader, and how both of these will interact to create success in the future.

Maintenance of Success

The original purpose of the LPS is to assist the leader in staying committed to developing skills, communicating values, and planning for future success. The LPS a CEO may have will change should she or he move as CEO to another organization while specifically, the third component, **leadership direction**, might have to be greatly modified to meet the challenges of a new organization. However, the history and IVC of the leadership are inherent components which direct the style of leadership towards achieving organizational success. Successful leadership achieves a seamless continuum of leadership practice. Leaders do not reinvent themselves, but rather adapt their personal styles without fundamental alteration. This results in the

maintenance of the successful traits that resulted in leadership successes while also helping those traits adapt to changes and challenges as they arise. The LPS then helps leaders remain consistent with developing their strengths without compromising integrity in the decision-making process.

While companies quite often reinvent themselves to thrive and indeed survive, leaders typically do not fundamentally change their styles of leadership – they merely seek a better understanding of their employees, their products, and their customers (Frankfort & Berfield, 2013). When they do attempt a leadership style transformation, unpredictable results can occur as there is no continuum of consistent leadership. The LPS serves to prevent such leadership transgression when consulted regularly.

Final Thoughts

This article had, as its purpose, the recommendation that leaders should develop an LPS to help guide them as leaders. Failure of senior leadership is too expensive and detrimental to an organization. The business world is littered with good leaders who ultimately led their companies to failure. Deviation from a particular style of leadership coupled with radical changes in decision making takes a leader away from what it is he or she does best – lead. Thus, a leader’s job is to lead first and extract natural decisions from that leadership. Quite often, leaders are asked to compromise their values and methods of leadership which is why the LPS helps keep them focused on who they are, how they lead, and what has made them successful. Just as regular consultation with a mission statement helps a company stay focused, so too does the LPS help leaders stay committed to their ethos of leadership and the personal values which inform that leadership.

Many companies do not report a correlation between the return on equity and the MS, but that doesn’t mean that one doesn’t exist. Instead, it may mean they just haven’t adhered to their mission. Mission statements only work if they are re-visited, re-read, and used as a tool. Similarly, the LPS, once written, should be used as a reference tool by leaders because it identifies how they will lead their organizations into the future by referencing the past and cites core values which have already returned success. The LPS is not stagnant; it embraces change but change is managed and controlled through core leadership values and well-informed leadership directions. Ultimately, it is the document which reminds leaders of what brought them success, how to treat people respectfully through empathy and humility, and how best to work *with* people in the attainment of personal and organizational goals.

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