

Case Incident 1

The Making of a Great President

What does it take to be a great U.S. president? A C-SPAN survey of 64 U.S. history scholars rated the U.S. presidents from George Washington to George W. Bush. Here are the top 10:

1. Abraham Lincoln
2. George Washington
3. Franklin D. Roosevelt
4. Theodore Roosevelt
5. Harry S. Truman
6. John F. Kennedy
7. Thomas Jefferson
8. Dwight D. Eisenhower
9. Woodrow Wilson
10. Ronald Reagan

Recent presidents didn't fare particularly well in the rankings: George H. W. Bush=#36; Bill Clinton=#15; George W. Bush=#18; Jimmy Carter=#25.

Questions

1. Do you think leaders in other contexts (business, sports, religion) exhibit the same qualities as great U.S. presidents?

Answer: Most students will believe that similar characteristics are important regardless of the leadership context.

2. How important do you think charisma is to a president's greatness?

Answer: Most students will suggest that charisma is an extremely important characteristic for presidents.

3. Do you think being in the right place at the right time could influence presidential greatness?

Answer: Most students will recognize that being in the right place at the right time is a key to many people's success in moving up in the hierarchy of socioeconomic status.

4. Do you think historians can be biased in evaluating a president's greatness? If so, how?

Answer: This is an opinion response. Students may talk about bias based on political party. They may talk about bias based on exposure, indicating that lower ratings are among presidents that are basically contemporary, meaning that more appears in the public press about these presidents so more negative beliefs can arise. Other beliefs may be expressed.

Based on C-SPAN 2009 Historians Presidential Leadership Survey (<http://www.c-span.org/presidentialsurvey/Overall-Ranking.aspx>).

Case Incident 2

Leadership Factories

Companies differ markedly in their ability to produce future leaders, as several recent analyses of the 1,187 largest publicly-traded U.S. companies revealed. Among the CEOs in one study, a remarkable total of 26 once worked at General Electric (GE).

But as the table below shows, on a per-employee basis that earns GE only tenth place in terms of the likelihood of a current or former employee's becoming CEO of a large company. Top on the list is management consulting firm McKinsey & Company. Amazingly, if we extrapolate into the future from the current stock of McKinsey alums who are CEOs, of every 690 McKinsey employees, one will become CEO of a *Fortune 1000* company.

Company	Size (employees)	CEOs produced	Odds
McKinsey & Co.	11,000	16	690:1
Deloitte & Touche	17,170	8	2,150:1
Baxter International	48,000	11	4,365:1
PricewaterhouseCoopers	47,750	10	4,775:1
Ernst & Young	103,000	12	8,585:1
Merrill Lynch	62,200	7	8,885:1
Motorola	66,000	7	9,430:1
Intel	88,100	8	11,010:1
Proctor & Gamble (P&G)	138,000	12	11,500:1
General Electric (GE)	300,000	26	11,540:1

Some companies did not fare nearly as well, such as Citigroup (odds: 30,180:1), AT&T (odds: 23,220:1), and Johnson & Johnson (odds: 15,275:1).

While some might dismiss the results, not surprisingly, the companies at the top of the list do not. "We are a leadership engine and a talent machine," said retiring P&G CEO A. G. Lafley.

Questions

1. Management consulting firms did very well on a per-employee basis, partly because they are mostly comprised of managers (as opposed to blue-collar or entry-level workers). How big a factor do you think composition of the workforce is in likelihood of producing a CEO?

Answer: Statistical concepts suggest that the outcome of CEOs will be greater when a larger population, in general, is present, as in General Electric. Or as for the consulting firms, the work skills required in these firms require abilities that are essential to the development toward CEO status. With a larger pool of higher ability workers, a large number will rise to CEO status.

2. Do you think so-called leadership factories are also better places for non-leaders to work? Why or why not?

Answer: An opinion judgment by students, but it would seem that these leadership factories would be good places to work because the environment of leadership would be more pervasive in the daily operations of the firm. This will make the “non-leaders” more satisfied and more productive in their work.

3. Assume you had job offers from two companies that differed only in how often they produced CEOs. Would this difference affect your decision?

Answer: For ambitious students, the answer will be “yes.” Their career growth can be accelerated and enhanced by working in organizations that focus on developing leaders.

4. Do these data give any credence to the value of leader selection and leader development? Why or why not?

Answer: Yes, these data suggest that firms that select for abilities and then train for skills of leadership create an environment where people flourish as leaders, making them valuable to this company or others.

Based on D. McCarthy, “The 2008 Best Companies for Leaders,” *Great Leadership* (February 17, 2009), <http://www.greatleadershipbydan.com/2009/>; F. Hansen, “Building Better Leaders...Faster,” *Workforce Management* (June 9, 2008), pp. 25-28; D. Jones, “Some Firms’ Fertile Soil Grows Crop of Future CEOs,” *USA Today* (January 9, 2008), pp. 1B, 2B.

Instructor's Choice

Applying Concepts

As evidenced by the growing number of corporate scandals of which almost all involve the CEO and other top officers, corporate America in many cases is missing one essential leadership ingredient—character. Character building may well be one of the new buzz words that will be heard across the airways and Internet in the next few years as a prescription for what is wrong with our current state of top management. Corporate leadership has failed its character test in the last few years and has some ground to make up in the future. Character is not just a manager's psychological profile carried to an extreme. It is, to use an old phrase, doing the right things, not just doing things right. To learn about character, young executives should go through self-awareness training, study, and, most importantly, experiential training with respect to character issues.

As plebes in the U.S. Military Academy at West Point, “new” managers of men and women are taught eleven (11) principles of leadership from the Army's manual, *Principles of Leadership*. The principles (summed) are as follows: (1) Know yourself and seek self-improvement; (2) Be technically and tactically proficient; (3) Seek responsibility and take responsibility for your actions; (4) Make sound and timely decisions; (5) Set the example; (6) Know your subordinates and look out for their well-being; (7) Keep your subordinates informed; (8) Develop a sense of responsibility in your subordinates; (9) Ensure that the task is understood, supervised, and accomplished; (10) Train your personnel as a team; and, (11) Employ your wit in accordance with its capabilities. Following these principles can certainly improve one's character.

- Write a one-page paper on your views toward the importance of character in effective leadership.
- Using the eleven (11) principles of leadership in the exercise, list which principles would be most instrumental in developing character in a leader.
- Select a business leader. Do research on the leader's past managerial and leadership accomplishments. Once this is completed, match the chosen leader's profile to the eleven principles listed in the exercise. Discuss your findings in a short one to two page paper.

Instructor Discussion

This exercise asks students to review information provided on the issue of character and character building as an ingredient in effective leadership. One of the chief reasons for a leader to ascribe to the philosophy of Management by Wandering Around (MBWA) is so that the leader will constantly be exposed to subordinates and what they are doing and accomplishing. Note that many of the eleven principles can be directly related to the management and involvement of subordinates. Also note that many of the principles are related to character building. The students should be able to match these principles (even if in an abstract sense) to information provided in almost any historical profile of an industry leader. What is more difficult to determine is whether the industry leader has a character positive or a character flaw. Students should be encouraged to discuss the issue of character as it relates to leadership.



EXPLORING OB TOPICS ON THE WORLD WIDE WEB

Search Engines are our navigational tool to explore the WWW. Some commonly used search engines are:

www.goto.com www.google.com www.excite.com
www.lycos.com www.hotbot.com www.bing.com

1. Learn about your personal leadership characteristics by taking the following assessment instrument at <http://www.nwlink.com/~donclark/leader/survlead.html>. The survey is designed to provide you with feedback about your level of preference or comfort with leadership characteristics and skills. Note what your strengths are and areas for development.
2. Point to <http://www.nwlink.com/~donclark/leader/leader.html>. This site provides free access to extensive materials on group leadership. Once at the site, scroll down through the topics and choose one that interests you. Write a two-page paper on the topic (feel free to do additional searches if you need more information). Bring the paper to class for your instructor.
3. Find five companies whose CEOs have left (for reasons other than normal retirement) in the past 12 months. Assess their company's profit performance against the average for their industry group. Using terms such as "CEO" + "turnover" or "resignation" will yield a number of results. To find the stock price performance, you can then use any of a number of online services such as www.cnnfn.com. What did this exercise tell you? Write a short paper on what you learned.
4. Leading can be a difficult task. It is hard to know what other leaders are thinking, what is important to them, and how they do it day in and day out. Visit the U.S. Coast Guard's Web site and read how leaders do their job everyday from their own essays. Point to:
<http://www.uscg.mil/hq/g-w/g-wt/g-wtl/essays/index.htm>

Select two essays and print. Apply a leadership theory to the writer's thoughts. Bring it to class for a group discussion.

REFERENCES