Leadership and Communication

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Abstract

Are we born or granted leaders in our social interactions? Folklore, myths, books, TV-series, but also history, politics, economy, and more broadly our human life are disseminated with narratives of leadership construction. Latest studies have urged a shift in focus of leadership inquiry from the who (personality traits), what (behaviors), and where (situation) to the how of leadership. That has led to the emergence of a constructionist perspective that views leadership as embedded in context, considering person and context as interrelated social constructions made in ongoing local-cultural-historical processes. In this chapter, after briefly illustrating extant leadership styles, we put forth conceptually and then we substantiate with case studies the rise of conversational leadership as the emergent constructionist response to the dramatic increase of organizational and stakeholder complexity. The aim is to support readers to understand the conversational leader as an executive characterized by a flexible sensitivity in crafting relationships with people in time of disruption. Conversational leadership shows then how the mastery in soft skills ends up sustaining hard corporate results.

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From the Crib to the Poll: The Individual Becoming a Leader

Are we born leader or are we granted leadership?

Legends celebrate King Arthur as a great and noble warrior, a magical hero defending Britain from human and supernatural enemies. When Arthur went from being the bastard child of Sir Ector's to the King of Britain he was not aware of his royal lineage. Still royalty was written in his DNA. Arthur was in fact the first born son of King Uther Pendragon and legitimate heir to the throne. However these were very troubled times and Merlin the magician advised that the baby Arthur should be raised in a secret place (at Sir's Ector's mansion) and that none should know his true identity.

As Merlin feared, when King Uther died the game of thrones started. With no heir to lead the kingdom, the country fell into despair and blood feud. Rival nobles, dukes, and lords disputed over who should be the next king.

Merlin used his magic to set a sword in a stone that reads in golden letters:

> "Whoso pulleth out this sword of this stone and anvil, is rightwise King born of all England."

Only he who was fit to rule England could pull the magic sword from it (Fig. 13.1).

Although Arthur was a scrawny boy, Merlin saw in him the potential to be a wise and just ruler who would eventually rescue Britain from ruin. Tons of nobles tried and pulled the sword from the stone, but no one of them could. When Arthur tried, almost by chance, the sword came loose, and the rightful king got his crown.

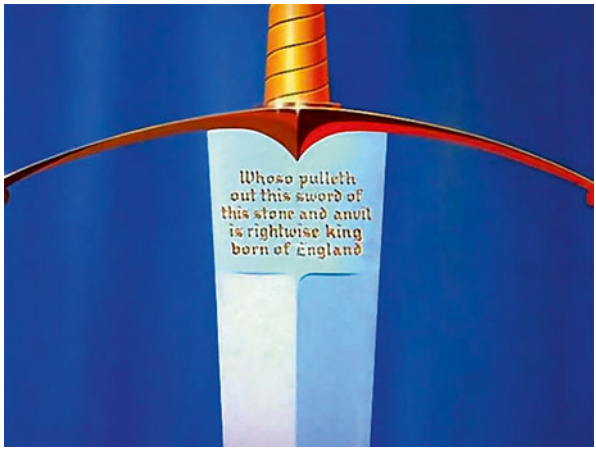

Fig. 13.1 The sword in the stone from the Walt Disney animated movie (1963)

Like Merlin, early leadership studies were based on the assumption that leaders are born, not made. In particular *Leadership Trait Theories* attempt to identify the set of characteristics or traits that distinguish leaders from followers, or effective leaders from ineffective leaders. These theories conceptualize leadership as a function of personality traits.

However, real (or supposed) natural born leaders often come to be recognized as such not only thanks to their innate predispositions or personality but also thanks to the relational opportunities that pop up under certain specific situational and contextual circumstances.

The dystopian society built in the Lord of the Flies reflects the intricate relational foundations of leadership. In the midst of a raging war, a plane evacuating a group of schoolboys from Britain is shot down over a deserted tropical island. The novel opens with two of the boys, Ralph and Piggy, who discuss what to do in order to be rescued. They discover a conch shell on the beach, and Piggy realizes it could be used as a horn to summon the other boys.

> Piggy paused for breath and stroked the glistening thing that lay in Ralph's hands. "Ralph!"
> Ralph looked up.
> "We can use this to call the others. Have a meeting. They'll come when they hear us"
> He beamed at Ralph.
> "That was what you meant, didn't you? That's why you got the conch out of the water?"
> Ralph pushed back his fair hair. "How did your friend blow the conch?"
> "He kind of spat," said Piggy. "My auntie wouldn't let me blow on account of my asthma. He said you blew from down here." Piggy laid a hand on his jutting abdomen. "You try, Ralph. You'll call the others."
> […]
> "We've got to decide about being rescued."
> There was a buzz. One of the small boys, Henry, said that he wanted to go home.
> "Shut up," said Ralph absently. He lifted the conch. "Seems to me we ought to have a chief to decide things."
> "A chief! A chief!"
> "I ought to be chief," said Jack with simple arrogance, "because I'm chapter chorister and head boy. I can sing C sharp."
> Another buzz.
> "Well then," said Jack, "I" He hesitated.
> The dark boy, Roger, stirred at last and spoke up. "Let's have a vote."
> "Yes!"
> "Vote for chief!"
> "Let's vote"
> This toy of voting was almost as pleasing as the conch. Jack started to protest but the clamor changed from the general wish for a chief to an election by acclaim of Ralph himself. None of the boys could have found good reason for this; what intelligence had been shown was traceable to Piggy while the most obvious leader was Jack.

Despite his proven intellect Piggy cannot be the leader himself because he has no capability to relate with the other boys and to win their respect. Therefore he shadows Ralph as an advisor in order to get his voice heard by the group and to find a secure shelter against Jack's oppositions. In order to be recognized as a respected and fair governor, Ralph decides to share his powers and responsibilities appointing Jack to be in charge of the boys who will hunt food for the entire group (Fig. 13.2).

Fig. 13.2 Ralph and Piggy using the conch shell to gather the boys marooned on the island from the film adaption (1963) of Golding's novel (1954)

Those who read Golding's novel have already foreseen that leadership is a dynamic phenomenon that comes to be morphed by individuals in the interplay with other people, the physical context, and the values and meanings which people use to make sense of that context.

That happens in the Lord of the flies. As the boys got separated into factions, the order of things instituted by Ralph's leadership collapses. Some boys behave peacefully and work together to maintain order and achieve common goals under Ralph's guidance, while others rebel against Ralph's civilizing call and obey to Jack's promotion of anarchy and violence.

Folklore, myths, books, TV-series, but also history, politics, economy, and more broadly our human life are jam-packed with narratives of leadership construction either of King Arthur's or Ralph's or even Jack's type.

Extant Organizational and Management studies have investigated the dynamics through which leadership is constituted. By the late 1940s, most of the leadership research had shifted from the Trait Theory paradigm to the *Behavioral Theory paradigm*, which analyzes what leaders say and do in the attempt to identify the one best leadership style that fits all situations. Unfortunately, although the behavioral leadership theory made major contributions to leadership research, it never achieved its goal of finding one best style. The behavioral paradigm builds on previous Trait Theories to focus on individuals and their personalities, behaviors, and expectations relevant to relationships they establish with others (Hollander, 1978; Uhl-Bien, Graen, & Scandura, 2000) in attaining mutual goals and pursuing organizational interests (Brower, Schoorman, & Tan, 2000; Graen & Uhl-Bien, 1995) in highly structured organizational context (Hosking & Morley, 1988). This perspective recognizes leadership traits both in the characteristics of individuals and in their relationship with the environment where leadership is exerted through behaviors and actions.

So far, this perspective has identified four *prominent leadership styles*:

- The *transactional leadership*, that focuses on leadership as a relational process, typically a two-way social exchange interaction based on "transactions" that occur between leaders and followers (Graen & Uhl-Bien, 1995; Hollander, 1978; Uhl-Bien et al., 2000). Following this perspective leadership implies a process of benefits exchange at mutual advantage between the parties (Bass, 1985).
- The *transformational leadership*, that sees leadership as an inspirational and charismatic act aimed at guiding organizational members towards a full commitment to corporate goals (Bass, 1985). The transformational leader reveals a capability to affect organizational members' emotions and self-esteem in their effort to internalize the values and goals of the leader (Weierter, 1997). A transformational leader is a highly passionate, self-sacrificing, and visionary individual (Singh & Krishnan, 2008), who is powerful, self-confident, and capable of enacting a strong magnetic attraction towards his colleagues (Waldman, Siegel, & Javidan, 2006) that encourages cultural change (Avolio, Bass, & Jung, 1999; House, 1999; House, Hanges, Javidan, Dorfman, & Gupta, 2004).
- The *inclusive leadership*, that is based on rapid decisions and actions to manage a growing environmental complexity (Uhl-Bien, Marion, & McKelvey, 2007) in contexts of tight competition, uncertainty, and dynamism (Bodega, 2002). This typology is centered on flexibility, orientation to team needs, satisfaction, and open confrontation leveraging members' integration (Morgeson, DeRue, & Karam, 2009), rather than being centered on the charismatic figure of the leader (Klein & House, 1995). The inclusive leader is a wise diplomatic, technically prepared, strongly committed to organizational goals, and animated by accessibility and a clear self-awareness, also acknowledging personal limits (Clutterbuck & Hirst, 2002; Klein & House, 1995).
- The *servant leadership*, in complex organizations the current demand for more ethical, people-centered management, has recently encouraged the widespread recognition of a leadership style inspired by the ideas of service: the servant leadership (Greenleaf, 1998; Van Dierendonck, 2011). At present, innovation and employee well-being are given high priority and so leadership that is rooted in ethical and caring behaviors becomes of great importance. Servant leadership may be of particular relevance since it adds the component of social responsibility to transformational and inclusive leadership (Graham, 1991). Compared to other leadership styles where the ultimate goal is the well-being of the organization, a servant-leader is genuinely concerned with serving his team (Luthans & Avolio, 2003; Parolini, Patterson, & Winston, 2009).

Regardless of the specific leadership style, the personality and behavioral perspectives seems to be challenged by the increasing organizational instability that current leaders are facing in the contemporary scenario.

While early leadership theories represented an attempt to find the one best leadership style, it is now apparent that leadership requires dynamic adaptation. *Contingency leadership theory* represents the third major paradigm shift that argues

for a leader to be effective there must be an appropriate fit between the leader's behavior and style, the followers, and the situation (Filatotchev & Allcock, 2010; Greenwood & Miller, 2010).

However we must say in our societies even the very meaning of the terms "leader" and "follower" is under revision. And situations are fluid as ever. Think about social media, where you can even buy your followers on Facebook, and *click-tivism*, people sympathizing with a cause by simply clicking on "Like" or "Follow" to grant their safe, mindless, and often effortless support. Such examples end up often depriving of meaning our intentions and decisions to follow great individuals and their causes across different global arena.

Conversational Leadership as Something in Between

Latest studies have urged a shift in focus of leadership inquiry from the who (personality traits), what (behaviors), and where (situation) to the how of leadership. That has led to the emergence of a *Constructionist perspective* that views leadership as the processes by which social order is constructed and reshaped (Uhl-Bien, 2006). Rooted in the Social Constructionist Theory (Fairhurst & Grant, 2010), this perspective sees leadership as embedded in context, considering person and context as interrelated social constructions made in ongoing local-cultural-historical processes (Dachler & Hosking, 1995). Therefore the relational perspective does not seek to identify attributes or behaviors of individual leaders; rather it focuses on the social construction processes by which certain understandings of leadership come about (Dachler & Hosking, 1995).

Within this perspective, *conversational leadership* (Groysberg & Slind, 2012) has been raised as the emergent response to the dramatic increase of organizational and stakeholder complexity, which calls for an executive characterized by a flexible sensitivity in mastering relationships with people in time of disruption. Conversational leadership depicts a process of the collective building of wise actions (Hurley & Brown, 2010) through intimate, dynamic, inclusive, and interactive conversations (Groysberg & Slind, 2012). In the midst of social and business mistrust, these conversations are seen as the way to reconnect and orient people, by building on authenticity (Auster & Freeman, 2013; Torp, 2010). Accordingly, an executive cannot be appointed a leader by birth or by conferment; on the contrary, leadership emerges in relationships (Cunliffe & Eriksen, 2011; Fairhurst, 2008).

While traditional leadership styles are rooted in an individual-based perspective of the leader, conversational leadership entails a socially constructed and participatory view of leadership (Fairhurst & Grant, 2010; Uhl-Bien, 2006), meant as a process embedded in the everyday relationally responsive dialogical practices (Cunliffe & Eriksen, 2011).

Traditionally leaders drove organizational performance by devising strategic objectives, which they translated into directives that passed down through a hierarchy before reaching employees, whose job was merely to take orders and to act on those orders. Today, that model of organizational life is essentially falling apart.

People, their energies, and their capabilities are the ultimate source of optimal performance and sustainable competitive advantage. Yet the value that people now deliver to an organization is not something leaders can leverage simply by issuing orders from the executive suite. In an environment where employees have that much power to determine the success or failure of an organization, the ability of leaders to command grows weaker and their sense of control grows weaker too.

Conversational leadership implies commitment to and immersion in human dynamics (Groysberg & Slind, 2012). A leadership is less about issuing and taking orders (Groysberg & Slind, 2012), and more about empathetically getting closer to stakeholders by recognizing the polyphonic nature of organizational life and relationship management (Cunliffe & Eriksen, 2011), and embracing the unpredictable vitality of dialogue (Groysberg & Slind, 2012). This leadership promotes democratic processes to move beyond top-down monologues (Raelin, 2012) allowing for participatory practices, which are vital to face a contextual environment continuously redefined by its actors.

In the words of David Wythe, a pioneering corporate poet, "Leaders spend much of their time in the realm of human relationships. No one person cannot do it alone: there is no one mind that can actually understand what is going on around us today. At such a level of complexity, you need to create conversations where many eyes, ears, imaginations and intellects turn with you toward the problem at hand. This is what I call conversational leadership" (Watt, 2010). (Is "Watt" correct or should it be "Wythe"?)

In corporate life each meeting provides an opportunity for participants to develop a collective understanding of their connectedness and interdependence. As people evolve from focusing on self to focusing on self as a member of a larger community, the purpose of meetings shifts from solving problems to creating solutions, from defending absolute truths of the moment to achieving coherent and collective interpretations of what they want their organizations to be (Jorgensen, 2010). However most professionals concur that a good deal of the time they spend in "meeting mode" could be better used otherwise.

How to Make the Most of Meeting Time?

In 1995, a small group of business and academic leaders started meeting at the home of Juanita Brown and David Isaacs in Mill Valley, California. They were planning for a morning large-circle dialogue that, though being disrupted by rain, welcomed two dozen participants. They spontaneously formed into small, intimate table conversations about the questions that had drawn them together, recording their insights on makeshift paper "tablecloths." They periodically interrupted these conversations to switch tables so the insights and ideas that had real power might circulate, deepen, and connect. Harvesting the table conversations enabled them to notice the emerging patterns in their thinking, which then enriched subsequent rounds of conversation. Over the course of the morning, the innovative process they improvised gave birth to an experience of collective intelligence that transformed the depth, scope, and innovative quality of their collaboration. They had discovered the World Café.

Later, after reflecting upon what enabled such great conversation around critical strategic issues, through action research and experimentation in several countries, they identified seven key World Café design principles and began to articulate the core concepts of conversational leadership that underpin the process. The World Café can be described as "a simple yet powerful conversational process that helps groups of all sizes to engage in constructive dialogue, to build personal relationships, and to foster collaborative learning" (Tan & Brown, 2005). The core design of a World Café dialogue is based on the assumption that people, if only given the chance to radically participate, have already within them the wisdom and creativity to confront even the most difficult challenges (Tan & Brown, 2005). In order to create this conversation-friendly situations, the World Café develops a comfortable café setting, a "third place" (Oldenburg, 1999), a home away from home, where groups of people can take part into evolving rounds of dialogue with varying combinations of discussants. Small and intimate conversations link and build on each other and they grow bigger as people move between groups, cross-pollinate ideas, and discover new insights into questions or issues that deeply matter to their life, work, and community.

The World Café relies on Maturana's notion of human systems as networks of conversation and Luhman's reflection that communication is fundamental to the ecological process of how we organize ourselves as human systems. In a setting where several people are interacting together by the means of communication, the most important work is that of creating conversations (Webber, 1993). It is the leader's primary responsibility to facilitate the kind of collaborative environment, mutual trust, and authentic conversations that enable the organization to access the collective intelligence of its members. In this spirit, Florida educator and Café host Carolyn Baldwin coined the term conversational leadership to describe the leader's intentional use of conversation as a core process to cultivate the collective intelligence needed to create business and social value.

The Conversational Leader as a Mindful Individual

Conversational leaders who understand human dynamics and are sensitive to the interactional context around them prove to be mindful individuals. Mindfulness implies realizing what's new or different in specific settings, whether in the external environment or in one's own reactions and responses. It embraces the capability to openly receive diverse signals, including signals that are faint or at odds with previous experience, in that the focus is on perceiving directly, without immediately analyzing, categorizing, or judging. Mindful leaders allow themselves to stay with uncertainty as to its meaning and significance (Dunoon & Langer, 2012).

Conversational leadership rooted in a constructionist and context-driven perspective on relationship management and dialogue with stakeholders relies on mindfulness also in that leaders recognize in each moment that the issues are dealing with are likely to be contentious. These issues appear differently to those involved and there is no single path through to resolution.

Conversational leaders allow greater space to entertain complexity and to view problems holistically beyond consolidated mental constructs. They hold themselves and other people as actors rather than just as observers of others' actions moving away from externalizing responsibility and aim towards joint exploration. That grants them deeper, more nuanced, and more genuinely shared understandings about present realities and potential futures that forges their being prepared to engage in difficult conversations, those in which people are usually afraid of being criticized and of looking foolish. The ability of the conversational leader to recognize that each actor's behavior makes sense from their perspective makes evaluation and fear of evaluation dissipate (Dunoon & Langer, 2012).

Assessing Conversational Leadership

Although measuring the effectiveness of a conversational leader's behavior is realistically almost impossible to achieve, attempting to dimension and quantify the phenomenon to allow leaders and their colleagues to better orient their expectations and attitudes is currently emerging as a primary concern in organizational dynamics. In this regard, a very recent effort to assess leadership from a conversational standpoint that is noteworthy has been undertaken by Schneider, Maier, Lovrekovic, and Retzbach (2015) who, drawing on a communication-based approach to leadership and following a theoretical framework informed by interpersonal communication processes in organizations (Hackman & Johnson, 2013), introduced the Perceived Leadership Communication Questionnaire (PLCQ), a simple and reliable instrument for measuring leadership communication from both perspectives of the leader and his/her co-workers. This tool consists of a mono-dimensional six-item scale measuring self-perceived leadership communication. The wording of the items of the scale includes both self-rating (SR) and other-rating (OR) statements and the scale covers the following subdimensions of leadership communication:

- Sensitivity toward others
  - (SR) I am sensitive to the needs of others.
  - (OR) My supervisor is sensitive to the needs of others
- Dedication to others
  - (SR) I like devoting my time to my co-workers
  - (OR) My supervisor seems to like devoting his time to me
- Satisfaction about communication exchange
  - (SR) I am content with the way my communication with my co-workers is going
  - (OR) I am content with the way my communication with my supervisor is going

- Goal sharing
  - (SR) My co-workers and I share an understanding of how we would like to achieve our goals
  - (OR) My supervisor and I share an understanding of how we would like to achieve our goals
- Open confrontation
  - (SR) My co-workers and I can speak openly with one another
  - (OR) My supervisor and I can speak openly with each other
- Problem solving and conflict resolution through talking
  - (SR) Especially when problems arise, we talk to one another even more intensively in order to solve the problems
  - (OR) Especially when problems arise, my supervisor and I talk to each other even more intensively in order to solve the problems

This scale considers separately but concurrently both the perceptions of the executive and of his/her employees on the same leadership dimensions, allowing for cross-confrontation of perceptions and gap analysis. Of the plethora of scales developed in literature to assess leadership, this recent one has the merit of incorporating the communicational aspects of the leader role that are currently increasingly proving distinctive of a genuine leadership from a leadership by appointment.

In Defense of Being Soft

Fluid boundaries among countries and societies have led to an increasing number of people traveling across cultural and organizational frames (Griffith, 2003). As a result, dealing with the full complexity of human diversity has become a daily task for a substantial part of the business community (Lauring, 2011, p. 231). On this regard more work in needs to be done to reconcile the individual, relational, and contextual nature of leadership. The emergence of conversational leadership could represent a nexus connecting and finally reconciling these different facets of leadership construction.

Besides idealistic tensions, conversational leadership seems to imbue corporate life with a humanistic afflatus centered on relationships between people as human beings and not just cogs on the wheel of the company machinery (Gambetti & Biraghi, 2015). This leadership is not defined by conferment of responsibilities, tasks, and subordinates; rather it relies on a sharp sensitivity toward people's needs, expectations, and desired beyond cogent stakes and on a brave capability to invest in the enhancement of "the soft" sides of business.

According to Henry Mintzberg there are three management skills that all leaders need to possess:

1. *Technical or business skills* involve the ability to use methods and techniques to perform a task
2. *Decision-making or conceptual skills* are based on the ability to conceptualize situations and select alternatives, to solve problems and take advantage of opportunities
3. *Interpersonal skills* involve the ability to understand, communicate, and work well with individuals and groups through developing effective relationships both inside (employees) and outside (customers, suppliers, stakeholders, and other communities) the organizations. They are nontechnical and they can be also *called human, people, and soft skills*. Now since organizations are human creations, operated by human beings, the very core of leadership becomes the *conversational work* performed thanks to *soft skills*.

Soft skills refer to the collection of personality (intrapersonal and interpersonal) traits and attitudes that drives one's behavior (Roan & Whitehouse, 2007). These skills are currently becoming the most sought-after human capabilities on the job market while hiring graduate students (Lavy & Yadin, 2013). Actually, the emphasis given in the business environment to those soft skills such as leadership, teamwork, critical, holistic and lateral thinking, logical reasoning, and communication skills is seen as capable of allowing the proper expression, implementation, and collaboration for optimal use of knowledge assets (Brill, Gilfoil, & Doll, 2014). Chakraborty (2009) incisively claimed the essential role of soft skills in shaping well-rounded individuals who will be the key constituents in successfully navigating the change with which we are confronted.

A recent study performed by the Institute for Labor Studies (2010) in collaboration with some of the world's leading business schools offered us an understanding of the most valuable soft skills for the future. Potential employers of over 300 companies were asked to indicate what they believed to be the most important soft skills of the future. Among the results of this survey, more than 64 % of employers mentioned teamwork, 54 % problem-solving skills, 36 % value decision-making capabilities, and 35 % interpersonal communication skills. All employers valued coaching skills and the ability to facilitate dialogue among the most important soft skills for the future (Dixon, Belnap, Albrecht, & Lee, 2010).

Not only soft skills are considered increasingly important for the success of organizations in these times of continuous change and instability, but they are also extremely difficult to transfer through training. Recent anecdotal evidence has emphasized that soft skills training is significantly less likely to transfer from training to the job than hard-skills training due to their being strongly individual-specific and not replicable (Laker & Powell, 2011). This lack of soft-skill transfer results in an extremely costly waste of time, energy, and money for companies. That points at the importance for organizations of unravelling, nurturing and supporting the expression in their executives of conversational leadership abilities,

since co-constructive dialogue and interaction as key elements of this kind of leadership constitute the fuel innervating end encouraging the development of soft skills in individuals.

Case Studies 13: Soft Skills Provide Hard Results!
Starbucks

Starbucks Chairman and CEO, Howard Schultz, majored in Communications at Northern Michigan University. His "soft" skills and values helped revive the company in 2007 when the coffee giant's sales and stock price plummeted. Schultz returned to his role as CEO and re-ignited the brand through a stubborn mix of passion, love, and inspiration. Looking back on the challenge Schultz explained to Oprah, "We had lost our way. The pursuit of profit became our reason for being and that's not the reason that Starbucks is in business… We're in the business of exceeding the expectations of our customers" (Gallo, 2013).

Schultz's first step was to bring together 10,000 Starbucks managers for a four-day conversation in New Orleans (Gallo, 2013). His purpose? Inspire, engage, and challenge. Within four years the company experienced record-high profits, revenue, and stock price.

For Schultz, the secret sauce is not coffee; it's people and relationships. According to Schultz, "Starbucks is the quintessential experience brand and the experience comes to life by our people. The only competitive advantage we have is the relationship we have with our people and the relationship they have built with our customers" (Gallo, 2013).

In his book, *Pour Your Heart into It*, Schultz reveals the soul of a storyteller and a deep belief in the dignity of hard work and workers. A business executive motivated to build an organization founded on values of fairness, respect, and dignity first—and great coffee second. A vision that was heavily influenced by a work-related accident suffered by his blue-collar father who, without health insurance, was unable to continue in the job (Schultz & Jones, 1997).

Schultz's gift for inspiring employees stems from his unapologetic humanity and a passion fueled by clear, consistent, and heartfelt values. His ability to connect emotionally with baristas and executives alike is consistently cited as the core of his exceptional leadership skill.

The "soft" essence of Starbucks remarkable success is further revealed in Howard Behar's 2009 book, *It's Not About the Coffee: Lessons on Putting People First From A Life at Starbucks*. Behar, a 20-year Starbucks senior executive, reveals the ten core leadership principles that drive the company's success. None of them is about coffee. Nor does the list include any "hard" principles associated with traditional command and control management. Rather, Behar touts the virtues of building a culture of mutual trust and defining success by how the company develops its people. Behar attributes Starbucks success to its genuine commitment to listening, empathy, and "communication with heart" (Behar & Goldstein, 2009).

Discussion Questions

1. Starbucks' competitive advantage is the relationships the company has with its employees and the employees have with their customers. Do you feel that he over-emphasizes the importance of relationships or that he's correct? Why?
2. Think about relationships in your life that are important and characterized by trust. Describe the qualities of those relationships that make them so strong and valuable to you? Do you think those qualities are im. portant to building strong relationships between employer and employees and/or employees and customers?
3. Can you think of any organizations (include businesses, brands, nonprofits) that you feel loyal to? Which ones? What is it about them that engenders your feeling of loyalty?

Wegmans

People love Wegmans. They love buying groceries there. They love working there. Some love the New York-based grocery chain so much they get married there.

The company receives a steady flow "love letters" from former customers who fell in love with the grocers while living in the northeast USA (where the company's 79 stores are located) but who have since moved away. One fairly typical letter reads,

> Ohhhhh, Wegmans. I haven't even been in one in maybe 5 years, since the last time I visited Ithaca (where I went to school). After I moved to Washington, my new friends thought I was nuts for being so obsessed with a grocery store. But see, it's not just me! PLEASE, Wegmans—we need a grocery store in Penn Quarter. Do you know how happy I'd be if you opened one here? (Love Letters to Wegmans)

The actor Alec Baldwin confessed to David Letterman that his mother refused to leave her home in upstate New York because there are no Wegmans stores in Los Angeles (Gordon, 2010).

What's at the root of all this love? Something simple, old-fashioned and "soft." *Treating people with respect*. Wegmans is a family-owned business that has been around for over 90 years. The company employs 42,000 people and generates annual revenues of over $6 billion. Employee turnover is half that of its peers. Wegmans has been included in Fortune Magazine's Top 100 Places to Work in America ever since the list was founded in 1998. This year Wegmans was ranked # 7. In 2005, they earned the #1 honor (Points of Pride).

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Wegmans is committed to two-way communication with its employees, its customers and the communities it serves. Company executives listen and act upon what they learn. Staff at each store earnestly urge customers to ask questions and delight in conversation. It starts at the top. The company's CEO, Danny Wegman (grandson of the company founder), is legendary for his constant visits to chat with front-line employees. "He acts just like one of us." is the oft-cited employee description of their boss. His "soft" skills include a gift for remember employee names and life stories. He takes time to get to know Wegmans employees as people. He trains managers to ask employees how they can best do their jobs—rather than telling them. Perhaps most telling of all, he's described as a great listener who truly cares about people.

A visit to the company's website reveals this decidedly old-fashioned explanation: "…*We really have created something special: a great place to work where caring about and respecting our people is the priority." The accompanying list of five core values is: caring, respect, making a difference, high standards, and empowerment* (Points of Pride).

Putting people—employees and customers in particular—at the center of the enterprise is the essence of Wegmans competitive advantage. In a 2012 interview in the Atlantic Magazine the company's VP of human resources concluded: *"What some companies believe is that you can't grow and treat your people well," Burris told me. "We've proven that you can grow and treat your people well"* (Rohde, 2012).

Discussion Questions

1. Some purchase decisions are driven entirely by price/value. Others are influenced by trust, relationships, and loyalty. Can you list several purchases you have made that are strictly price/value driven vs. those that are trust/relationship/loyalty driven?
2. Think of friends or family members who you trust and respect and enjoy. What role, if any, do you think genuine listening plays in your relationships? Express what you consider to be the qualities of a good listener. Can those qualities be embraced by organizations? How?

Zappos

In 2009, Amazon CEO Jeff Bezos acquired "online shoe retailer" Zappos for nearly $1 billion. Many wondered why Amazon wouldn't simply sell shoes on their own. After all, Amazon essentially invented online retail. Bezos explained that the prize wasn't shoes. It was culture. And passion. And the leadership of Zappos CEO Tony Hsieh (Taylor, 2014).

In 2000, Zappos sold $1.6 million of shoes online. By 2008, the company's inventory had expanded well beyond shoes; annual revenue reached $1 billion. Asked to explain the company's remarkable growth, Hsieh denied the popular assumption that social media mastery was the key. Or even that Zappos legendary customer service was the secret. Hsieh's singular focus and the single most powerful driver of success is *culture* (Taylor, 2014).

And culture starts with hiring. Every Zappos employee, regardless of function, participates in the same four-week onboarding training. After 2 weeks of experiencing the company's values, culture, history, and zealous commitment to customer services, employees are asked to leave the company. In fact, they are offered one month's salary if they conclude that Zappos is not the right career fit. No questions asked. No strings attached.

Why? *Culture*.

Passion for people is hard to train. Hseih believes it takes rare personal values and personality to render consistent "wow" service. They know it when they see/feel it. Employees do too. So the real benefit of paying employees to leave rests in those who turn-down thousands of dollars to stay. Those who belong. Those whose passion is people and service. Those who can't wait to get back to work.

Unlike most customer service departments, customer reps at Zappos are not timed and evaluated on how quickly they resolve customer concerns. In fact, they're encouraged to spend as much time as it takes to delight customers. (The current record is a 10-h phone call.)

Zappos website includes actual stories of crazy customer service. One story, as told by Jerry Tidmore, the manager of Zappos' help-desk concierge service goes like this: "…A guest checked in to the Mandalay Bay hotel [in nearby Las Vegas] and forgot her shoes." According to Tidmore, the guest called Zappos, where she had originally purchased the style, looking for a replacement, but they didn't have any in stock. So the company found a pair in the right size at the mall, bought them and delivered them to the hotel—all for free (Zappos.com).

Recently, Amazon implemented a Zappos-like "pay-to-leave" approach for their fulfillment center staff. Once a year each employee is offered money to leave. At first the offer is $2000 and then it is increased $1000 every subsequent year up to a maximum of $5000 (Taylor, 2014).

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The most recent chapter in the Zappos culture book is the elimination of traditional job postings, resume review, interviewing, and hiring process. Instead, they've launched Inside Zappos, a social network for Zappos employees and potential employees to hang-out. Under the banner "*Where culture thrives, passion follows"* possible job applicants join the network so the potential candidate and the company's employees can get to know each other as human beings. The obvious goal is to find those needle-in-a-haystack individuals who will thrive in and contribute to Zappos unique culture. As members learn more, they're asked to narrow their participation to a particular team to foster even more sharing and even more familiarity between those "inside" and "outside." As candidates and employees get to know each other better, recruiters gather deeper and more personal input as the applicant pool is narrowed and the few are invited to Las Vegas to meet face-to-face.

Even after extensive face-to-face interviews, Zappos' search for insights into every candidate's "fit" and passion for people is not over. Hiring managers ask the shuttle drivers who ferry candidates to company headquarters a vital question: "*How did he or she treat you during the drive from the airport?*"

Discussion Questions

1. Tony Hseih is convinced that culture and brand are two sides of the same coin. Can you explain what he means?
2. The success of Zappos suggests that the "fit" between an organization's values and those of its employees is very important. Do you agree that "culture fit" is important to organizational success? Can you think of examples in your life where your "fit" with the culture helped you to be successful? How about the opposite?
3. Tony Hseih and his team at Zappos look to hire individuals who are genuine and even a "bit weird." They celebrate individuality and authenticity. They believe that employees who have to force themselves to fit into an organizational culture that is not consistent with their true selves waste lots of energy trying to "fit in." Have you ever found yourself in situations where your true self was not aligned with the dominant values of a group or organization? How did you adapt? If you were the head of hiring and recruitment for an organization, would you emphasize culture fit? If so, how would you "screen" for fit?

Chapter Summary

In this chapter we supported conversational leadership as the emergent response to the dramatic increase of organizational and stakeholder complexity, which calls for an executive characterized by a flexible sensitivity in mastering relationships with people in time of disruption.

No matter who we are and what we do, the true leader is a savvy connoisseur of the how of leadership that is a process of the collective building of wise actions through intimate, dynamic, inclusive, and interactive conversations. As shown in the World Café.

In the frame of conversational leadership soft skills are currently becoming the most sought-after human capabilities on the job market. Although measuring the effectiveness of soft skills is realistically almost impossible to achieve, attempting to dimension and quantify the phenomenon to allow leaders and their colleagues to better orient their expectations and attitudes is currently emerging as a primary concern in organizational dynamics. In this regard, a very recent effort to assess leadership is represented by the Perceived Leadership Communication Questionnaire. Finally, the power of soft skills in providing hard results is clearly evident in Starbucks, Wegmans, and Zappos case studies.

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