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# The Quest for a Model of Mindful, Positive Leadership and a Constructive Way of Life

## 1.1  Groundwork for Models of Leading and Living

This book takes the view that human existence should not be compartmentalized. It is hardly possible to be a mindful, positive leader without being a mindful, positive person in private life. Being one without the other is an oxymoron. In fact, everything in life is shaped by the quality of an individual's innermost attitudes and the quality of human existence. From that standpoint the content of this book applies equally to normal individuals' lives as well as the lives of leaders.

Leadership can achieve great things like excellent products, services and dynamic organizations—all of which can make life more enjoyable and enriching. Equally, leadership can be used to damage human experience. Wars, group violence and many different forms of organized, or even disorganized, social destruction can lead to harmful outcomes. However, most of the time leadership is a process that simply sustains the status quo at organizational, group or even individual levels.

In this book I offer a model that, with training, can produce leadership that assists leaders and managers to create value in a positive and sustainable manner. I am particularly grateful for the perspective of the influential management philosopher, Peter Drucker, who defined leadership as "lifting a person's vision to high sights, the raising of a person's performance to a higher standard, the building of a personality beyond its normal limitations." Consequently what I am advocating is that almost everyone involved in any kind of social interaction has the potential to apply this type of leadership.

For example, a mother helping her child to achieve higher grades in school and a colleague helping a team member with problems at work will both benefit from applying these leadership principles. It is a leadership style that produces workable systems within organizations as well as workable solutions for the leaders themselves as for any individual.

Over the years, both in places where I have worked, led and managed groups and at some of the best business schools in the world where I have studied, I have explored a wide range of leadership theories. (Please see Box 1.1 for a brief description of some of the most popular leadership theories.) Careful application of these theories has helped me to improve outcomes for my teams and myself. In terms of standardized measurements, such as return on investment, we performed extremely well. But I wanted to reach beyond standard measures. I was intrigued by the possibility that we could perform more creatively and avoid the emotional problems caused by chronic stress and fatigue. I knew this was possible because of an important personal experience in my youth.

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### Box 1.1    Leadership Theories

The plethora of existing leadership theories can be subdivided in four core orientations:

1. *Trait Theories*: These are theories that suggest that leaders must have certain personality traits or characteristics that people either have or don't have. These leadership theories have lost their appeal lately and are somewhat outdated in the light of neurological findings concerning the plasticity of the human brain.
2. *Behavioral Theories*: These types of theories focus on how leaders enact leading. An early popular behavioral leadership framework was Kurt Lewin's classification of leaders by their decision-making style. According to Lewin leaders fall into three categories: autocratic leaders (making decisions on their own), democratic leaders (inviting team members to participate in the decision-making process) and laissez-faire leaders (allowing people to make decisions within their own teams).
3. *Contingency Theories*: These theories suggest that there is no ideal leadership style as each situation requires a different type of leading. A well-known framework is Fiedler's contingency leadership model.
4. *Power and Influence Theories*: These theories take the view that the key is how leaders use power and influence to get things done. A well-known framework here is French and Raven's Five Forms of Power. According to Raven three sources of power are positional: "legitimate," "reward," and "coercive," and two sources are personal: "expert power" (knowing your stuff) and "referent power," stemming from a leader's appeal and charm.

In my mind I can still see one of my father's clients, a young businessman, the owner of a large transportation company dedicated to carrying perishable agricultural produce from the rural parts of the country to the capital, coming down the stairs in the office building as I went to see my father one day after school. He had tears in his eyes and was clearly moved, so I asked him what was happening? He answered that he was overjoyed, because his wife was finally pregnant after hoping for a child for years. He told me that he came regularly to see my father, his financial advisor. They had started talking together about everything, not just business, and this had helped to relieve him from the stress and exhaustion produced by long working hours and constant worrying. As a result he had become calmer and more relaxed and he was convinced that this had played an essential, positive role in enabling him and his wife to conceive a baby. He was so grateful to my father. I was only a 15-year-old teenager at the time, but I still remember that I thought "If only my Dad talked to me more often the way he talked with his client, Jorge."

That story has remained with me because, besides illustrating how pernicious stress can be, it taught me something crucial about the importance of caring and loving relationships at work. I learned that there had to be a positive way of leading people so that they could develop and flourish. I simply didn't know the "how" and this is what I set out to discover.

Here are the milestones of my quest. It is my way of highlighting the necessity of a model for mindful, positive leadership, and a constructive way of living with its integral parts. It is also a way to honor my teachers and all the researchers that have contributed directly or indirectly to the conclusions I have reached.

## 1.2   In Pursuit of Answers to Intriguing Questions

After years managing my own business and having achieved a respectable level of financial success, I felt secure enough to go back to the question: can we have better leadership and management models that benefit all parties?

In this search I studied for my doctorate at Case Western Reserve University's Weatherhead School of Management in Cleveland, Ohio. There I met Professor Suresh Srivastva who thought of organizations as centers of human relatedness where people come together "to learn, to care and to grow, to love and develop, to cooperate and co-create" (as he often used to say during his teachings in class).

At Weatherhead School of Management I also met David Cooperrider, who had the inspiration during a consulting assignment for the Cleveland Clinic, together with Suresh (his PhD supervisor), to invert the question "What problems need to be solved here?" to "What is working well here and how can we replicate it throughout the whole organization?" By inverting the focus they both created the new approach, appreciative inquiry (AI), which is recognized today as one of the most important modern management innovations.

Inspiring ideas also came from other teachers during my doctoral studies. Richard Boyatzis was teaching about the need for leaders' emotional intelligence and John Aram articulated the need to reform the management profession to reflect the needs of not just one stakeholder but society as a whole.

Also working in the field was Richard (Dick) Boland, my other thesis advisor and one of the early advocates of design thinking in management—a way of managing that was oriented toward creating desirable and creative, yet sustainable futures. Dick's inspiration for design thinking came from working with Frank Gehry, the iconoclast architect who designed the avant-garde Weatherhead building, and observing his design methodology and working approach, which involved engaging the actual users of the building in the design process.

The experiences at the Weatherhead School of Management made a deep and lasting impression on me. It became clear that leading and managing well was not about learning and implementing the latest theories and tools on leadership and management but involved something beyond technicalities. Reading about the work of Albert Speer, the Minister of Armaments and War Production in Germany's Third Reich, it became evident that good management tools were not the answer.

Speer explained how he employed advanced management systems such as ad-hoc democratic styles of management control and flat hierarchies. However, as we all know, these innovations were put to use for purposes universally recognized as immoral that led to crimes against humanity. This historic reality highlights how a leader's qualities are a key variable for skillful and sustainable leadership rather than just great leadership tools and models.

## 1.3    Two Discoveries and their Importance for Good Leadership and Living

Inspired by the ideas and management philosophies I had learned at Case's Weatherhead School of Management I started focusing on ways to improve management. I realized that management was a profession that needed to improve its standing with the public. Many people saw—and still see—managers and leaders as value destroyers rather than value creators.

Searching for answers I made two important theoretical discoveries: first, I became aware of one of the most complete models of human motivation, a rigorously researched theory called self determination theory (SDT), which had been developed by two eminent psychologists, E. Deci and R. Ryan (2000).

Second, I stumbled upon the evolutionary view of leadership (ELT). For me it was the most sensible theory of leadership. While most theories attempt to find a magic bullet that will solve all leadership questions, evolutionary leadership asks why we have leadership and what is its adaptive value, if any, in social behavior.

It is the brainchild of two scientists working independently, the Dutch psychologist Mark van Vugt and the German psychologist Michael Alznauer. It offers a strong theoretical foundation for the kind of alternative model of leadership and human existence that I was looking for.

I knew from experience that a robust scientific foundation was needed and that gut feeling was not enough. Sometimes individuals have intuitions about concepts before having a solid scientific explanation for them; a case in point is Marty Seligman, the founding father of positive psychology (PP). He explains how fortunate he felt when he discovered Barbara Frederickson's theory of positive emotions (2003), which validated his intuition about positive psychology.

During his presidency of the American Psychology Association, Seligman had created the field of PP out of a sense of need for a nonclinical population. When he developed the idea there was no theory supporting the foundation of the discipline.

In the same way David Cooperrider started practicing appreciative inquiry (AI) without a supporting theory. I remember presenting AI in the early years of the discipline to analytically minded managers and when they asked me how the model actually worked, I did not have an explanation. All I could offer was that it was working and producing good results. The breakthrough eventually came with Fredrickson's positive emotions theory. It provided the theoretical underpinnings for both PP and AI.

Based on these experiences I thought that if I wanted to present a leadership model I needed a theoretical anchor. As the late K. Lewin, the pioneer social scientist of MIT, used to say: "Nothing is as practical as a good theory."

My joy at discovering self-determination theory (SDT) and evolutionary leadership (EL) was derived from the realization that they could enable me to answer two key questions about an alternative leadership model:

1. What makes people feel well in life? SDT could show convincingly that well-being results from the satisfaction of three human needs: autonomy, mastery and relatedness.
2. What are impediments to great leadership and why is great leadership so rare? EL suggests three barriers: a biosocial mismatch between modern and ancestral environments, decision-making biases and an ancestral, archaic tendency in human psychological patterns designed to dominate other individuals.

Taken together these two theories provide a solid theoretical framework: If we can find ways to reduce barriers to good leadership and enable managers and leaders to create contexts where people can fulfill their human needs and have good lives at work, then we have a good starting point for a mindful, positive leadership model.

Contemporary surveys in the United States illustrate how high the hurdle for good leadership is: 60–70% of employees indicate that the most stressful aspect of their work is the interaction with their immediate leader (Hogan, 2006). This is

almost as high is the failure rate of leaders in organizations—which is around 60% (Hogan & Kaiser, 2005).

Let us look now more closely at both SDT and EL.

### 1.3.1    *Evolutionary Leadership Theory (ELT)*

Evolutionary leadership theory argues that good leadership is essential for the effective functioning of societies and organizations. This is why leadership emerged in early human societies (e.g., in tribes, clans and extended families).

Furthermore ELT suggests that leadership is a task, not a trait or a skill, with the purpose of ensuring that the probability of success in a group is higher than they would be without a leader. Leadership in the ELT model involves setting direction, coordination, organization and the allocation of resources to accomplish group goals.

ELT (van Vugt and Ronay, 2014) defines three barriers that potentially inhibit effective leadership:

1. *Biosocial mismatch between modern and ancestral environments*
   In ancestral times leaders were selected by their followers. Today, leaders are chosen by their peers (boards, executive members, etc.)—this inevitably results in modern leaders having a deep sense of loyalty towards their peers instead of their followers (employees, customers, etc.). Furthermore, in ancient times the task of leadership was distributed, as people were chosen to execute leadership tasks according to their skills. In contrast, today's leaders are expected to perform all types of functions (being an expert in multiple areas: markets, products, technology, finance and organization, foreseeing future trends and generating innovative ideas, acting as coach in professional and personal matters, excelling in public relations, etc.), although most modern leaders do not have the broad set of skills required for such a variety of duties (Kaplan & Kaiser, 2006). In today's modern environment this mismatch applies to both formal, explicit leadership functions as well as informal, innocuous relations, for example in family, friendship, or sports teams.

2. *Cognitive biases and errors*
   Evolutionary psychologists (Haselton & Nettle, 2006) argue that cognitive activities are prone to two types of errors: (a) type I errors of false positive (believing in a false belief) like thinking it is a harmless piece of dry wood when in reality it is a venomous snake and (b) type II errors of false negative (not believing in a true belief) like thinking it is a snake when it is in reality a harmless piece of wood. The consequence of making type II errors is mostly anxiety and stress, whereas type I errors can be fatal. Given this asymmetry of consequences, nature has adapted the human brain to err more on the side of type II errors (tending to assume it is a snake, not wood, to be on the safe side) to minimize type I errors. Inevitably this results in a very anxious mind. In today's management environment these types of responses tend to be disproportionate.

Cognitive psychologists have identified specific cognitive biases that can lead to errors. These biases include overconfidence, group thinking, confirmation bias, status quo bias and so on. For a more detailed overview of frequent cognitive biases affecting business leaders and individuals, please see Box 1.2.

Leaders are chosen based on their ability to make good decisions and avoid errors. Aspiring leaders usually seek to project an image of competence and thus tend to succumb to overconfidence about their ability to make the correct decisions. Overconfidence can result in a number of negative traits including lack of self-awareness, inflated self-evaluation, defensiveness in the face of errors and ultimately failure to learn from experience (Hogan & Kaiser, 2005). These weaknesses can have far-reaching consequences. Yet in the hierarchical structure of today's organizations leaders' mistakes are often difficult to trace and frequently have no consequences. The absence of punitive actions for decision errors creates a strong incentive to pretend confidence and seek leadership positions even when this competent image masks incompetence.

In ancient times, however, overconfidence by pretending to have competence was easily observable and the cost of mistakes was often fatal for both the leader and the group. Only people who were certain to accomplish the task had a chance of being selected as leaders.

3. *Human inherent tendency for dominance*
   The third barrier identified by ELT is the psychological tendency, inherent in many human beings, to dominate others. In ancient times the dominant figure in the group was better fed, had a higher chance of reproduction and disposed of a larger share of available resources. But any potential excesses were tempered by direct control of the group of followers.

   Today the dominance of a leader, which exists in leader–follower relations, is often characterized by a decreasing ability by leaders to empathize with subordinates (Galinsky, Magee, Inesi & Gruenfeld, 2006). The current concentration of power, normally at the top of the hierarchy, can lead to asymmetrical pay-offs between leaders and followers and, if unchecked, to imbalances in the distribution of resources (van Vugt and Ronay, 2014).

   As the human species evolved from a life of survival that determined the form of leadership—mostly male, strong and tall as the best guarantors for assuring group survival—to a life beyond the needs of physical existence (at least in many parts of the world), more adaptive forms of leadership are needed. Our brain's natural responses, and consequently the way leadership is executed, seem to be dominated by what neuroscientists call the "reptilian brain," the oldest part of the human brain physiology. The reptilian brain has a predisposition towards attack and defense (fight or flight) and negativism.

   Given the accomplishments of modern society, this archaic human proclivity needs to change in the twenty-first century, if people are to live their lives to the fullest.

## Box 1.2   Cognitive Biases

**Frequent Biases Affecting Decisions**

*Action-oriented Biases*

**Excessive Optimism:** Tendency for people to be overly optimistic, overestimating the likelihood of positive events and underestimating negative ones.

**Overconfidence:** Overestimating our skills relative to others' and consequently our ability to affect future outcomes. Taking credit for past outcomes without acknowledging the role of chance.

*Perceiving and Judging Biases*

**Confirmation Bias:** Placing extra value on evidence consistent with a favored belief and not enough on evidence that contradicts it. Failing to search impartially for evidence.

**Groupthink:** Striving for consensus at the cost of a realistic appraisal of alternative courses of action.

**Misaligning of Incentives:** Seeking outcomes favorable to one's organizational unit or oneself at the expense of collective interests.

*Framing Biases*

**Loss Aversion:** Feeling losses more acutely than gains of the same amount, making us more risk-averse than a rational calculation would recommend.

**Sunk-Cost Fallacy:** Paying attention to historical costs that are not recoverable when considering future courses of action.

**Escalation of Commitment:** Investing additional resources in an apparently losing proposition because of the effort, money and time already invested.

**Controllability Bias:** Believing one can control outcomes more than is actually the case, causing one to misjudge the riskiness of a course of action.

*Stability Biases*

**Status Quo Bias:** Preferring the status quo in the absence of pressure to change.

**Present Bias:** Valuing immediate rewards very highly and undervaluing long-term gains.

**Anchoring and Insufficient Adjustment:** Rooting decisions in an initial value and failing to sufficiently adjust away from that value.

### 1.3.2 Self-Determination Theory (SDT)

As early as 1943 Hull suggested that when human psychological needs are satisfied they lead to health and well-being. When they are not satisfied they lead to pathology and ill-being.

"Human beings can be proactive and engaged or, alternatively, passive and alienated; it is largely a function of the social condition in which they develop and function" (Ryan and Deci, 2000). SDT shows that the difference between the two motivational states: engaged or disengaged, is closely correlated to an individual's satisfaction of their needs.

Leaders and managers should be familiar with the notion of human needs. Most of us are familiar with Maslow's theory of hierarchical needs (Maslow, 1943), which is still popular in business schools.

Maslow's pyramid of needs takes a progressive approach in which individuals move from satisfying physiological needs to satisfying self-actualization needs. Yet despite its flawless logic (which accounts for its popularity) Maslow's theory was speculative. It was not an empirically tested theory.

On the other hand, SDT has been thoroughly tested in rigorous empirical research carried out over several decades. This makes SDT a very robust model of human behavior.

SDT is a theory that explains the forces that motivate people to do things and analyzes the types of motivation that generate the highest satisfaction. In this sense SDT differentiates between extrinsic (derived from external cues such as fame, money) and intrinsic motivation (derived from internal cues such as fun, interest). Extrinsic motivation is a continuum of external motivations, whereas intrinsic motivation is self-determined and leads to enjoyment and inherent satisfaction in the pursuit of goals.

Thus, for SDT a critical aspect relates to the degree to which individuals can satisfy their basic psychological needs as they act in pursuit of valued goals. SDT suggests three basic psychological needs: autonomy, competence and relatedness.

1.  *Need for autonomy*: Harvard Business School Professor Teresa Amabile (1983) found that when people are exposed to external rewards and evaluations, their level of creativity decreases. Creative activities—those things that people do naturally and spontaneously when they feel free—are autonomous. When people are able to self-regulate, their acts represent intrinsically motivated behavior. Self-regulation is reflected in experiences of integrity, volition and vitality.

    Deci and Ryan's (2000) studies show that coercive regulation—such as contingent rewards and evaluations—tend to block and inhibit people's awareness, thus limiting their capacity for autonomy and hence their creative potential.

2.  *Need for competence*: The need for competence spurs cognitive, motoric and social development, which gives autonomous people advantages making them more able to adapt to the challenges of today's volatile environment.

    Although Deci and Ryan recognize differences with M. Csikszentmihalyi's (1990) popular flow theory, they also acknowledge similarities such as its focus on intrinsic motivation as a necessity for individuals to attain flow.

    Flow is described as a state in which a person's demands of an activity are in balance with their abilities. This means they become totally absorbed in the activity because they experience non self-conscious enjoyment. It provides a sense and state of mastery and competence often observed in athletes, scientists and artists. SDT suggests that people need a sense of competence for their attainment of well-being.

3.  *Need for relatedness*: Intrinsic motivation, the cornerstone of SDT, tends to flourish where people feel a sense of security and relatedness. For example, an infant's sense of curiosity tends to develop if they feel attached to their parents. School students tend to develop a higher level of intrinsic motivation if they feel their teacher is caring.

    My students at the University of Saint Gallen, Switzerland, often tell me that they have never worked so hard for a class that didn't put stringent formal demands, but that they felt individually so valued and cared for in my class that they were motivated to reciprocate by producing outstanding papers, which they did.

It is the balance of people's three psychological needs that leads to a healthy life. A healthy balance emerges when their need for individual autonomy and freedom doesn't collide with their need for relatedness and collective social integration.

Self-determined behavior is therefore self-endorsed, which leads to positive outcomes. This occurs when individuals feel autonomous with enough optimal challenges to support their sense of competence and with enough attachment to close persons in their family, work and social life who provide caring and acceptance.

### 1.3.3   *Modes of human existence and leadership deriving from ELT and SDT*

The investigation of the two variables discussed above, barriers to good leadership and human psychological needs for optimal functioning, led me to identify four modes of leadership and human existence (see Figure 1.1):

1.  **Unaware Leaders and Individuals:** This type of person shows poor understanding of both life's challenges/barriers and the psychological needs of others. They are totally unaware of their own experience and of the necessities of others (bottom left quadrant).

2. **Self-centered Leaders and Individuals:** They impose themselves with little or no consideration of others' needs. They have not genuinely overcome the barriers, although they may be successful in acquiring power and money. Even though they know that abuse of power and dominance is detrimental to human well-being they don't care much about the fate of others. Therefore they are in the lower right quadrant.

3. **Permissive Leaders and Individuals:** They are not really aware of barriers but are sensitive to other people's needs. They tend to create social contexts of permissiveness where the exercise of required adaptive authority tends to be absent (upper left quadrant).

4. **Mindful, Positive Leaders and Individuals:** Finally, these are the people who are aware of both their own challenges and the needs of their fellow human beings. They are role models for a mindful, positive way of life as they work diligently to manage the complexity of mastering the inherent barriers embedded in their own life and caring for the psychological well-being of others. Leaders operating in this quadrant tend to achieve high performance for their teams because they pay attention to the well-being of the members. This was corroborated by a meta-analysis by Kuoppala, Lamminpää, Liira, & Vainio, (2008) reviewing numerous studies that searched for a correlation between leadership style and job performance but, interestingly, could not find any link. On the other hand, the research found a strong link between leadership style and followers' well-being. The conclusion was that leaders who care about the well-being of their team members tend to positively affect job
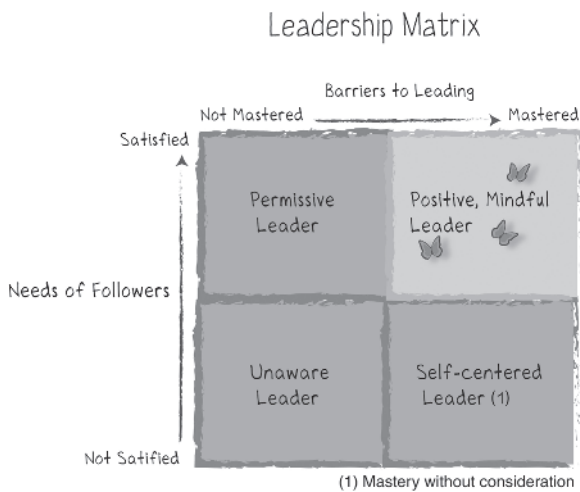


**Figure 1.1**   Leadership Matrix. *Source*: Juan Humberto Young.

performance in an indirect way. This suggests that only positive, mindful individuals are sustainable value creators, while the others are either destroyers of value or simply do not create any value at all.

## 1.4    From Groundwork to a Model for Mindful, Positive Leadership and a Constructive Way of Life

Having identified the two main sets of conditions and impediments of an effective postmodern way of life I was still confronted with the task of finding the missing links that could resolve the key challenge—namely how to develop and train for a way of living and leading that masters the challenges: How could the barriers to good life and leadership according to ELT be effectively overcome? And how can the human needs to flourish, according to SDT, be fulfilled in human relations in general and between leaders and followers in particular?

My investigation led me to two areas of human behavior: (i) the contemporary discipline of positive psychology, which prompted me to pursue a Master in applied positive psychology at the University of Pennsylvania in the United States working with the master Positive Psychologist, Marty Seligman, and (ii) a methodology of human development that is over two millennia old and is known as mindfulness. This led me to pursue a Master in mindfulness-based cognitive therapy at Oxford University in England working with Mark Williams, one of the creators of mindfulness-based cognitive therapy. The result was an expansion of the scope of my professional career. From successful corporate finance expert and business strategy practitioner I moved to becoming also a positive psychologist and mindfulness teacher. In the following chapters I explore these two disciplines and suggest how they can help resolve the leadership quandary.