Chapter 7

Dynamic Capabilities for People-Centric Management in Turbulent Times

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Additional information is available at the end of the chapter

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Abstract

We have all observed examples of poor leaders who exhibit dark side behaviors like destructive and negative leadership, narcissism, greed, and more. Sometimes it seems like some powerful Sith Lord from Star Wars has seduced managers and leaders to the Dark Side of The Force. Powerful forces inside and outside of the organization combined with the leader's personality traits can combine to bring out the dark side of many managers and leaders. The question becomes, can a management structure be created to combat the Sith Lord to make good leaders Jedi Knights and steer weaker leaders toward the good side of The Force. We believe that a people-centric approach to management design can do exactly that, but it is not easy. Developing the dynamic capabilities needed for a people-centric approach to management requires reflection and objective evaluation of many intangible, unseen, forces that are constantly at work in all organizations. Readers of this chapter are exposed to a model for people-centric management and asked probing questions to encourage them to consider many elements of a dynamic people-centric organization. I hope that with reflection, readers can gain insight into their organizations and find ways to develop Jedi Knights to defeat the evil Sith Lord.

Keywords: people-centric management, dynamic capabilities, culture, leadership, systems

1. Introduction

I have always been fascinated by leadership. I have wondered for decades what compels people to go above and beyond expectations and in a military context inspires people to perform acts of bravery that seem totally illogical to any sane and rational person. What are the leadership qualities that inspire followers to achieve and perform in such outstanding ways? For

nearly 40 years, first in business and then as an academic researcher, I have sought for understanding of this complex dynamic called leadership. Are outstanding leaders born or taught or some mix of both? Conversely, are poor leaders naturally poor. Why, and can they be taught to be good leaders. In other words, can leadership be taught? It would be great to be able to identify and discuss the behaviors of effective leaders that I have observed over the years. Sadly, this chapter would be short indeed since the vast majority of the managers I had contact with exhibited dark side attributes of leadership. Sometimes it seems like some powerful Sith Lord from Star Wars has seduced managers and leaders over to the Dark Side of The Force.

In the popular Star Wars movies, an invisible Force flows through all things and can be used for good or evil. Jedi Knights are highly trained and disciplined warriors who use The Force for good to protect others and defend those who cannot defend themselves. The Sith Lord uses the Dark Side or evil side of the force to gain power by any means necessary. The Sith Lord attracts noble Jedi Knights to do his evil bidding by seducing them to the Dark Side by targeting personality weaknesses with promises of power and the ability to use the Dark Side of The Force to achieve some deeply personal objective. Once the noble Jedi Knight commits to the Dark Side, it is very difficult if not impossible to turn back. I have seen similar behavior among young, emerging leaders, who are seduced by the promise of wealth and power and compromise their principles in favor of material gain or power. Wealth and power are powerful forces for which people and entire organizations are willing to ignore what is right in exchange for personal advancement.

Over the decades, I can identify many examples of destructive and negative leadership, destructive organizational behavior, narcissism, greed, and far too many examples of managerial incompetence to mention. In fact, there are numerous studies that provide evidence supporting my observations and suggest that my personal experience is not unique. For instance:

- More than 75% of participants in various employee satisfaction surveys indicate that dealing with their immediate boss is the most stressful part of their job [1, 2].
- A study published by the *Harvard Business Review* indicated that only 30% of businesses had "healthy and respectful" work environments. The majority of organizations in the study had dysfunctional or unhealthy work environments [3, 4].
- The vast majority of organizational change initiatives fail to yield expected results primarily due to managerial incompetence [5]. Some researchers place this failure rate as high as 90% [6].
- In 2012, three Italian researchers demonstrated mathematically that if the base rate of management incompetence is between 50 and 75%, then random promotions would yield more efficient organizations. The researchers were awarded the Ig Nobel Prize for demonstrating that organizations would be better off by choosing people for promotions by pulling names from a hat than from a lengthy and convoluted evaluation process [7].

The first overwhelming unanswered question is how can this possibly be when a bachelor's degree or MBA is almost a universal prerequisite for advancement in managerial ranks. We know that most managers at least at some point in their careers sat in classes on management,

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organizational behavior, leadership, ethics and/or similar courses where attributes of effective and ineffective managers and leaders are routinely explored. The follow up question is how is it that, so many intelligent people simply ignore the teachings of experts from highly recognized universities worldwide. And, more importantly, the problem seems to be getting worse, not better. In the last few decades of my business career, before entering academia, it seemed to be more and more difficult to connect to and inspire new entrants to the workforce and to identify people with the skills needed to be successful leaders if advanced into higher management levels. Again, it begs the question, **WHY**?

We, as educators and influencers of future generations of leaders should reflect on the results of **NOT** attempting to answer this question. Is it possible to create organizational structure that helps reduce the risk of creating another Enron where Lay, Skilling, and Fastow were able to seduce and corrupt an entire company in the pursuit of vast riches? How about Bernie Ebbers who seduced the Board of Directors at WorldCom to advance him loans to prevent him from selling vast amounts of stock to fund a lavish lifestyle. The Board feared that such large stock sales would depress the stock price and this along with other fraudulent accounting practices only delayed the downfall of WorldCom. The high-profile rogue's gallery includes people like Angelo Mozilo at Countrywide who was a key player in causing the mortgage industry melt down that pulled the entire USA into recession and John Rigas at Adelphia Communications who siphoned over $100 million from Adelphia to fund other family owned businesses. Of course, these famous examples that hit the headlines are just the tip of the iceberg. Leaders and managers at all levels are faced with opportunities and forces that are capable of seducing otherwise upstanding individuals to pursue the Dark Side. The forces that influence dark leadership are not confined to the C-suite. They exist throughout the organization and individuals respond in ways to meet their own self-interest too many times.

"If the hammer is your only tool, then every problem is a nail."—Abraham Maslow

Perhaps the root of the problem is represented in the volumes have been written about differences between millennials and the post-World War II baby boomers who remain the dominant managerial force and who shaped the corporate structures and philosophies being used in practice and taught in universities today. If one compares the contents of a management textbook from 25 years ago with those currently being used at universities reveals striking similarities. Universities continue to promote concepts and methods developed and used in an industrial twentieth century in a twenty-first century environment that is vastly different. Who can blame current executives? It is what they have been taught by "so-called" experts. Differences in the world view between millennials and their leaders may just be the beginning. Consider how work has changed from sweating in a factory to sitting in front of a computer screen trying to figure out a problem or develop the "next big thing." Technology has changed the way we communicate and interact and share knowledge. The pace of change has accelerated with knowledge and experiences now being shared at light speed around the globe. Consider the concept of stakeholders versus stockholders in management. While introduced into management thinking in the 1930s the concept of stakeholders was not firmly associated with management strategy until the mid-1980s by R. Edward Freeman in *Strategic Management: A Stakeholder Approach* [8] and did not emerge as a popular issue until the mid-1990s.

Over the past 15 years my colleagues and I have worked with hundreds of senior executives in many industries across the globe and asked what has changed. When we ask if the way we work with people has changed, has the nature of the work being done by our people changed, have the interests and goals of stakeholders changed, and is the environment that the organization operates in different, the overwhelming response is either "Big changes" or "Very big changes." Yet when we then ask if we have changed how we organize and manage the people and the organization the response is overwhelming "Very small change" or "Small change." **Figure 1** illustrates the feedback that we have gotten. Knowing that managers and executives continue to structure organizations and handle people using outdated concepts and methods, the existence of so much destructive, negative, inflexible, and incompetent leadership should not be surprising. Nearly every profession and discipline on the planet has experienced massive change in recent decades, all except management and leadership which are firmly rooted in methods and ideas of the industrial twentieth century.

It seems unlikely that ethics or managerial psychology courses, at any level, have been able to mitigate the pressures for performance and success that bring out the greed and narcissism inherent in the fundamental personalities of many people. The need for personal gratification seems to be a basic human condition and is accentuated in many individuals who, given the opportunity, will take satisfying their ambitions to extremes or may simply lack sufficient emotional intelligence to realize the damage their actions are causing to others and the organization. Maybe minor insecurities become magnified as the pressure and stress that comes with greater titles become major debilitations. The good news is that after nearly two decades of observations and study, we have concluded that all is not necessarily lost! Organizations cannot eliminate many of the forces that result in destructive and incompetent leadership. However, senior leaders and business owners **can** create a managerial system with an environment to help mitigate dark leadership behaviors while simultaneously improving the ability of the organization to adapt and change in a world that is volatile, uncertain, complex, and ambiguous (VUCA). A few courageous Jedi Knights can combat the

Figure 1. What has changed?

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evil Sith Lord and Dark Side of The Force by adopting people-centric management practices to meet twenty-first century needs.

2. Dynamic capabilities of people-centric organizations

In the twenty-first VUCA century, organizations of all types, sizes, maturity, industry, etc., must identify new processes and structures and be aware of the importance that people have on the success or failure of the organization. Okay, most of us would agree that everyone knows that people are your most important asset. In reality, this is a nice buzzword that is largely overlooked or ignored in practice by many leaders in many organizations. It sounds great and looks good on the company web site and is almost a required statement. Can you imagine a company saying anything like "Our mission is to make as much money as possible at the expense of our employees, suppliers, or the environment."? Clearly, a statement like this would be a death blow to any company, but I suggest that many people reading this chapter have experienced organizations where this was the "real" mission statement. I, and my colleague, Lukas Michel, view leadership as an integral part of a complex, dynamic, managerial and organizational system where each part influences the others which is driven by interactions among people. Lukas Michel in *The Performance Triangle: Diagnostic Mentoring to Manage Organizations and People for Superior Performance in Turbulent Times* described what he calls the Performance Triangle shown in **Figure 2** [9]. The dynamic system consists of organizational culture, systems, and leadership and is powered by people through their shared purpose, relationships, and collaboration. What this means is that effective leaders are simultaneously a function of and contributors to the culture and systems but the power for the entire system comes from people both internal and external to the organization.

Success comes by finding the right balance among the various dimensions of the Performance Triangle model. Success can be achieved by constantly evaluating many elements that make up the dimensions to make subtle changes throughout the organization quickly and effectively. Too often, leadership effectiveness seems to be evaluated in isolation and we forget that in addition to dealing with their own personal ambitions and demons, leaders and leadership behaviors are strongly influenced by other factors, many of which they may not even be aware of. I have observed and participated in many leadership development programs where leadership qualities and attributes are discussed. However, the discussion is almost always directed in a way that suggests that leadership is somehow insulated from the rest of the organization or that the leaders dictate how to behave or react to the rest of the organization. Every reader knows leaders who were successful in one situation but were abject failures in a different setting. I suggest that this is because of the complex interactions and power of the culture, systems, and most importantly, **people**. Lukas and I know from our research that there is a very high correlation among the dynamic capabilities of the Performance Triangle model and success [10]. Dimensions and underlying elements of the Performance Triangle that remain unseen to the untrained eye either inhibit or enable success of both the leader and the organization as a whole. Further, in a turbulent VUCA world these unseen forces become critical factors that either inhibit or enable superior performance.

Figure 2. The performance triangle.

Rather than preach, I will offer a brief introduction of our logic behind each dimension. Then I will phrase the discussion of the various elements that make up the dimensions of dynamic capabilities in the form of a question. The idea is to stimulate introspective thought to answer the question and to encourage readers look at themselves and their organizations and attempt to gain insight and new meaning. Hopefully, some readers of this chapter will gain a level of perspective that will allow them to appreciate people-centric management principles and avoid some of the dark sides of leadership in their careers.

3. Structure and dimensions of the Performance Triangle model

3.1. Success

Too often, success is measured solely by stock price, cash flow, growth rates, profits, or other financial measures. We feel that this practice is too limiting since it applies to for-profit companies only and encourages near-term thinking that feeds into behaviors that bring out the dark side of leadership. Pressures for immediate results from shareholders and a multitude of other stakeholders create an environment that is unforgiving and intensely competitive where poor leadership is overlooked in exchange for short-term profits or stock price. Enron might be the poster child and best example of how an inordinate focus on financial performance, stock price in this case, can influence and warp an entire organization. We prefer to evaluate success using the following elements:

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- Responsiveness—If your employees and the organization as a whole are responsive to the needs and expectations of customers, clients, or beneficiaries. You might be successful.
- Alignment—If your employees and the organization as a whole are aligned and working together to achieve a common goal or purpose. You might be successful.
- Capabilities—If your employees and the organization as a whole have the technical capabilities and proper tools to service the needs or provide services. You might be successful.
- Motivation—If your employees and the organization as a whole are highly motivated and engaged to deliver superior products or services. You might be successful.
- Cleverness—If your employees and the organization as a whole are encouraged to be creative to find innovative solutions then allowed to implement them. You might be successful.

"I believe the real difference between success and failure in a corporation can be very often traced to the question of how well the organization brings out the great energies and talents of its people."—Thomas J. Watson, Jr.

While there are undoubtedly many other factors that influence success of any organization whether for-profit, not-for-profit, governmental organization, or other form, these five elements for success are among the most critical and keys to success.

3.2. Culture

The culture of the organization creates shared context, enables or inhibits knowledge exchange, and defines invisible boundaries of collaboration. A vibrant culture establishes shared context as the common ground with a shared agenda, language, mental models, purpose, and, relationships [11]. Shared context describes a shared mindset and the behavior of individuals based on shared norms, beliefs, values, and assumptions. The organizational culture becomes the invisible force that, like gravity, shapes all interactions within the universe that the organization exists. Everyone, including the CEO, is strongly influenced by the inexorable force of the organizational culture. Similar to The Force in Star Wars, the culture permeates everyone and everything in the organization and shapes every action or reaction. While senior executives can influence the culture, it is extremely difficult to function effectively if executives are out of step with the beliefs and shared assumptions of the rest of the company. CEOs can force changes, but these changes commonly become temporary, and the organization reverts to its former behaviors when the executive leader is gone. The classic example is Lee Iacocca at Chrysler. Iacocca is widely credited with saving ailing Chrysler in the 1980s, but the company reverted to its former ways shortly after he left the company in 1992 which ultimately lead to the ill-fated marriage of Chrysler with Daimler-Benz in 1998. The failure of the merger of Chrysler and Daimler is widely attributed to cultural differences between the two organizations. Iacocca demonstrated that it is possible for a strong leader to force behavior changes through incentives or punitive action but when the force from the leader is removed, the people and the organization revert to their former behaviors.

"The effectiveness of organizations could be doubled if managers discovered how to tap into the unrealized potential present in their workforce."—Douglas McGregor

Organizational culture either enables knowledge sharing or is a barrier to sharing even simple pieces of information [12]. Suppiah and Sandhu found that 90% of organizational knowledge is tacit in nature, meaning that the vast body of knowledge is contained in the minds and experience of employees [13]. Any condition that inhibits the free flow of knowledge among people throughout the organization acts like an infection that diminishes the ability of the organization to use that knowledge. Peter Drucker said that "Culture eats strategy for breakfast" which means that the force of the culture can overwhelm and derail the best laid plans or actions by leaders. We suggest that many leaders revert to detrimental leadership behavior in response to the intense force of the organizational culture.

Knowledge that is not shared, exchanged, and transferred both vertically and horizontally has no value to an organization. Therefore, collaboration, the base of the Michel model in **Figure 2**, is critically important. The challenge for any executive is to help influence as well as function within a culture that facilitates people working together on tasks that add value to the organization. Effective collaboration requires a shared problem and commitment with people working together with shared way of doing things.

With this brief discussion of organizational culture, here are the elements within the Performance Triangle model and questions to consider and reflect upon:

- Understanding—Do people share an understanding of where the organization is and where it is going or attempting to go?
- Intent—Do people share a common intent of how to move the organization forward to meet goals and objectives?
- Agenda—Do people share a common agenda on what needs to be done to move the organization toward meeting goals and objectives?
- Aspirations—Do people share a common sense of purpose to meet goals and objectives?
- Norms—Do people share a common set of norms of behavior needed to get ahead within the organization?

Consider that these intangible elements cannot be touched, observed directly, and are very difficult to quantify which is why, we believe, that organizational culture takes a back seat in university curricula to data-driven decision-making models, six-sigma, or other numbers driven methods. A current management textbook that is used in many universities dedicates only 34 pages (6%) out of 545 pages of the content to organizational culture. Research shows that 80% of all multi-national mergers or acquisitions fail to yield expected results due primarily to difference between the two cultures involved. Surprisingly, 90% of key decision-making executives indicate that cultural differences between the two organizations is a key success factor while less than 10% provide any resources or effort into understanding and integrating the cultures in either the due-diligence or implementation phases of the project [14]. We believe this is at least partially due to the heavy emphasis on data-driven decision-making models that are hammered into college and MBA students combined with the pressure to be able to document and prove performance. We believe that the heavy emphasis on data for

both decision-making and performance measurement is also a strong force that encourages destructive leadership behaviors.

Consider the common thread through these elements of organizational culture, **knowledge sharing**. A key enabler or inhibitor to knowledge sharing is trust. There is a substantial body of research indicating that trust, or lack thereof, may be the single most powerful force in the culture and possibly the entire organization [12, 15]. Think about it. If I do not trust you, I am not going to share what I know with you and if you do not trust me, you are not going to share what you know with me either. We have observed many organizations lacking in trust and I expect that anyone reading this has had similar experiences. Leaders with personality insecurities or narcissistic tendencies contribute to the shared belief that others cannot be trusted. On the other hand, it is possible that solid leaders enter an organization with great intentions and high aspirations and are told of day one "do not trust so-and-so". This may or not be true, but the new leader adapts their behaviors accordingly in response to the culture. This also, may be one of those classic "chicken or the egg" scenarios. Did leadership behaviors create the lack of trust or did a shared belief, whether justified or not, shape behaviors that reinforced the lack of trust. Either way, the culture influences and may reinforce bad leadership behaviors. The Great Place to Work Institute identifies three dimensions of trust: credibility, fairness, and respect which collectively make up the "Trust Index" [16]. We believe cultures that have high levels of the Performance Triangle elements of culture and trust can help good leaders become great leaders. Leaders who might be seduced by the Dark Side of the Force can become effective leaders by removing some of the forces that encourage poor leadership by nurturing a dynamic people-centric management environment.

3.3. Leadership

Leadership, in the broadest sense, is characterized by effective communication and interaction with others at all levels throughout the organization. Successful leadership varies by organization and situation. A leadership style that is successful in one organization in a specific situation may not necessarily be effective if applied in a different organization or situation. Effective leaders interact with people on a personal level, relate to others to facilitate meaningful collaboration, and establish a supportive work environment based on trust [17]. The importance of effective communication skills and interaction with followers are recurring themes in the literature [18–20]. Effective leaders, therefore, must develop effective communication and interaction skills that are natural and unique to the leader, the organization, and the situation. Ultimately, what is important is that true leaders champion creativity and experimentation and help mold an environment where the individuals in the organization adopt a shared vision, collaborate in a culture of trust, and engage multiple personalities to solve problems and add value. Specific communication and interaction strategies will vary from organization to organization and leader to leader. However, the overriding, primary, objectives are for the shared vision, collaboration, and positive relationships to become integrated into the culture of the organization.

"Our attention has a short time-span. It takes passion to keep it awake."—Claude Adrien Helvétius, 1715-1771

With this brief discussion of leadership, here are the elements within the Performance Triangle model and questions to consider and reflect upon:

- Sense making—Do leaders have the capability to sense changes in internal and external environments and interpret its meaning?
- Strategy conversion—Do leaders have an understanding of why the organization has established strategic goals and are goals founded on lessons from the past?
- Performance conversion—Do leaders have a clear understanding of whether the organization is on track, what needs to be done to remain on track, and what needs to be done to achieve superior performance?
- Contribution dialog—Do leaders have a clear understanding of what they can do to contribute toward moving the organization forward? Do leaders clearly understand their role?
- Risk dialog—Do leaders have a clear understanding of the potential risks and the level of risk that the organization can tolerate?

While our research indicates that all five of the elements that define effective leadership in the Performance Triangle model are important, we find that two are particularly significant; sense making and risk dialog. We have observed many leaders who fail to sense significant changes occurring in the internal or external environment early enough. When they do, in many cases there appears to be a knee-jerk reaction as the leader attempts to make up for lost time or opportunities or to cover his or her oversight. Many time the reason seems to be the strength of the organizational culture that guides a leader to accept a foregone conclusion despite a wealth of indicators. A classic example of this behavior is the rejection of digital photography by executives at Kodak. By the time executives at Kodak realized their error, it was too late. Another reason seems to be that the leader is being constantly bombarded with information and confronted with an unending stream of issues so they lose focus on what is important. The constant barrage of information and the stress of dealing with day-to-day issues interferes with the leader's sense making ability by desensitizing them to what is happening until it is too late. The other major contributor, which we call "risk dialog", relates to the appetite for risk-taking that the organization has. Any project, initiative, or new effort involves risk and too often we observe environments, created primarily by shareholders, that punish failure to deliver. In an environment where failures to deliver are punished, leaders will minimize risk and choose safety or demonstrate the dark side of leadership in order to mitigate risk and prevent failure. In a people-centric management environment, risk-taking is encouraged and failures are applauded with "Good try! We know what would happen if we did nothing. Next time it will work!"

3.4. Systems

The role of systems is to create meaning while balancing top down direction with bottom up creativity. Systems support implementation with the right balance between freedom and constraints to maintain control. To support collaboration among people, systems make information available to help people find purpose and support the decision-making process. In the

Performance Triangle model, systems represent the institutional framework with rules, routines, and tools that set the stage for rigorous and disciplined leadership. Technology based information systems accumulate, store, process, provide access to information, and facilitate immediate feedback. Human systems in the form of rules, routines, and guidelines of many types provide frameworks that give technology structure and relevance.

"You cannot understand a system unless you change it."—Kurt Lewin

With this brief discussion of systems, here are the elements within the Performance Triangle model and questions to consider and reflect upon:

- Information—Do decision makers at all levels have access to timely and relevant information to know what is going on inside and outside the organization to make informed decisions?
- Strategy—Do leaders and followers clearly understand the rules of the game and what is needed to achieve strategic and operational objectives?
- Implementation—Do decision makers throughout the organization clearly understand what actions are needed to be successful?
- Beliefs—Do decision makers throughout the organization have a shared ambition to support organizational objectives?
- Boundaries—Do decision makers throughout the organization have a firm understanding of boundaries or limits to their decisions or authority?

Peter Drucker said, "The purpose of information is not knowledge. It is being able to take the right action." From our research we have seen too many leaders make informed decisions using data that is not relevant, many times generated by a legacy system with data that had meaning 10 years ago but not today. We have seen good leaders make bad decisions because they did not have timely or relevant information, or, they did not understand or share the same objectives as the rest of the organization. twenty-first century leaders, particularly in established organizations, might be well served to reflect on these questions relative to their organizations and if the answer is "no" or "I do not know" or "maybe," they should dig deeper. We suggest that a little skepticism is healthy and leaders who honestly search to answer these questions can make needed changes to get the right information to the right people at the right time, which would help mitigate many of the dark leadership behaviors what we see so often.

3.5. People

Control systems are needed to manage both evolutionary and revolutionary change by formalizing beliefs, setting boundaries on acceptable strategic behavior, defining and monitoring performance variables, encouraging debate, and discussion about uncertainties, communicating new strategies, establishing targets, and securing attention to new strategic initiatives [21]. Peter Drucker observed that "So much of what we call management consists of making it difficult for people to work." Unfortunately, most traditional management systems and leadership

behaviors do more to interfere with the ability of people to perform than to enhance performance [22]. Interactive leadership and diagnostic systems play an important role in creating a work environment where people succeed in "playing the inner game" [23].

Individuals perform at their highest potential by winning their "inner game" by overcoming self-doubt, fear, bias, limiting concepts or assumptions that distort perceptions, decisions, behaviors, actions and stress that interfere with, and diminish, performance [23, 24]. People who master their "inner game" become winners and have awareness about what is going on around them, the freedom to choose the best solution, and trust in others to help people focus attention on tasks and problems. Reaching a state of flow, the state where performance and creativity are at a peak, must be a primary leadership objective at all levels of the organization [25]. As the research shows, more leaders demonstrate behaviors and methods that prevent people from achieving "flow" than to create an environment to encourage it.

"There are managers so preoccupied with their e-mail messages that they never look up from their screens to see what's happening in the non-digital world."—Mihaly Csikszentmihalyi

With this brief discussion of people, here are the elements within the Performance Triangle model and questions to consider and reflect upon:

- Focus—Are people allowed to focus attention and energy on tasks? Are interferences preventing people from focusing their abilities to complete tasks?
- Awareness—Are people aware of forces that influence actions and decisions?
- Trust—Do people trust co-workers and management to be treated fairly and with respect? Is management credible?
- Choice—Are people allowed the freedom to use their own creative ability to solve problems, respond to customers, or to be innovative?

In our research and observations helping create an environment where people can focus their energy, are aware of the world around them, trust each other, and have freedom of choice may be the leader's single most important task. Here again, trust emerges as the single most powerful force. It is difficult to earn, so very easy to lose, and very difficult to regain once lost. Yet, the preponderance of leadership behaviors and methods do exactly the opposite. I encourage readers to reflect deeply on how their actions or inactions enable or prevent people from winning their "inner game," It takes a long time and a lot of effort to create an environment that is high in these elements, particularly trust. Too often, leaders ignore their people and these elements until a crisis emerges and the "Call to Action" memo's start to flow, or the critical action team is created, both of which, we feel, fuel destructive leadership with pressure from stakeholders. Effective leaders in the twenty-first century must take a people-centric approach and be proactive in helping people throughout the organization focus their energy on value adding tasks, be aware of what is going on around them, trust others and themselves, and have freedom of choice which also involves an element of risk and potential failure.

3.6. Collaboration, purpose, and relationships

Work environments with effective and intense collaboration, a high sense of purpose and trusting relationships have a stabilizing effect on organizations known as "resilience" or "robustness" [26, 27]. Resilience allows an organization to absorb unanticipated events or disruptions and then respond quickly and decisively. Organizations reach higher levels of resilience with cooperative strategies, again powered by people [28]. Effective leaders support, promote, and encourage collaboration [29], purpose, and healthy relationships [30]. Ineffective leaders demonstrate behaviors or introduce processes that inhibit the development of these attributes thereby making the organization less resilient.

"Most discussion of decision making assume that only senior executives make decisions or that only senior executives' decisions matter. This is a dangerous mistake."—Peter Drucker

With this brief discussion of collaboration, purpose, and relationships, here are the dimensions within the Performance Triangle model and questions to consider and reflect on:

- Relationships—Do co-workers and management have and maintain healthy, trusting, relationships?
- Purpose—Do people share a common higher purpose for the organization and organizational objectives?
- Collaboration—Do people collaborate effectively by sharing knowledge to achieve common goals and objectives?

The importance of nurturing a resilient organization in the twenty-first century VUCA environment cannot be emphasized enough. With rapid advances in technology and changing consumer expectation driven by Facebook, Twitter, and other media, threats, and opportunities emerge at almost literally light speed. Ineffective leaders, usually inadvertently, create environments that discourage or inhibit the dimensions that make the organization resilient. Readers should consider these questions carefully and as objectively as possible and ask yourselves, "What do I do (or not do) that promotes the development of trusting relationships, common purpose, and knowledge sharing through collaboration?" Too often we have seen well-meaning leaders who believe in competition introduce performance goals or quotas with performance measurement systems that stifle the development of trust and collaboration. So, called "stretch goals" many times provide the fuel that encourages poor leadership behaviors in exchange for short term performance, bonuses, or recognition. The long-term effect can be debilitating, particularly when confronted with an unexpected disruption.

4. Closing comments or what have we learned?

Cleary, individuals who demonstrate poor leadership are complex. The reasons for dark side behaviors like destructive leadership, narcistic leadership, toxic leadership, incompetence,

greed, and a host of other behaviors that have negative effects on other individuals and the organization are also complex. Complex interactions between leader's personalities, ambitions, training, combined with forces like pressure from stakeholders and the inexorable force of organizational culture may shape and bring out the bad in even the most stalwart individual. Leadership should not be evaluated in a vacuum and treated as if the leaders exist in isolation from the rest of the organization. Rather, leadership, good or bad, should be evaluated as an integral component of a dynamic system with complex interactions that the leader can affect but also must work within.

"The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic."—Peter Drucker

I believe that many potentially good leaders fall victim to forces both inside and outside of organizations that play on fears, personality weaknesses, or ambitions that bring out dark side leadership behaviors or excuse them in favor of earnings or some other quantifiable measure. Business owners, founders, and top-level executives can help mitigate poor leadership and promote superior leadership by actively developing organizations with a people-centric management style. People with a shared purpose and healthy, positive, relationships collaborate effectively and share their unique knowledge. Before this can happen though, business owners, founders, and top-level executives must become aware of the invisible forces generated by the organizational culture and systems that shape leadership behaviors. The old saying "what gets measured gets done" may not necessarily be good particularly when what is being measured encourages bad behavior. Unseen forces can derail the best or well-intentioned leader, but they can also help make average leadership, good. It goes both ways.

"You can analyze the past, but you have to design the future."—Edward de Bono

Becoming a truly people-centric organization is not easy and takes a great deal of time and effort, and yes, money. It takes a lot more than including the standard "people are our greatest asset" in the corporate mission or purpose statements particularly since people within the organization can easily see through the façade making the statement more of a demotivator rather than a motivator to the people. Decision makers up and down the organizational hierarchy should reflect on the elemental questions that make up the dimensions of a people-centric organization presented in this chapter and attempt to assess the levels of each. If the answers are "I do not know" or "probably not" then they have work to do. Our research shows that organizations that increase the levels of these elements are successful and enjoy superior performance. Further, average leaders can become good and good leaders can become outstanding by accessing the shared body of knowledge in people both inside and outside of the organization [10, 12]. Paying attention to developing the people-centric management can decrease pressures on leaders that influence poor leadership. Nobody can totally eliminate poor leadership. But, a truly people-centric management approach and awareness of the complex forces affecting leadership behaviors can promote good leadership behaviors and help reduce the poor or destructive behaviors. Be aware of The Force within your organization to develop Jedi Knights as leaders and fight the seductive influence of the Dark Side and the evil Sith Lord.

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