

Positive Leadership and Extraordinary Organizational Performance

Dean's Lecture Series

Melbourne Graduate School of Education

26 March 2012

Overview

- **What do we mean by positive leadership?**
- **Who cares?**
- **What do we mean by extraordinary performance?**
- **What's the connection? What can we do about it?**



Criteria for My Content

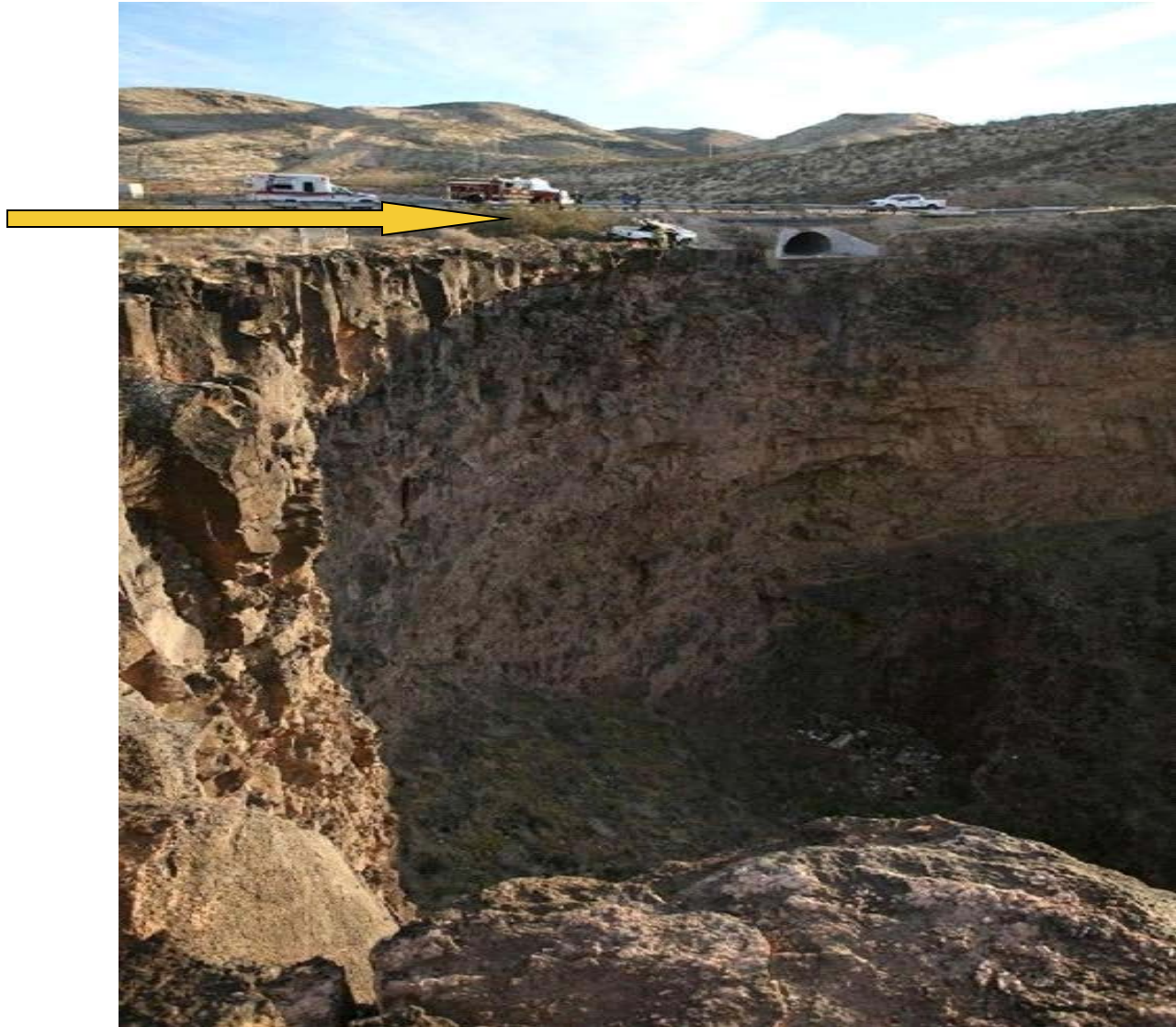
- Empirical foundation – **Validity**
- Theoretical grounding – **Explanation**
- Successful application - **Utility**

The Importance of Perspective

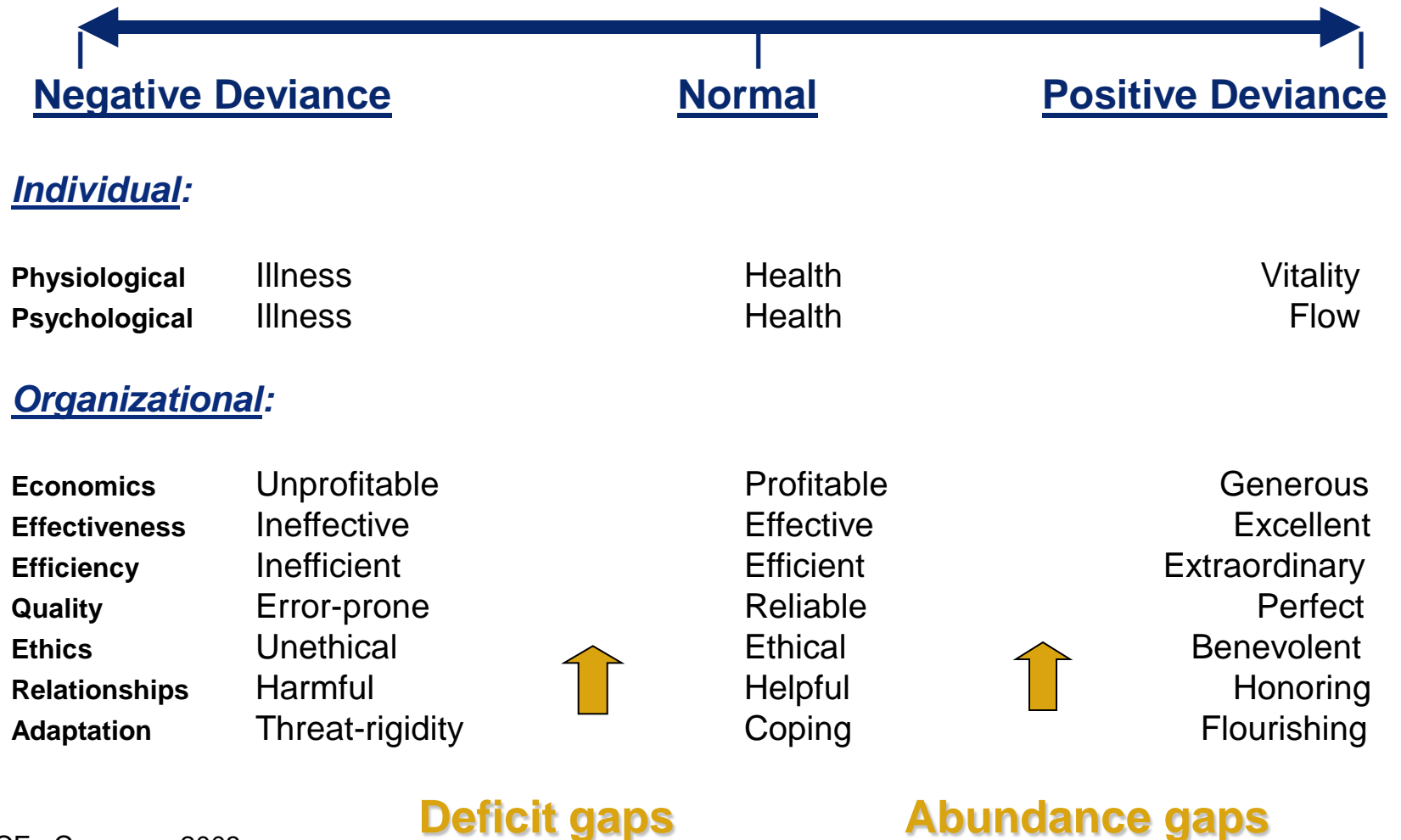
The pick-up was traveling about 75 mph, from right to left, when it crashed through the guardrail, flipped end-over-end, bounced off and across the culvert outlet, and landed right-side-up on the left side of the culvert, facing the opposite direction. The 22-year-old driver and his 18-year-old passenger were unhurt.



The Importance of Perspective

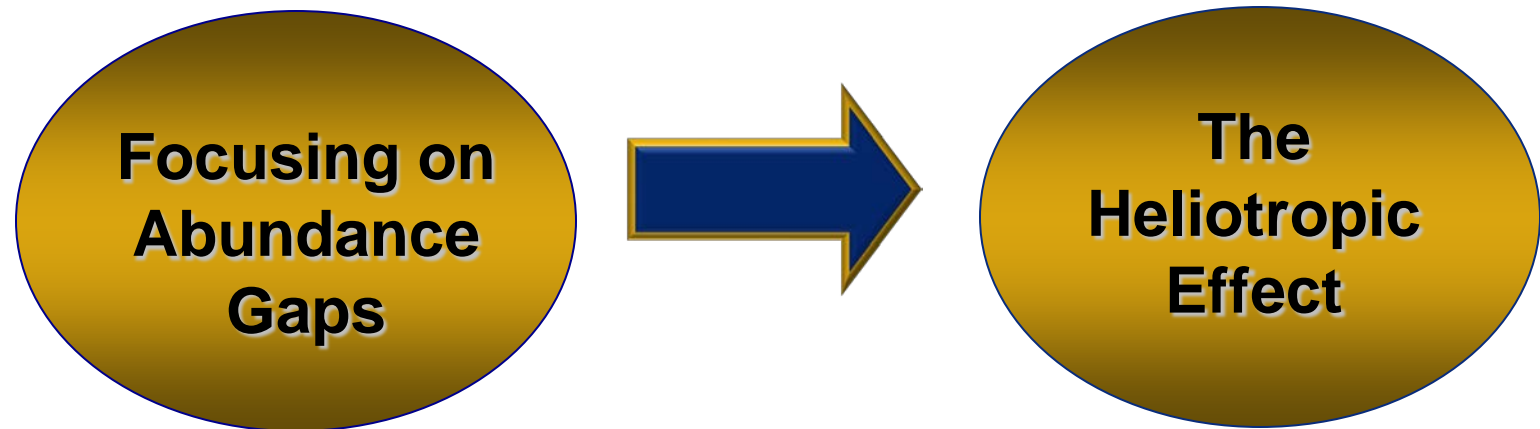


A Deviance Continuum



SOURCE: Cameron, 2003

Explanation



Research Illustrating the Heliotropic Effect

- The Pygmalion Effect
- Positive Emotions
- Positive Imagery
- Groups of Gratitude, Positive, Approach Goals
Versus Ingratitude, Negative, Avoidance Goals
- Positive Relationships
- Positive Energy
- Strengths Orientation

SOURCES: See Cameron & Lavine, 2006; Cameron, 2007 for references

Effects on Individuals

Comparisons between individuals characterized by the right-hand factor compared to the left-hand factor have shown dramatic differences:

**Gratitude Journal
Capturing the Best
Virtuous Condition**

**versus
versus
versus**

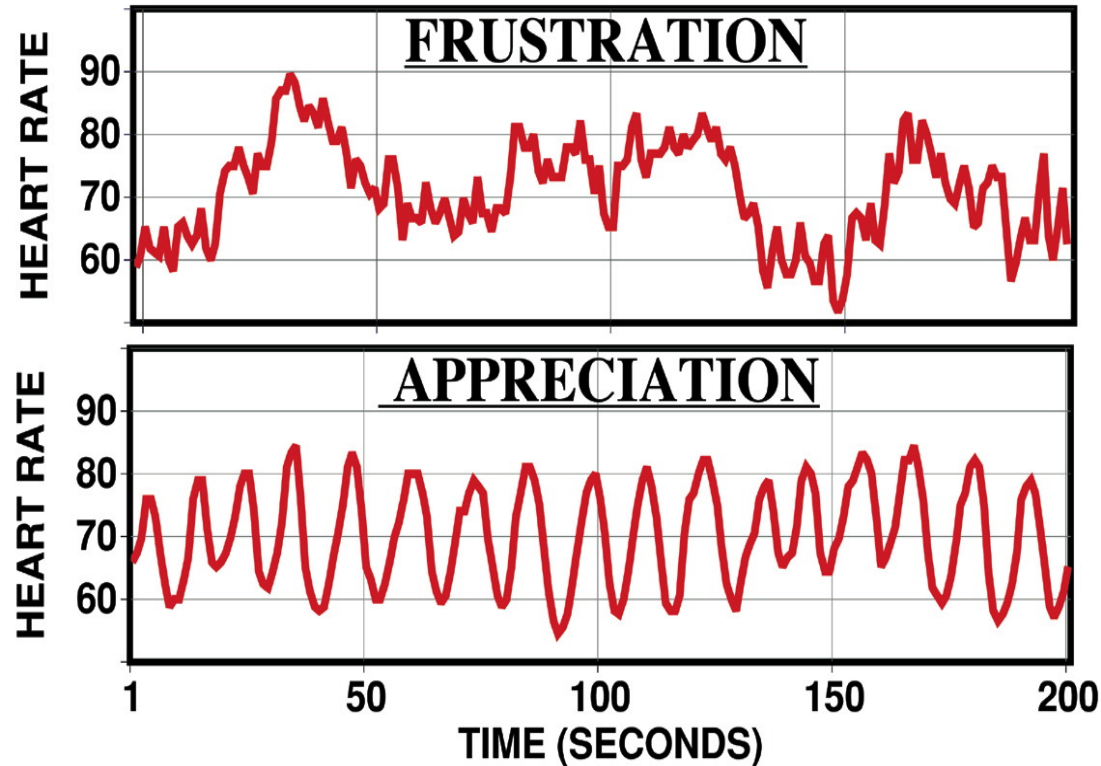
**Frustration Journal
Capturing the Worst
Non-virtuous Condition**

- more antibodies after vaccines
- stronger genetic expression
- more mental alertness, acute and long lasting memory, and faster learning
- Enhanced filtration, bodily fluid exchange, energy efficiency, coherence
- more inquisitiveness, creativity, and exploration
- higher levels of productivity and quality performance
- recovery from disease
- avoidance of depression after spouse loss

SOURCES: See Cameron & Lavine, 2006; Cameron, 2007 for references

Emotions and Health

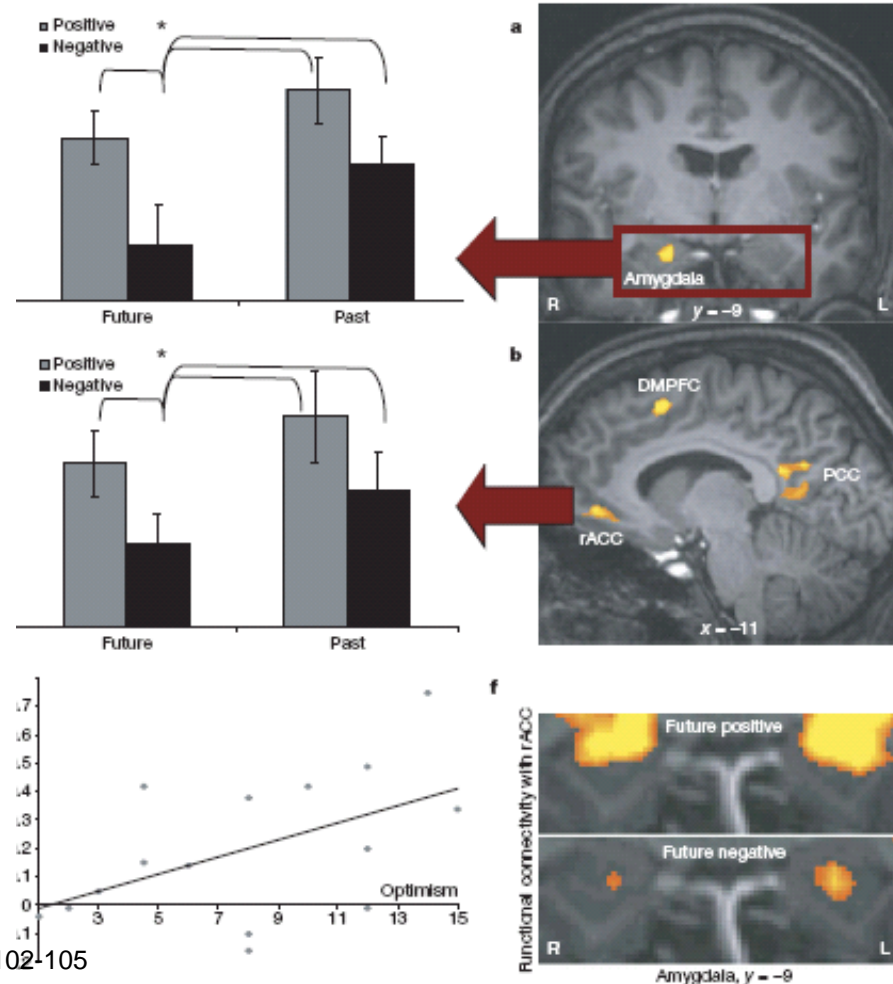
Changing Heart Rhythms



© Copyright Institute of HeartMath Research Center

Positivity and Brain Functioning

Mental acuity is greater when positive events are imagined compared to negative events.



Sharot, Riccardi, Raio & Phelps (2007) *Nature* 450, 102-105

Vagus Nerve and Wellness

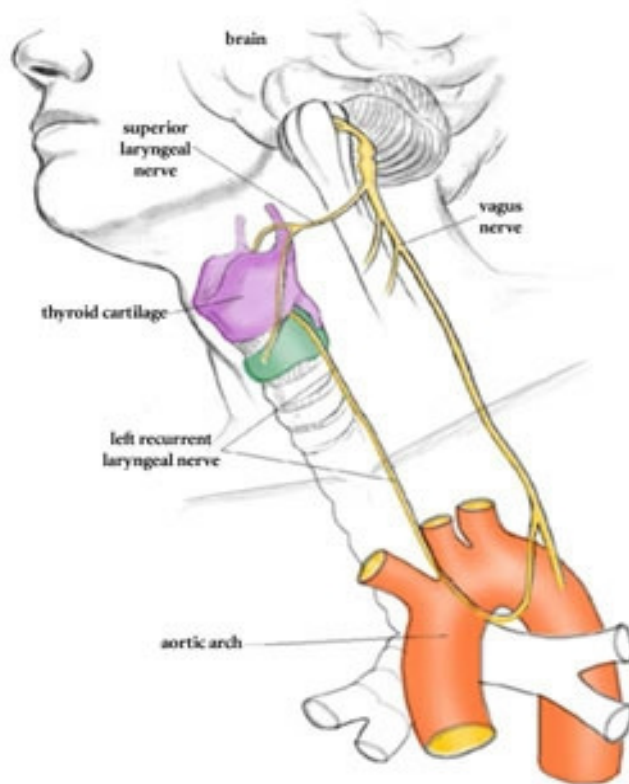
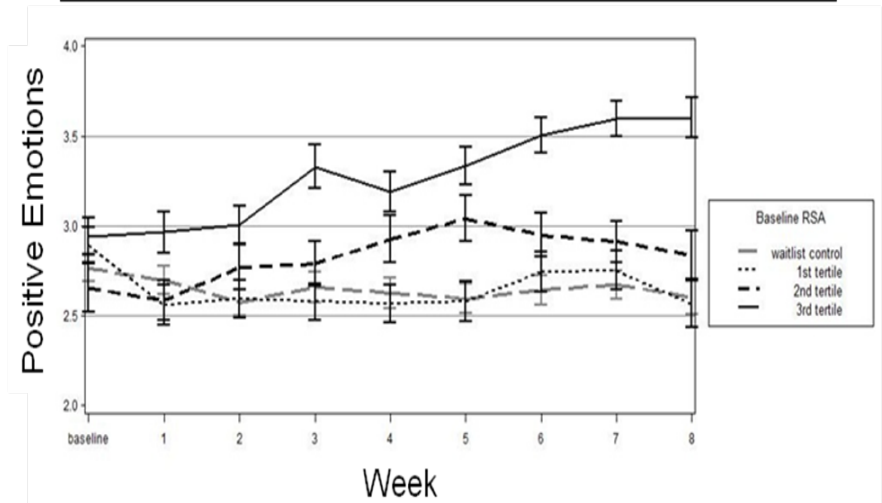


Figure 7: Baseline RSA Predicts Positive Emotion Yield of LKM



Engendered positive emotions enhance vagal nerve functioning and, consequently, long-term wellness.

SOURCE: Cohn & Fredrickson, 2011

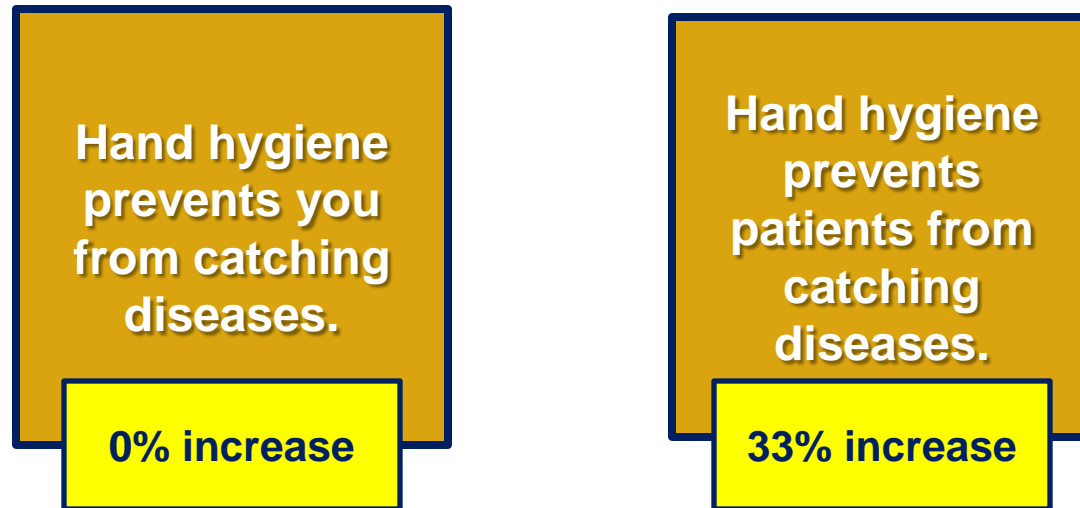
Positive Relationships

- The presence of positive relationships predict:
 - Recovery from surgery
 - Incidence of prostate cancer
 - Immunity to colds and flu viruses
 - Incidence of heart attacks
 - Ability to cope with stress (oxytocins)
 - Worker satisfaction and productivity
 - Life expectancy
- Due to hormonal, cardiovascular, and immunity responses in the body.

SOURCE: Heaphy & Dutton, 2007; Dutton & Ragins, 2007

Explanation for Relationship Effect

- Contribution goals versus Achievement goals
- Kidney dialysis patients



- Predicting change in hospitals

Capitalizing on Strengths

- Identifying people's strengths (and what they do right) and building on them creates more benefit than identifying weaknesses (or what they do wrong) and trying to correct them.
- Managers who spend more time with their strongest performers (rather than the weakest performers) achieved double the productivity.
- In organizations where workers have a chance to “do what they do best everyday,” productivity is one and a half times greater than in normal organizations.
- People who are given feedback on their strengths are significantly more likely to feel highly engaged and to be more productive than people who are given feedback on their weaknesses.
- Students who are given feedback on their talents have fewer days of absenteeism, less tardiness, and higher GPAs than students who get no feedback on their talents.

SOURCE: Gallup

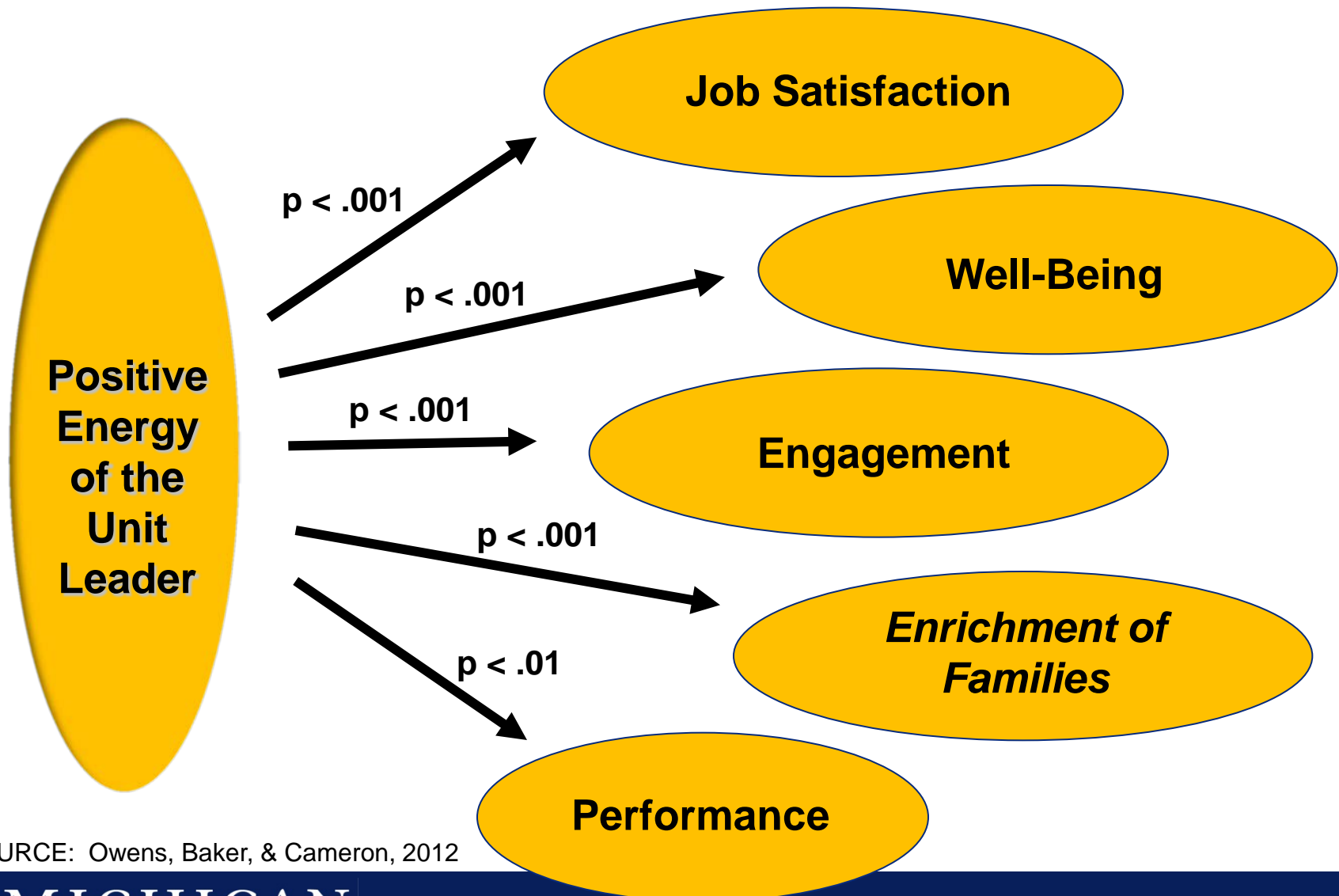
Positive Energizers

- Those who positively energize others are higher performers. Position in the *energy* network is four times the predictor of performance compared to position in *information or influence* networks.
- Positive energizers tend to enhance the work of others. People who interact with or are connected to energizers also perform better.
- High performing firms had three times as many positive energizing networks than low performing firms.

SOURCE: Baker, 2003

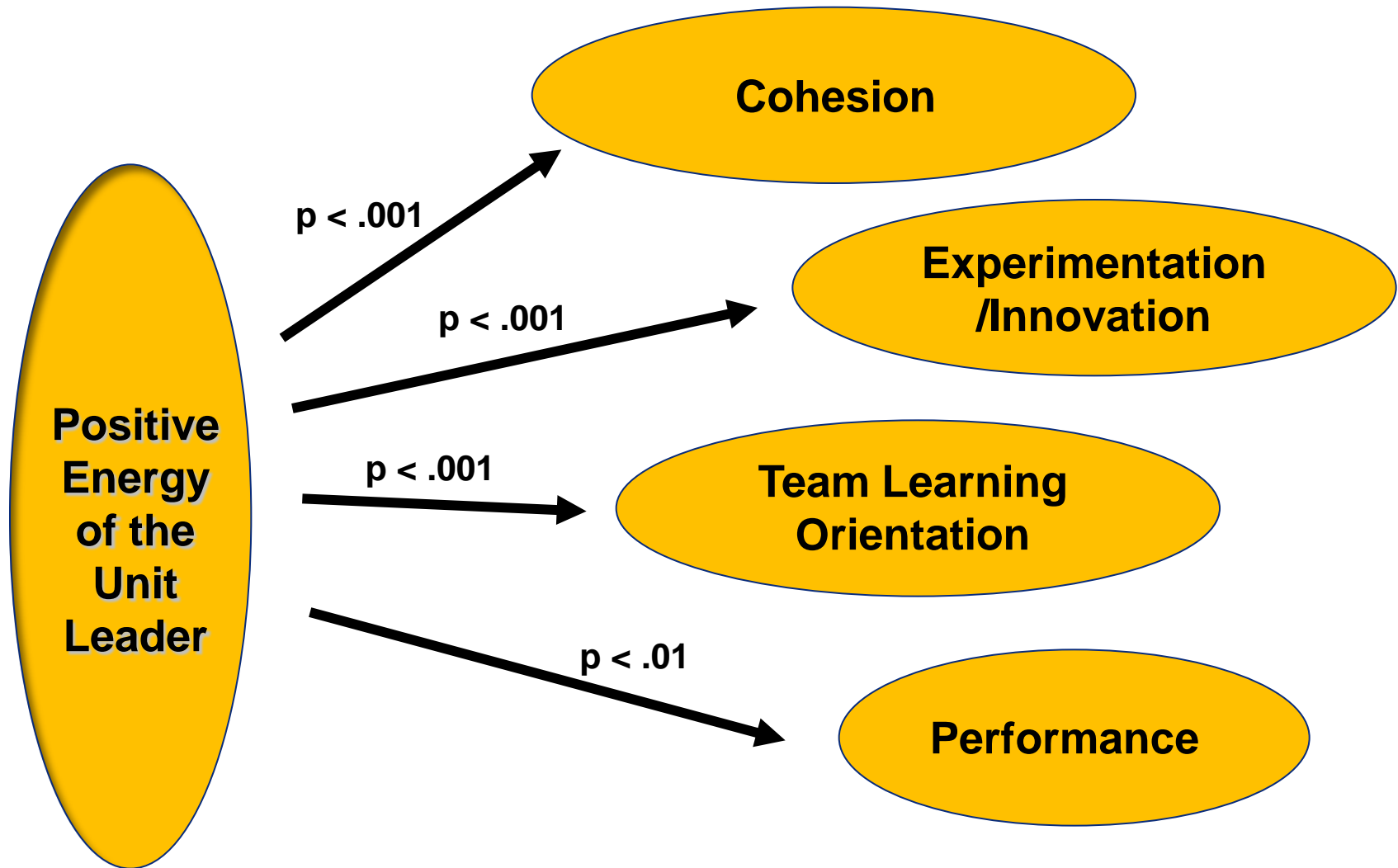
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Positive Leadership & Individuals



SOURCE: Owens, Baker, & Cameron, 2012

Positive Leadership & Units



SOURCE: Owens, Baker, & Cameron, 2012

Can It Be Taught?

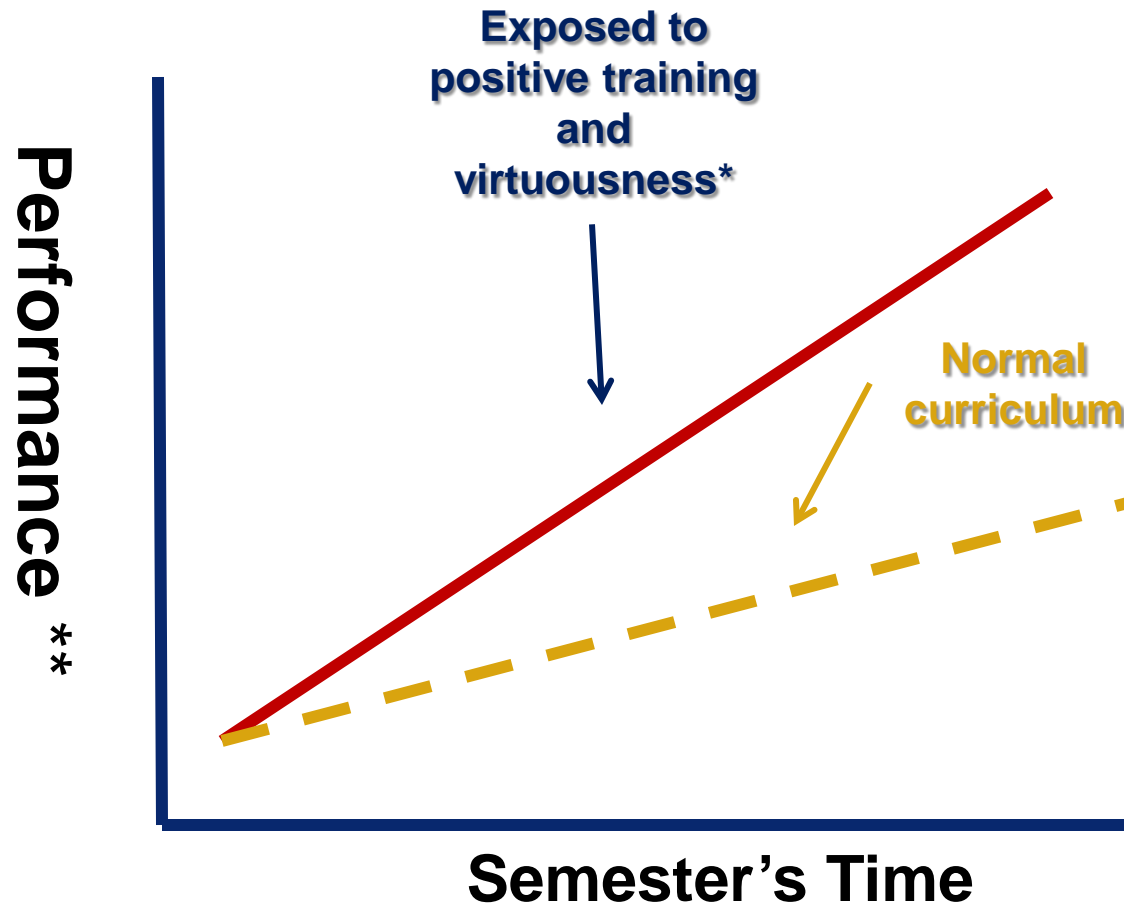
- Rhonda Cornum who, as a major and a flight surgeon with the 229th Attack Helicopter Regiment during the first Gulf War, boarded a search-and-rescue flight on Feb. 27, 1991, looking for the pilot of downed a F-16 fighter in the Iraqi desert near Basra. Her Blackhawk was shot down. Five of the eight crew members were killed. Cornum and two others were taken prisoner by the Iraqi army.
- *"Let me tell you something about my own experience," she said. "So I got shot down. The next thing I know some Iraqi soldier is dislocating the shoulder in my already broken arm. I thought, 'Well, at least I'm not dead. I'm a prisoner of war. As we were crashing, I remember thinking I had two options. Either I'd be dead, or I'd be captured. Being captured was better. I could still wiggle my fingers and that was good, because I knew we were really good at doing orthopedics.*

"Then this guy put a gun at the back of my head. I was thinking, This is really not going to go well, is it? So I decided to think of something positive, and I was really wracking my brain trying to come up with something. I thought, well, I've had a chance to have a great life. I've had a great husband and a great kid. I've had the chance to do a lot of really great things. And at least it won't hurt, which is a better end than a lot of people get. Then I heard the gun go 'click,' and I thought, well, this isn't that bad after all."

- So what if you're not a highly motivated, highly accomplished, incredibly positive person like Rhonda Cornum, 55, who has been a steeplechase rider, who wears Airborne and Air Assault tabs on her uniform, who not only has a doctorate in biochemistry but also a medical degree and specialties in surgery and urology, who has run the Army's Landstuhl Hospital in Germany, who has written a best-selling book in which she dismissed her sexual assault by her Iraqi captors as *"not the biggest deal of my life."* Is this unnatural?
- ***"These things are teachable," she said.***

SOURCE: St. Louis Dispatch, August 2010

9th Grade Literature Classes



*Training =

- Kindness
- Purpose
- Gratitude
- Virtuousness
- Nobility
- Etc.

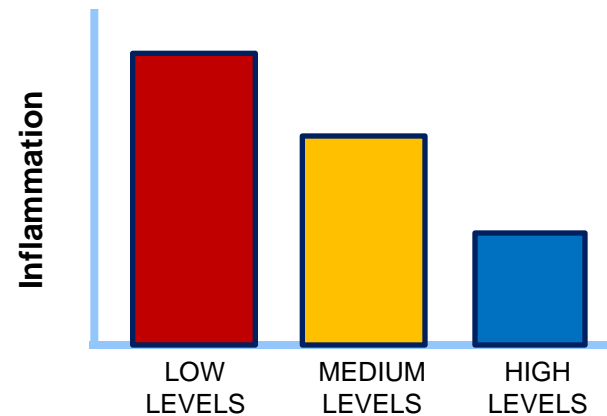
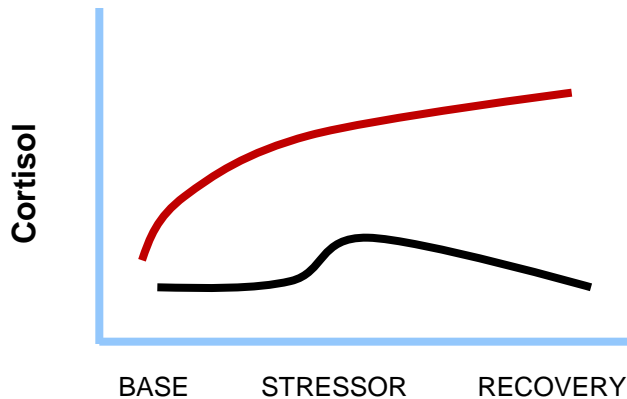
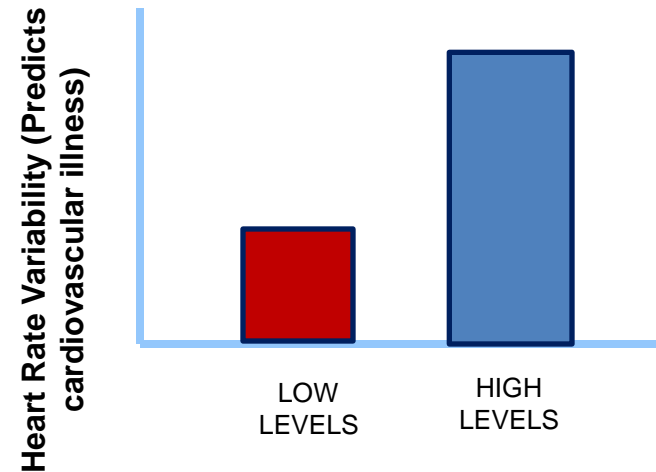
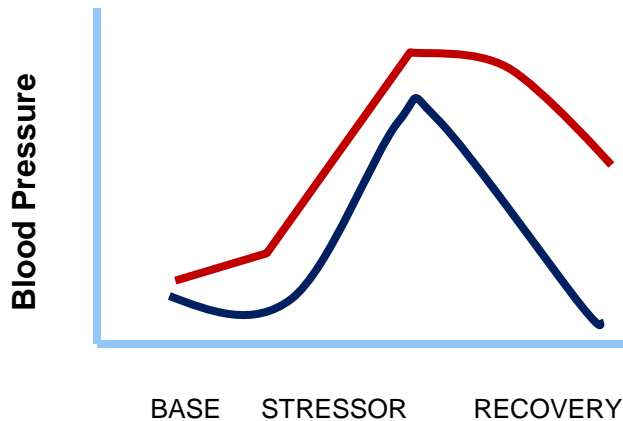
** Performance =

- Social skills
- Zest for learning
- Writing competence
- Absence of depression

SOURCE: Seligman, 2011

Effects of Virtuousness*

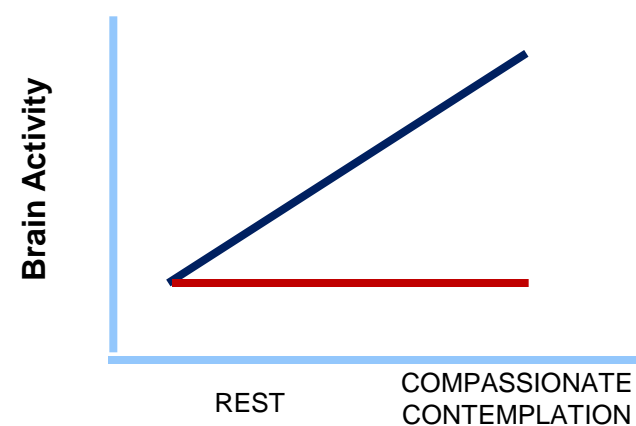
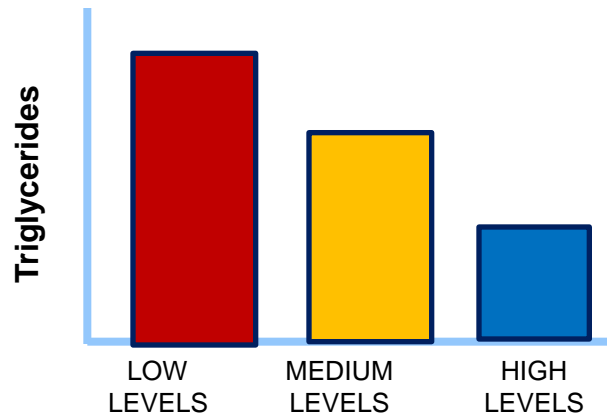
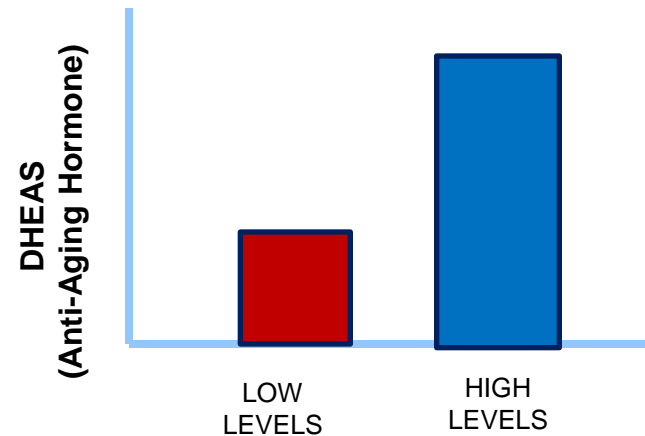
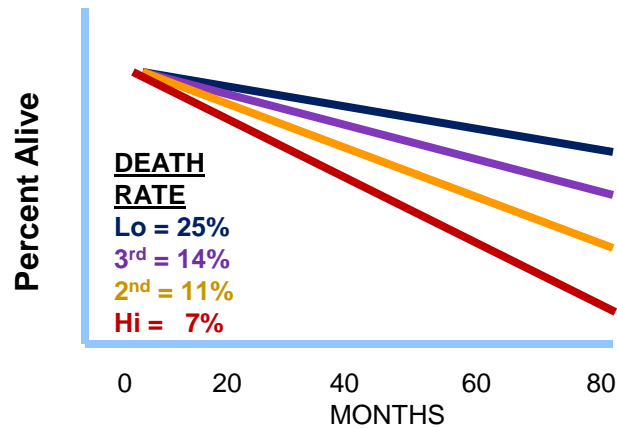
LOW VIRTUOUS SCORES
HIGH VIRTUOUS SCORES



* Compassion, Gratitude, Love, Kindness, Forgiveness, Positive regard, etc.

Effects of Virtuousness*

LOW VIRTUOUS SCORES
HIGH VIRTUOUS SCORES

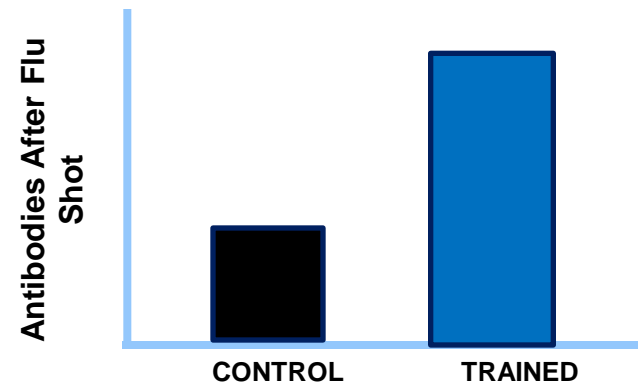
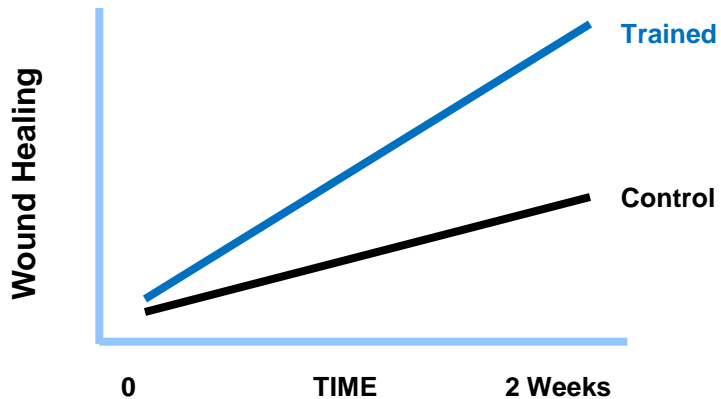
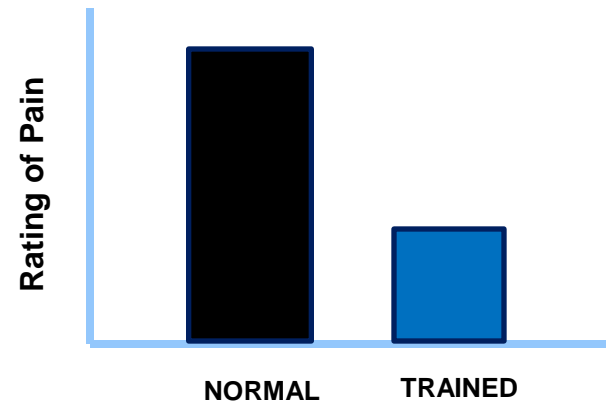
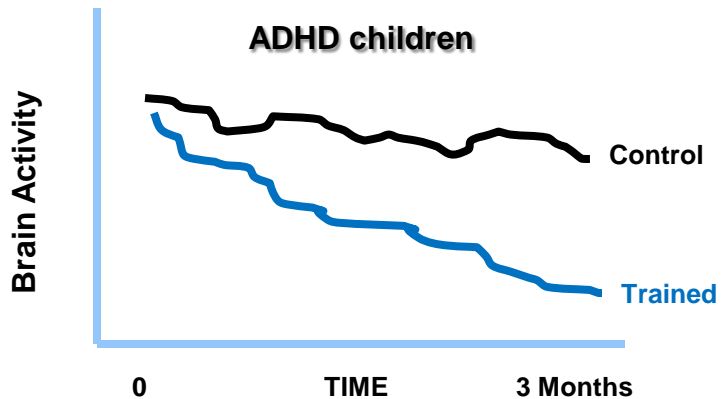


* Compassion, Gratitude, Love, Kindness, Forgiveness, Positive regard, etc.

Source: Steptoe, 2011; Davidson, 2011

Effects of Training*

CONTROL/NORMAL TRAINED IN PRACTICING VIRTUOUSNESS



* Compassion, Gratitude, Love, Kindness, Forgiveness, Positive regard, etc.

The Implication is **NOT**:

- Just smile and everything will be fine
- Make sure you only give praise
- Make sure everyone gets a blue ribbon
- Never criticize your people
- Don't worry about problems and obstacles
- Just be enthusiastic

The Implication **IS**:

- Inducing positive states has significant impact on:
 - Physical health
 - Mental health
 - Brain activity
 - Social relationships
 - Work productivity
 - Life expectancy
- The heliotropic effect exists.

Yeah, But . . .

- **Come on, Cameron. This is all a bit too squishy.**
- **Aren't most organizations fraught with problems? Is this abundance approach just a white-wash for real problems?**
- **Positive people do not necessarily make for a positive organization. Does any evidence exist that organizations are better off with positivity?**

A Bias Toward the Negative

A systematic bias exists in people that shows that the occurrence of negative factors are more powerful than positive factors—"Bad is stronger than good." SOURCE: Baumeister, et al. 2001

- People are more affected by one traumatic or negative event than by one positive or happy event.
- People are more affected emotionally and do more mental work from a single negative piece of feedback than from a single positive piece of feedback.
- Evolutionary theory suggests why: If people ignore negative information, it could cost them their lives. If they ignore positive feedback, it only causes regret.
- Therefore, it is not surprising that negative phenomena get more attention than positive phenomena. It takes conscious effort to focus on abundance.

The Business Case for Virtuousness

Research Findings on Organizations

- Communication patterns in 60 organizations
- Seven matched organizations within a parent corporation
- Intervention studies aimed at an abundance culture change
- Public and private companies in 16 industries
- The airline industry after 9-11
- The clean-up of a nuclear arsenal
- Financial services performance
- Health care
- **Conclusion:** An abundance approach, organizational virtuousness, and positive organizational dynamics are significantly and positively related to effectiveness (e.g., profitability, productivity, quality, innovation, customer satisfaction, employee retention).

High Performance Organizations

	<u>Team Performance</u>		
	High	Medium	Low
Positive Statement Ratio (supportive, encouraging, appreciation)	5.6 to 1	1.8 to 1	.36 to 1
Inquiry/Advocacy Ratio (questioning versus asserting)	1.1 to 1	.67 to 1	.05 to 1
Others/Self Ratio (external versus internal focus)	.94 to 1	.62 to 1	.03 to 1
Connectivity Average (mutual influence, assistance, interaction)	32	22	18

SOURCE: Losada & Heaphy, 2004

A Positivity Ratio* Above 3:1

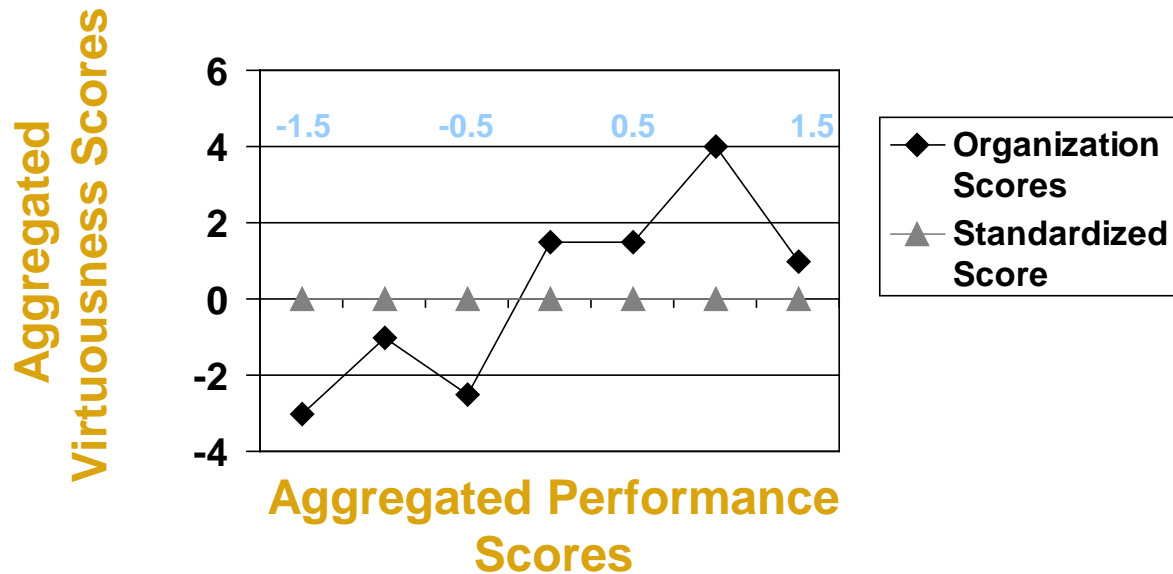
* Positive emotions ÷ negative emotions

- People live longer (+11 years).
- People succumb to fewer illnesses.
- People have higher survival rates after serious illness or accident.
- People stay married longer.
- People tolerate pain better.
- People work harder.
- People perform better on the job.
- People make more money (+30%).
- People display more mental acuity.
- People make higher quality decisions.
- People are more creative and more flexible in their thinking.
- People are more adaptive and resilient after trials and trauma.
- People engage in more helping behaviors and citizenship activities.

SOURCES: Diener & Diener, 2008; Fredrickson, 2008

31

Virtuousness and Performance



SOURCE: Cameron, 2003

Virtuousness and Performance

After Recent Downsizing (in 16 Industries)

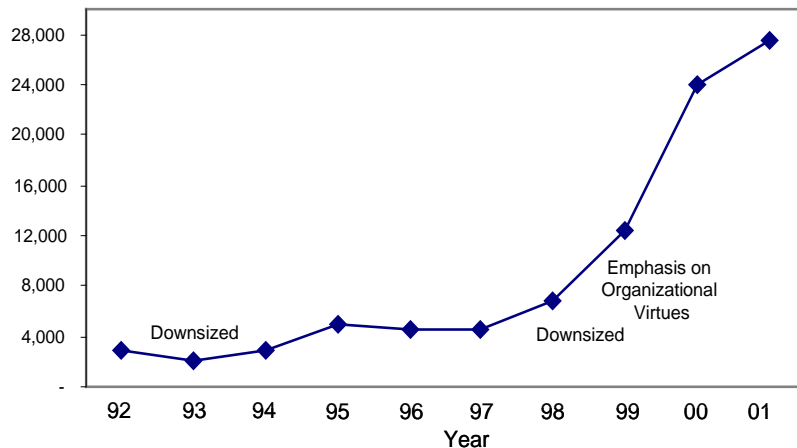
- **Statistically significant relationships exist between organizational virtuousness** (as indicated by integrity, optimism, forgiveness, compassion, and trust)

And

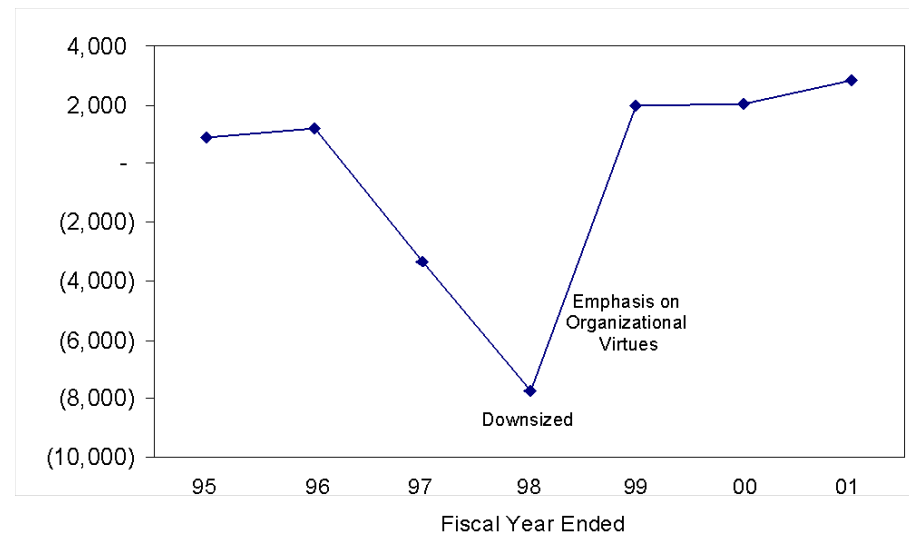
- **Both objective performance** (e.g., financial, quality) **and perceived performance** (e.g., employee engagement, turnover) [$p < .01$]

SOURCE: Cameron, Bright, & Caza, 2004

Intervention Study: Culture Change



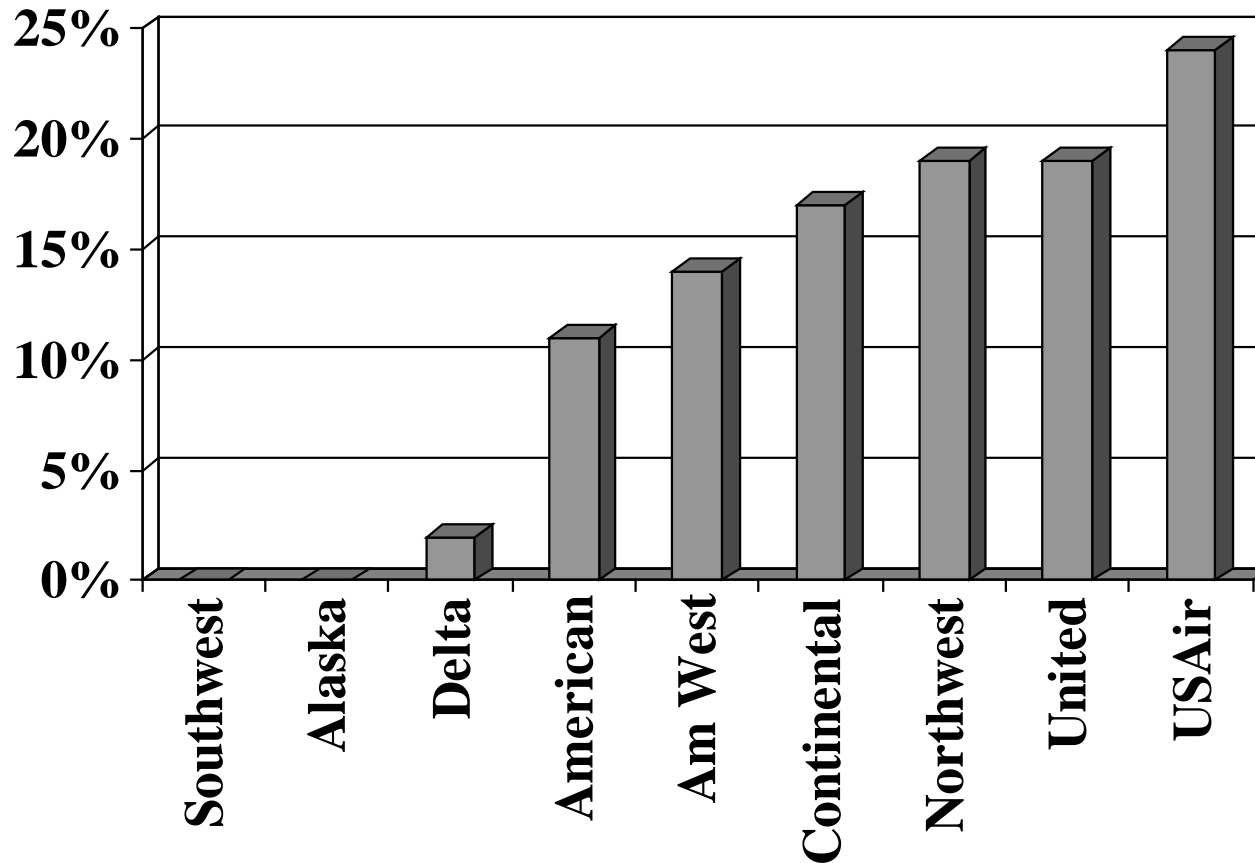
Intervention



Intervention

SOURCE: Cameron, 2003

Employee Layoffs After 9-11



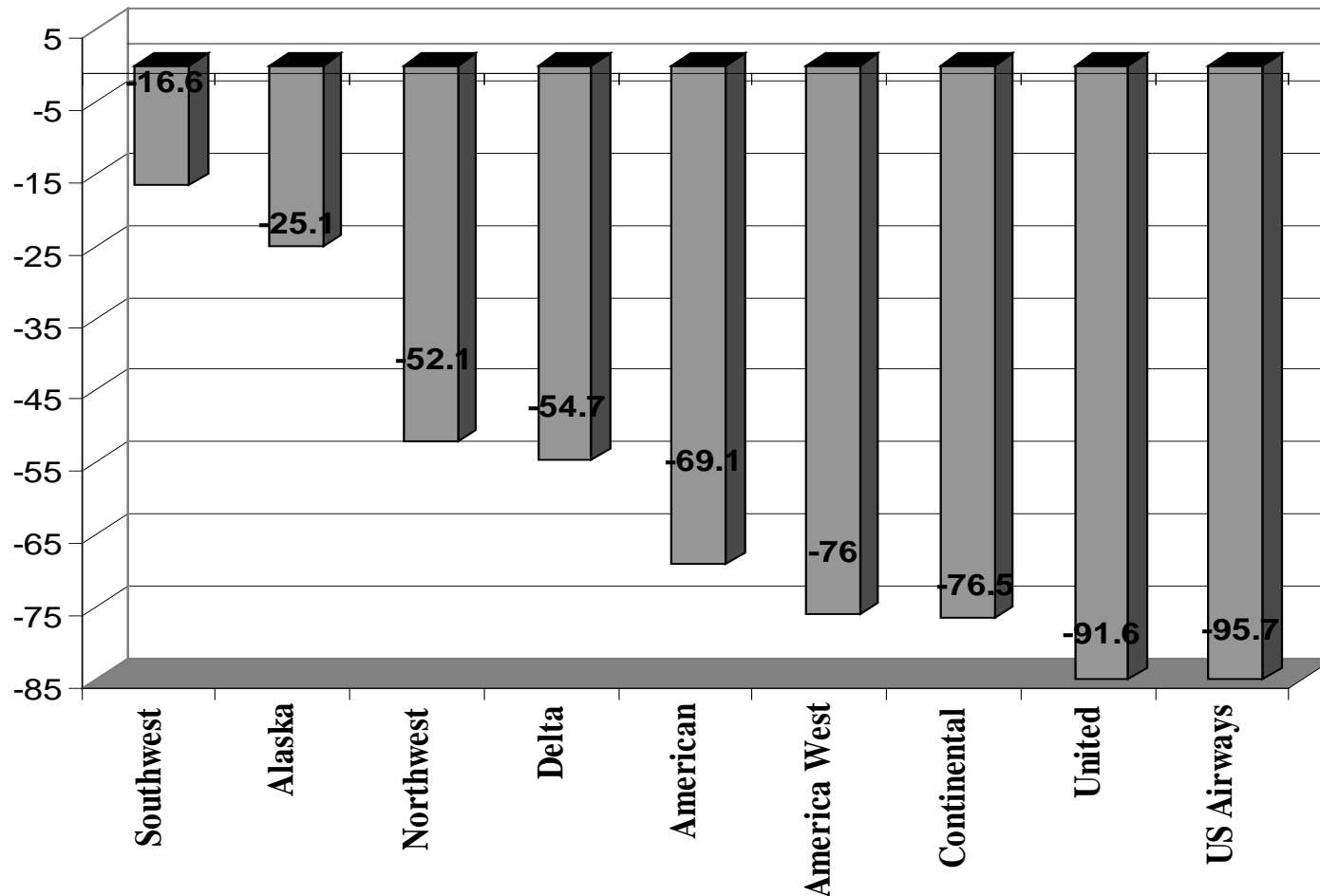
SOURCE: Gittel, Cameron, Lim 2006

Southwest's Strategy

- Despite losing \$5 million per day in the weeks following the attacks, Southwest refused to lay off employees. CEO Jim Parker said: “Clearly we can’t continue to do this indefinitely, but we are willing to suffer some damage, even to our stock price, to protect the jobs of our people.”
- “Nothing kills your company’s culture like layoffs. Nobody has ever been furloughed [at Southwest], and that is unprecedented in the airline industry. It’s been a huge strength of ours. It’s certainly helped us negotiate our union contracts. One of the union leaders came in to negotiate one time and he said, ‘we know we don’t need to talk with you about job security.’ We could have furloughed at various times and been more profitable, but I always thought that was short-sighted. You want to show your people that you value them, and you’re not going to hurt them just to get a little more money in the short term. Not furloughing people breeds loyalty. It breeds a sense of security. It breeds a sense of trust.”

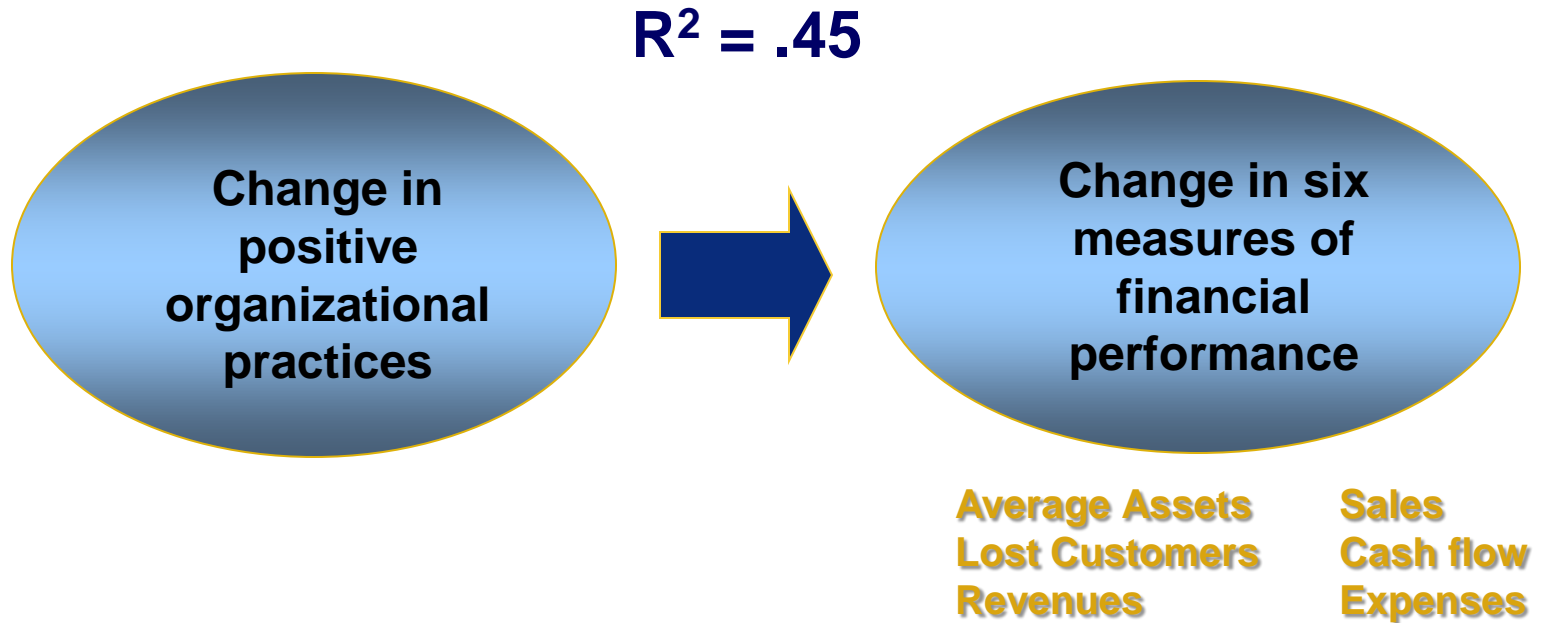
Stock Values – 09/01 to 09/02

Correlation = .86



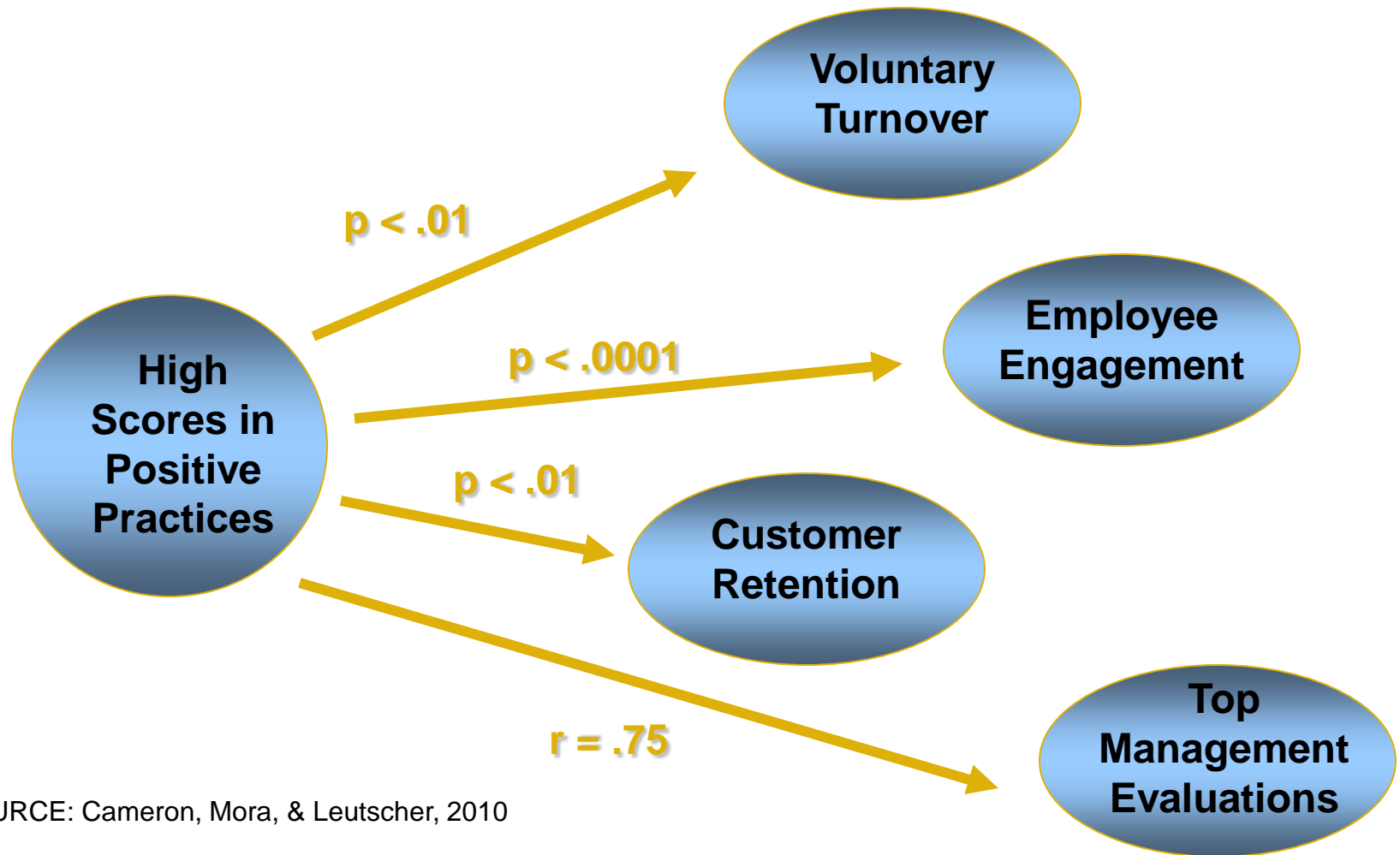
SOURCE: Gittell, Cameron, Lim 2006

Improvement in Financial Services



SOURCE: Cameron, Mora, & Leutscher, 2010

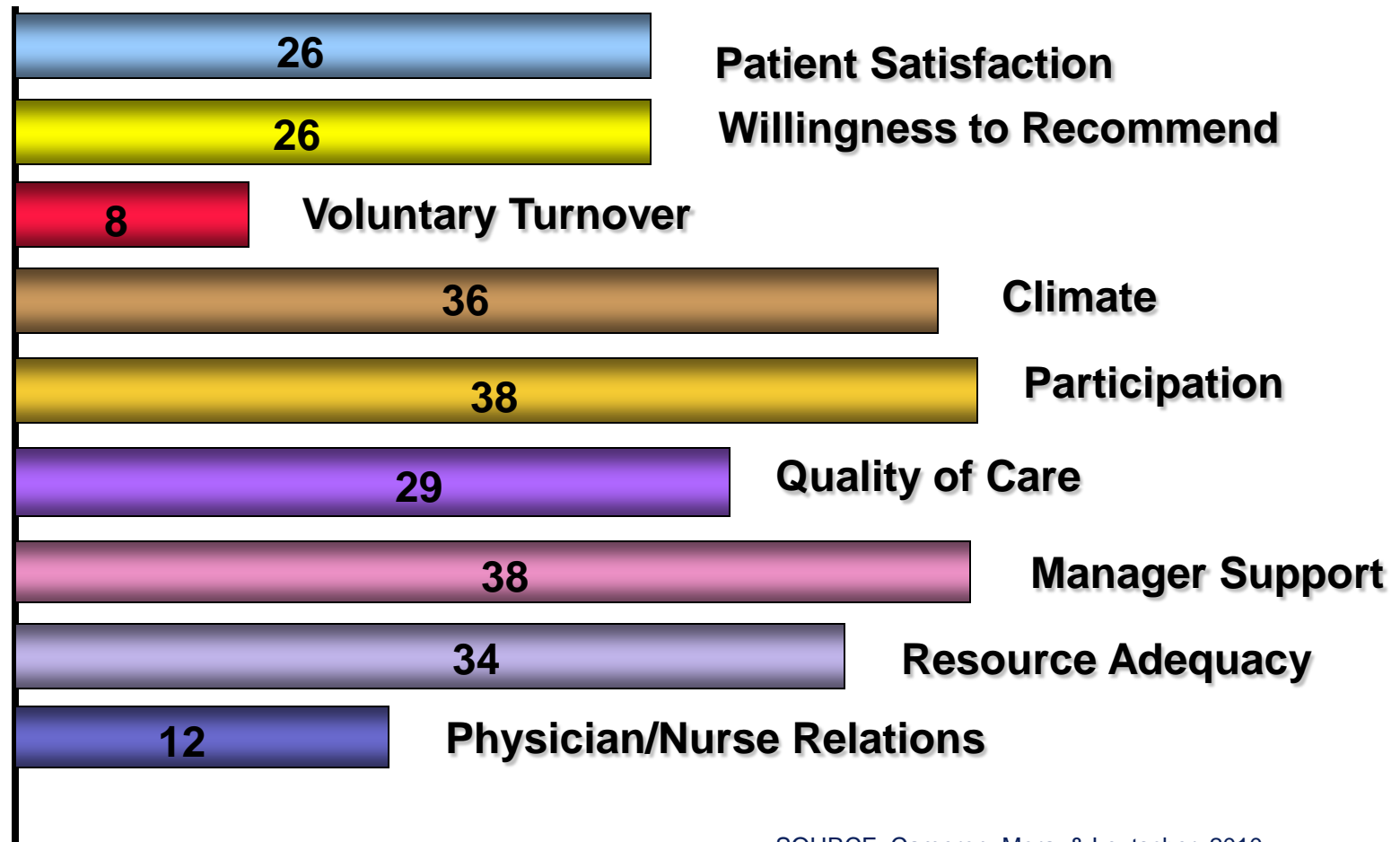
Performance in Financial Services



SOURCE: Cameron, Mora, & Leutscher, 2010

Improvement in Health Care

Percent improvement over a two year period.



SOURCE: Cameron, Mora, & Leutscher, 2010

Research on Virtuousness in Organizations

- **Gratitude and Appreciation**
- **Dignity and Respect**
- **Support and Compassion**
- **Caring and Concern**
- **Meaningfulness and Purpose**
- **Inspiration and Positive Energy**
- **Forgiveness and Understanding**
- **Trust and Integrity**

SOURCE: Cameron, Mora, Leutscher, Calarco, 2011

Examples of Abundance Tools

- **Reflected best-self feedback process**
A personal feedback tool that provides descriptive stories of individuals' best-selves—when they created extraordinary value. This results in a best-self portrait and action plans designed to capitalize on personal strengths.
- **Positive energy networks**
A tool to identify positive energizers and the positive energy network that exists in an organization, along with hints for capitalizing on the energy network.
- **PMI program**
A tool based on one-on-one meetings between managers and their direct reports designed to foster continuous improvement, accountability for performance, and developing employees into extraordinary performers.
- **Supportive communication in difficult circumstances**
A technique for delivering negative feedback in ways that foster stronger, more collaborative relationships.
- **High quality relationships**
A set of techniques for fostering high quality connections—temporary interactions in organizations—as well as longer-term relationships among co-workers.
- **Engagement of employees**
Techniques for fostering high levels of engagement among employees by managing ideological capital, social capital, intellectual capital, and financial capital.
- **Empowerment of employees**
A set of techniques for enhancing the empowerment of employees through self-efficacy, self-determination, personal consequence, personal meaning, and trust.
- **Life-long customer loyalty**
A technique for diagnosing levels of customer commitment and helping to create life-long customer loyalty.
- **Everest goals**
A tool for identifying organizational and individual goals which extend beyond normal SMART goal setting and lead to extraordinary levels of achievement.
- **Positive practices assessment**
A diagnostic survey instrument identifies 38 dimensions of positive practices that are highly predictive of financial performance in organizations.
- **Reciprocity ring**
A tool used to create a network of generalized reciprocity in which members of an organization acquire assistance and resources that were previously unknown and/or unacknowledged.
- **Gratitude journals and gratitude visits**
A tool used to help individuals experience a gratitude condition daily as well as to experience the impact of a profound interaction based on thanksgiving.
- **Positive culture change**
A technique for helping organizations transform their cultures toward abundance and positive deviance.
- **Job crafting**
A set of processes individuals can use in their jobs to enhance meaningfulness, satisfaction, and thriving.
- **Fundamental state of leadership**
A set of techniques that lead individuals from a normal state of functioning to a state in which leaders are internally-directed, externally-open, others-focused, and purpose-centered.

Prescriptions for Positive Leadership

- **Capitalize on the heliotropic effect.**

We have learned to ignore it. (Positively embarrass someone)

- **Foster positive energy.**

Energy is 4 times more powerful than information & influence.
(Advocate for or nurture one person)

- **Focus on abundance gaps.**

People get consumed by problems and obstacles. (Use strength in a new way)

- **Celebrate what goes right.**

Problems usually dominate our attention. (Write gratitude cards and/or journal)

Questions, Comments, Contributions, Yeah, but?