Cass Business School
CITY UNIVERSITY LONDON

Centre for Professional Service Firms

Leadership in the Plural: Insights from Professional Organizations

A symposium at the 2012 Academy of Management conference in Boston designed to showcase scholarship in this developing area, and to examine the potential for learning across different kinds of professional organisations.

This symposium was organized in conjunction with the Cass Centre for Professional Service Firms' research study "Understanding Leadership Dynamics in Professional Service Firms", funded by the Economic and Social Research Council of Great Britain (RES-062-23-2269)

Presenters:

Heidi K. Gardner, Harvard Business School, USA (Co-Chair)
James P Spillane, Northwestern School of Education and Social Policy, USA
Samia Chreim, Telfer School of Management, University of Ottawa, Canada
Laura Empson, Cass Business School, UK (Co-Chair)
Ann Langley, HEC Montréal, Canada (Discussant)

This symposium built upon the success of the Academy of Management 2011 symposium "Leadership in the Plural: Forms, Practices, and Dynamics". Co-Chairs Laura Empson and Heidi Gardner brought together some of the same presenters (Empson, Gardner, and Langley) with two new presenters (Chreim and Spillane) to develop the emerging themes and introduce new theoretical and empirical perspectives to the debate begun in San Antonio.

"Leadership in the plural" encompasses a variety of concepts including distributed, shared, and collective leadership, as well as dual or co-leadership. Leadership in these cases is not something that is owned or done by an individual with particular leadership characteristics. Instead, it is a fluid activity built on interactions within an extended group not governed by conventional hierarchical relations between leaders and "followers".

Research in this field explores the dynamics of leadership groups, the forms these groups take, and the practices they develop. When leadership is viewed as a relational process unfolding over time the context in which the process of leadership occurs becomes particularly significant, as individuals' interpersonal relationships will be shaped by the organizational context in which they co-exist.

Professional organizations in general, and professional partnerships in particular, are made up of a coalition of highly educated professionals with potentially diverse interests; in the case of partnerships they are also owned by senior professionals who work within them. Consequently, they pose distinctive leadership challenges and are an important organizational context in which to study the phenomenon of leadership in the plural.

The four papers which formed the basis of the symposium focused on various kinds of professional organizations (schools, consulting firms, and engineering and architectural partnerships) and various forms of governance (public sector, publicly-quoted, privately-owned corporations, and partnerships). Whilst each paper explored a variety of questions, the central question underlying all of these studies was: *how is leadership negotiated and constructed in pluralistic professional organizations?*

In the opening presentation, **Heidi Gardner** drew on a case study of a consulting firm, 'ConsultCo', which is undergoing a self-imposed organizational change. One critical implication of this change is a potential shift in the existing power structures within the firm. In ConsultCo, like many professional service firms, individual professionals' power derives not just from their professional expertise, but also the extent to which they "own" client relationships and the resulting revenues. Thus, power is not necessarily signalled by a formal position of authority, but rather is dispersed throughout the practice groups and geographies.

In a conventional formal hierarchy, change is usually a top-down process. In a professional firm such as ConsultCo, however, any number of people might expect to be involved, and indeed become involved, in conversations about change and in the change process. The overall objective of the study is to understand what predicts individuals' emergence as organizationally embedded, informal leaders of a strategic change, how their influence spreads through an organization with distributed power, and how the actions of the firm's formal leadership affect the buy-in by both the emergent, informal leaders and their followers. As part of this, the study sought to identify not only who participated in change conversations, but which conversations had the most influence on subsequent attitudes throughout the organization.

The research showed that the people who participated in the change conversations included those with formal authority, those with power derived from their expertise, and those with referent power – individual professionals who engendered personal respect or who had important client portfolios. However, when it came to influencing attitudes, it was not people's existing power base that mattered, but their own attitudes and beliefs: their ability to understand and articulate change, their personal commitment (which understandably wavered if they thought that the change would lead to a diminution in their own power), and their confidence in the firm's ability to execute the change.

Further complexities of distributed leadership in a professional environment were explored by **James Spillane** in his study of novice principals in the US school system as they worked to make sense of their new occupation during their first year on the job.

Spillane's presentation described how these principals' emerging understanding of their new position reveals tension between aspects of the work that would seem to encourage and enable distributed leadership and those that constrain it. These tensions are experienced differently depending on the schools' positions in the institutional sector and whether the principals were focusing on maintaining, establishing, repairing or refining organizational legitimacy and organizational integrity.

For example, the sheer volume and enormous diversity of the principal's work were experienced by all novice principals in the study and are fairly obvious drivers for the adoption of distributed leadership. A more problematic aspect of the role, though, is the need to be chameleon-like: one minute cracking the whip, the next acting the supportive coach. This puts tremendous emotional pressure on school principals – something that could be improved by engaging others in the leadership and management of the school -- but also potentially undermines the trust between them and their colleagues, which would make the effective adoption of distributed leadership near-impossible. Another characteristic of the role frequently mentioned by interviewees is its unpredictability. In theory, increasing the number of people involved in leadership would make the perpetual fire-fighting easier; in practice, turbulence is usually best managed by a single decision-maker.

Some principals understood their work as reestablishing both organizational legitimacy and organizational integrity. For them, the volume, diversity, and the chameleon-like character of the principal's job were felt more intensely compared to other principals in the sample. In this respect, there appeared to be strong incentives for these principals to engage others in leadership activities.

However, at the same time, these principals' sense of ultimate responsibility was also stronger than in the rest of the sample. District and state policies that put tight time pressures on these principals to show improvement or otherwise shut down their schools intensified their sense that the buck stopped with them, and thereby appeared to undermine distributed leadership.

The third presentation, by **Samia Chreim,** looked at the process of negotiating distributed leadership roles among professionals. It was based on a study of four different acquisitions of employee-owned professional firms by a publicly owned professional corporation.

The acquiring organization, "Alpha", is a large engineering and architecture firm that grows mainly by acquisition, integrating the acquired firms immediately after closing. This implies two challenges. First, there is a very quick transition from one leadership structure to another as managers in the acquired and acquiring firms have to share-out leadership responsibilities; and secondly, it is possible to end up with a leadership surplus.

Chreim pointed out that there can often be leadership "deficits" and "surpluses" in constellations. An acquisition in which leadership roles are shared with experienced corporate managers can be very successful in closing the deficit in the acquired firm. However, much depends on the acquiring manager, who is usually responsible for redistributing the leadership roles. In one of the case study acquisitions, the corporate leader in fact "undistributed" the leadership roles, stripping away authority and contracting the role of the acquired managers. The outcome was domination of hierarchical authority over professional expertise.

In another example, the acquired firm already had sufficient leadership depth and experience. The addition of corporate leaders from the acquiring firm created a "leadership surplus", and quite a lot of resistance from managers in the acquired firm. A key question is, at what point does distributing leadership become overcrowding and become dysfunctional?

The final presentation, by **Laura Empson,** was based on a study of a global professional service firm

partnership that looked at how individuals implicitly and organically negotiated their leadership roles in response to different environmental changes – some initiated internally, some externally.

A key finding from the study was the lack of consistency in views about who were the leaders of the firm. Interviewees' responses to the broad question "who are the leaders of the firm?" varied from "all the partners (i.e. 200 people)" to "only the CEO" and "no one". This confusion partly arose from the fact that leadership roles were widely distributed; partly from a reluctance to acknowledge that everyone was not, in fact, equal -- even those people who patently had leadership roles were reluctant to describe themselves in those terms; and partly because of an imprecise understanding or application of the word "leadership" – it became a synonym for management, and was associated with influence and entrepreneurialism. Interviewees consistently referred to the firm's "distributed leadership" model, and described the organization in terms associated with (in turn) a family, a religion, and as a "self-motivating, self-correcting, self-reinforcing organism."

However, the study made clear that this rhetoric of distributed leadership masked an implicit power structure. The office leaders and the CEO are, in the last resort, in charge. As one interviewee described it: "…they fire, they hire, they control the money, they control the budgets. Of course the CEO has the power and in the end he can dismiss office leaders."

But it is more complex even than this. Empson described how when the financial crisis hit, the Chair instituted a series of significant cost-cutting measures within a six month period. The initiative was driven by him and was seen by him as compulsory – and yet he positioned it as consensual and voluntary. The Chair asked office heads to identify cost savings, but did not set targets for each country or even globally. The office heads in turn consulted their colleagues: everyone wanted to be seen to be "doing their bit". Although the initiative was led by the chair, the process was perceived by the office heads to be a dialogue and "a combination of bottom up and top down."

This raises questions about how much of the plurality of leadership is in fact a performance. The firm does not make many big strategic decisions so the leadership model is not often tested. When it is tested, as in this crisis situation, the firm appears to default to a hierarchy and a single, "heroic" leader. Ultimately a plural model of leadership seems to depend for its successful functioning on individual leaders, though they eschew heroic rhetoric.

The symposium concluded with a summing up and critique by Ann Langley followed by a lively discussion among audience and panel members. It is clear that a growing body of researchers are becoming interested in concepts of plural leadership in the context of professional organization.