

The traditional view of management, back in 1977 when Abraham Zaleznik wrote this article, centered on organizational structure and processes. Managerial development at the time focused exclusively on building competence, control, and the appropriate balance of power. That view, Zaleznik argued, omitted the essential *leadership* elements of inspiration, vision, and human passion—which drive corporate success.

The difference between managers and leaders, he wrote, lies in the conceptions they hold, deep in their psyches, of chaos and order. Managers embrace process, seek stability and control, and instinctively try to resolve problems quickly—sometimes before they fully understand a problem's significance. Leaders, in contrast, tolerate chaos and lack of structure and are willing to delay closure in order to understand the issues more fully. In this way, Zaleznik argued, business leaders have much more in common with artists, scientists, and other creative thinkers than they do with managers. Organizations need both managers and leaders to succeed, but developing both requires a reduced focus on logic and strategic exercises in favor of an environment where creativity and imagination are permitted to flourish.

Managers and Leaders Are They Different?

by Abraham Zaleznik

Business leaders have much more in common with artists than they do with managers.

WHAT IS THE IDEAL WAY to develop leadership? Every society provides its own answer to this question, and each, in groping for answers, defines its deepest concerns about the purposes, distributions, and uses of power. Business has contributed its answer to the leadership question by evolving a new breed called the manager. Simultaneously, business has established a new power ethic that favors collective over individual leadership, the cult of the group over that of personality. While ensuring competence, control, and the balance of power among groups with the potential for rivalry, managerial leadership unfortunately does not necessarily ensure imagination, creativity, or ethical behavior in guiding the destinies of corporations.

Leadership inevitably requires using power to influence the thoughts and actions of other people. Power in the hands of an individual entails human risks: first, the risk of equating power with the ability to get immediate results; second, the risk of ignoring the many different ways people can legitimately accumulate power; and third, the risk of losing self-control in the desire for power. The need to hedge these risks accounts in part for the development of collective leadership and the managerial ethic. Consequently, an inherent conservatism dominates the culture of large organizations. In *The Second American Revolution*, John D. Rockefeller III describes the conservatism of organizations:

"An organization is a system, with a logic of its own, and all the weight of tradition and inertia. The deck is stacked in favor of the tried and proven way of doing things and against the taking of risks and striking out in new directions."¹

Out of this conservatism and inertia, organizations provide succession to power through the development of managers rather than individual leaders. Ironically, this ethic fosters a bureaucratic culture in business, supposedly the last bastion protecting us from the encroachments and controls of bureaucracy in government and education.

Manager Versus Leader Personality

A managerial culture emphasizes rationality and control. Whether his or her energies are directed toward goals, resources, organization structures, or people, a manager is a problem solver. The manager asks: "What problems have to be solved, and what are the best ways to achieve results so that people will continue to contribute to this organization?" From this perspective, leadership is simply a practical effort to direct affairs, and to fulfill his or her task, a manager requires that many people operate efficiently at different levels of status and responsibility. It takes neither genius nor heroism to be a manager, but rather persistence, tough-mindedness, hard work, intelligence, analytical ability, and perhaps most important, tolerance and goodwill.

Another conception of leadership, however, attaches almost mystical beliefs to what a leader is and assumes that only great people are worthy of the drama of power and politics. Here leadership is a psychodrama in which a bril-

liant, lonely person must gain control of himself or herself as a precondition for controlling others. Such an expectation of leadership contrasts sharply with the mundane, practical, and yet important conception that leadership is really managing work that other people do.

Three questions come to mind. Is the leadership mystique merely a holdover from our childhood—from a sense of dependency and a longing for good and

ers. Further, beyond what we leave to chance, there is a deeper issue in the relationship between the need for competent managers and the longing for great leaders.

What it takes to ensure a supply of people who will assume practical responsibility may inhibit the development of great leaders. On the other hand, the presence of great leaders may undermine the development of managers who typically become very anxious in the relative disorder that leaders seem to generate.

It is easy enough to dismiss the dilemma of training managers, though we may need new leaders, or leaders at the expense of managers, by saying that the need is for people who can be both. But just as a managerial culture differs from the entrepreneurial culture that develops when leaders appear in organizations, managers and leaders are very different kinds of people. They differ in motivation, in personal history, and in how they think and act.

Attitudes Toward Goals

Managers tend to adopt impersonal, if not passive, attitudes toward goals. Managerial goals arise out of necessities rather than desires and, therefore, are deeply embedded in their organization's history and culture.

Frederic G. Donner, chairman and chief executive officer of General Motors from 1958 to 1967, expressed this kind of attitude toward goals in defining GM's position on product development:

"To meet the challenge of the marketplace, we must recognize changes in customer needs and desires far enough ahead to have the right products in the right places at the right time and in the right quantity.

"We must balance trends in preference against the many compromises that are necessary to make a final prod-



heroic parents? Or is it true that no matter how competent managers are, their leadership stagnates because of their limitations in visualizing purposes and generating value in work? Driven by narrow purposes, without an imaginative capacity and the ability to communicate, do managers then perpetuate group conflicts instead of reforming them into broader desires and goals?

If indeed problems demand greatness, then judging by past performance, the selection and development of leaders leave a great deal to chance. There are no known ways to train "great" lead-

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uct that is both reliable and good looking, that performs well and that sells at a competitive price in the necessary volume. We must design not just the cars we would like to build but, more important, the cars that our customers want to buy.²²

Nowhere in this statement is there a notion that consumer tastes and preferences arise in part as a result of what manufacturers do. In reality, through product design, advertising, and promotion, consumers learn to like what they then say they need. Few would argue that people who enjoy taking snapshots need a camera that also develops pictures. But in response to a need for novelty, convenience, and a shorter interval between acting (snapping the picture) and gaining pleasure (seeing the shot), the Polaroid camera succeeded in the marketplace. It is inconceivable that Edwin Land responded to impressions of consumer need. Instead, he translated a technology (polarization of light) into a product, which proliferated and stimulated consumers' desires.

The example of Polaroid and Land suggests how leaders think about goals. They are active instead of reactive, shaping ideas instead of responding to them. Leaders adopt a personal and active attitude toward goals.

The influence a leader exerts in altering moods, in evoking images and expectations, and in establishing specific desires and objectives determines the direction a business takes. The net result of this influence changes the way people think about what is desirable, possible, and necessary.

Conceptions of Work

Managers tend to view work as an enabling process involving some combination of people and ideas interacting to establish strategies and make decisions. They help the process along by cal-

culating the interests in opposition, planning when controversial issues should surface, and reducing tensions. In this enabling process, managers' tactics appear flexible: On one hand, they negotiate and bargain; on the other, they use rewards, punishments, and other forms of coercion.

Alfred P. Sloan's actions at General Motors illustrate how this process works in situations of conflict. The time was



the early 1920s when Ford Motor Company still dominated the automobile industry using, as did General Motors, the conventional water-cooled engine. With the full backing of Pierre du Pont, Charles Kettering dedicated himself to the design of an air-cooled copper engine, which, if successful, would be a great technical and marketing coup for GM. Kettering believed in his product, but the manufacturing division heads opposed the new design on two grounds: First, it was technically unreliable, and second, the corporation was putting all its eggs in one basket by investing in a

new product instead of attending to the current marketing situation.

In the summer of 1923, after a series of false starts and after its decision to recall the copper engine Chevrolets from dealers and customers, GM management scrapped the project. When it dawned on Kettering that the company had rejected the engine, he was deeply discouraged and wrote to Sloan that, without the "organized resistance" against the project, it would have succeeded and that, unless the project were saved, he would leave the company.

Alfred Sloan was all too aware that Kettering was unhappy and indeed intended to leave General Motors. Sloan was also aware that, while the company's manufacturing divisions strongly opposed the new engine, Pierre du Pont supported Kettering. Further, Sloan had himself gone on record in a letter to Kettering less than two years earlier expressing full confidence in him. The problem Sloan had was how to make his decision stick, keep Kettering in the organization (he was much too valuable to lose), avoid alienating du Pont, and encourage the division heads to continue developing product lines using conventional water-cooled engines.

Sloan's actions in the face of this conflict reveal much about how managers work. First, he tried to reassure Kettering by presenting the problem in a very ambiguous fashion, suggesting that he and the executive committee sided with Kettering but that it would not be practical to force the divisions to do what they were opposed to. He presented the problem as being a question of the people, not the product. Second, he proposed to reorganize around the problem by consolidating all functions in a new division that would be responsible for the design, production, and marketing of the new engine.

This solution appeared as ambiguous as his efforts to placate Kettering. Sloan wrote at the time: "My plan was to create an independent pilot operation under the sole jurisdiction of Mr. Kettering, a kind of copper-cooled car division. Mr. Kettering would designate his own chief engineer and his production staff to solve the technical problems of manufacture."³

Sloan did not discuss the practical value of this solution, which included saddling an inventor with management responsibility, but in effect, he used this plan in order to limit his conflict with Pierre du Pont.

Essentially, the managerial solution that Sloan arranged limited the options available to others. The structural solution narrowed choices, even limiting emotional reactions to the point where the key people could do nothing but go along. It allowed Sloan to say in his memorandum to du Pont, "We have discussed the matter with Mr. Kettering at some length this morning, and he agrees with us absolutely on every point we made. He appears to receive the suggestion enthusiastically and has every confidence that it can be put across along these lines."⁴

Sloan placated people who opposed his views by developing a structural solution that appeared to give something but in reality gave only limited options. He could then authorize the car division's general manager, with whom he basically agreed, to move quickly in designing water-cooled cars for the immediate market demand.

Years later, Sloan wrote, evidently with tongue in cheek, "The copper-cooled car never came up again in a big way. It just died out; I don't know why."⁵

To get people to accept solutions to problems, managers continually need to coordinate and balance opposing views. Interestingly enough, this type of work has much in common with what diplomats and mediators do, with Henry Kissinger apparently an outstanding practitioner. Managers aim to shift balances of power toward solutions

acceptable as compromises among conflicting values.

Leaders work in the opposite direction. Where managers act to limit choices, leaders develop fresh approaches to long-standing problems and open issues to new options. To be effective, leaders must project their ideas onto images that excite people and only then develop choices that give those images substance.

John F. Kennedy's brief presidency shows both the strengths and weaknesses connected with the excitement leaders generate in their work. In his inaugural address he said, "Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any

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burden, meet any hardship, support any friend, oppose any foe, in order to assure the survival and the success of liberty."

This much-quoted statement forced people to react beyond immediate concerns and to identify with Kennedy and with important shared ideals. On closer scrutiny, however, the statement is absurd because it promises a position, which, if adopted, as in the Vietnam War, could produce disastrous results. Yet unless expectations are aroused and mobilized, with all the dangers of frustration inherent in heightened desire, new thinking and new choice can never come to light.

Leaders work from high-risk positions; indeed, they are often temperamentally disposed to seek out risk and

danger, especially where the chance of opportunity and reward appears promising. From my observations, the reason one individual seeks risks while another approaches problems conservatively depends more on his or her personality and less on conscious choice. For those who become managers, a survival instinct dominates the need for risk, and with that instinct comes an ability to tolerate mundane, practical work. Leaders sometimes react to mundane work as to an affliction.

Relations with Others

Managers prefer to work with people; they avoid solitary activity because it makes them anxious. Several years ago, I directed studies on the psychological aspects of careers. The need to seek out others with whom to work and collaborate seemed to stand out as an important characteristic of managers. When asked, for example, to write imaginative stories in response to a picture showing a single figure (a boy contemplating a violin or a man silhouetted in a state of reflection), managers populated their stories with people. The following is an example of a manager's imaginative story about the young boy contemplating a violin:

"Mom and Dad insisted that their son take music lessons so that someday he can become a concert musician. His instrument was ordered and had just arrived. The boy is weighing the alternatives of playing football with the other kids or playing with the squeak box. He can't understand how his parents could think a violin is better than a touchdown.

"After four months of practicing the violin, the boy has had more than enough, Dad is going out of his mind, and Mom is willing to give in reluctantly to their wishes. Football season is now over, but a good third baseman will take the field next spring."

This story illustrates two themes that clarify managerial attitudes toward human relations. The first, as I have suggested, is to seek out activity with other people (that is, the football team), and

the second is to maintain a low level of emotional involvement in those relationships. Low emotional involvement appears in the writer's use of conventional metaphors, even clichés, and in the depiction of the ready transformation of potential conflict into harmonious decisions. In this case, the boy, Mom, and Dad agree to give up the violin for sports.

These two themes may seem paradoxical, but their coexistence supports what a manager does, including reconciling differences, seeking compromises, and establishing a balance of power. The story further demonstrates that managers may lack empathy or the capacity to sense intuitively the thoughts and feelings of those around him. Consider another story written to the same stimulus picture by someone thought of as a leader by his peers:

"This little boy has the appearance of being a sincere artist, one who is deeply affected by the violin, and has an intense desire to master the instrument.

"He seems to have just completed his normal practice session and appears to be somewhat crestfallen at his inability to produce the sounds that he is sure lie within the violin.

"He appears to be in the process of making a vow to himself to expend the necessary time and effort to play this instrument until he satisfies himself that he is able to bring forth the qualities of music that he feels within himself.

"With this type of determination and carry-through, this boy became one of the great violinists of his day."

Empathy is not simply a matter of paying attention to other people. It is also the capacity to take in emotional signals and make them meaningful in a relationship. People who describe another person as "deeply affected," with "intense desire," "crestfallen," and as one who can "vow to himself" would seem to have an inner perceptiveness that they can use in their relationships with others.

Managers relate to people according to the role they play in a sequence of events or in a decision-making process,

while leaders, who are concerned with ideas, relate in more intuitive and empathetic ways. The distinction is simply between a manager's attention to *how* things get done and a leader's to *what* the events and decisions mean to participants.

In recent years, managers have adopted from game theory the notion

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that decision-making events can be one of two types: the win-lose situation (or zero-sum game) or the win-win situation in which everybody in the action comes out ahead. Managers strive to convert win-lose into win-win situations as part of the process of reconciling differences among people and maintaining balances of power.

As an illustration, take the decision of how to allocate capital resources among operating divisions in a large, decentralized organization. On the surface, the dollars available for distribution are limited at any given time. Presumably, therefore, the more one division gets, the less is available for other divisions.

Managers tend to view this situation (as it affects human relations) as a conversion issue: how to make what seems like a win-lose problem into a win-win problem. From that perspective, several solutions come to mind. First, the manager focuses others' attention on procedure and not on substance. Here the players become engrossed in the bigger problem of *how* to make decisions, not *what* decisions to make. Once committed to the bigger problem, these people have to support the outcome since they were involved in formulating the decision-making rules. Because they believe in the rules they formulated, they will

accept present losses, believing that next time they will win.

Second, the manager communicates to subordinates indirectly, using "signals" instead of "messages." A signal holds a number of implicit positions, while a message clearly states a position. Signals are inconclusive and subject to reinterpretation should people

become upset and angry; messages involve the direct consequence that some people will indeed not like what they hear. The nature of messages heightens emotional response and makes managers anxious. With signals, the question of who wins and who loses often becomes obscured.

Third, the manager plays for time. Managers seem to recognize that with the passage of time and the delay of major decisions, compromises emerge that take the sting out of win-lose situations, and the original "game" will be superseded by additional situations. Compromises mean that one may win and lose simultaneously, depending on which of the games one evaluates.

There are undoubtedly many other tactical moves managers use to change human situations from win-lose to win-win. But the point is that such tactics focus on the decision-making process itself, and that process interests managers rather than leaders. Tactical interests involve costs as well as benefits; they make organizations fatter in bureaucratic and political intrigue and leaner in direct, hard activity and warm human relationships. Consequently, one often hears subordinates characterize managers as inscrutable, detached, and manipulative. These adjectives arise from the subordinates' perception that they are

linked together in a process whose purpose is to maintain a controlled as well as rational and equitable structure.

In contrast, one often hears leaders referred to with adjectives rich in emotional content. Leaders attract strong feelings of identity and difference or of love and hate. Human relations in leader-dominated structures often appear turbulent, intense, and at times even disorganized. Such an atmosphere intensifies individual motivation and often produces unanticipated outcomes.

Senses of Self

In *The Varieties of Religious Experience*, William James describes two basic personality types, "once-born" and "twice-born." People of the former personality type are those for whom adjustments to life have been straightforward and whose lives have been more or less a peaceful flow since birth. Twice-borns, on the other hand, have not had an easy time of it. Their lives are marked by a continual struggle to attain some sense of order. Unlike once-borns, they cannot take things for granted. According to James, these personalities have equally different worldviews. For a once-born personality, the sense of self as a guide to conduct and attitude derives from a feeling of being at home and in harmony with one's environment. For a twice-born, the sense of self derives from a feeling of profound separateness.

A sense of belonging or of being separate has a practical significance for the kinds of investments managers and leaders make in their careers. Managers see themselves as conservators and regulators of an existing order of affairs with which they personally identify and from which they gain rewards. A manager's sense of self-worth is enhanced by perpetuating and strengthening existing institutions: He or she is performing in a role that is in harmony with the ideals of duty and responsibility. William James had this harmony in mind—this sense of self as flowing easily to and from the outer world—in defining a once-born personality.

Leaders tend to be twice-born personalities, people who feel separate from their environment. They may work in organizations, but they never belong to them. Their sense of who they are does not depend on memberships, work roles, or other social indicators of identity. And that perception of identity may form the theoretical basis for explaining why certain individuals seek opportunities for change. The methods to bring about change may be technological, political, or ideological, but the object is the same: to profoundly alter human, economic, and political relationships.

In considering the development of leadership, we have to examine two different courses of life history: (1) development through socialization, which prepares the individual to guide institutions and to maintain the existing balance of social relations; and (2) development through personal mastery, which impels an individual to struggle for psychological and social change. Society produces its managerial talent through the first line of development; leaders emerge through the second.

Development of Leadership

Every person's development begins with family. Each person experiences the traumas associated with separating from his or her parents, as well as the pain that follows such a wrench. In the same vein, all individuals face the difficulties of achieving self-regulation and self-control. But for some, perhaps a majority, the fortunes of childhood provide adequate gratification and sufficient opportunities to find substitutes for rewards no longer available. Such individuals, the "once-borns," make moderate identifications with parents and find a harmony between what they expect and what they are able to realize from life.

But suppose the pains of separation are amplified by a combination of parental demands and individual needs to the degree that a sense of isolation, of

being special, or of wariness disrupts the bonds that attach children to parents and other authority figures? Given a special aptitude under such conditions, the person becomes deeply involved in his or her inner world at the expense of interest in the outer world. For such a person, self-esteem no longer depends solely on positive attachments and real rewards. A form of self-reliance takes hold along with expectations of performance and achievement, and perhaps even the desire to do great works.

Such self-perceptions can come to nothing if the individual's talents are negligible. Even with strong talents, there are no guarantees that achievement will follow, let alone that the end result will be for good rather than evil. Other factors enter into development as well. For one, leaders are like artists and other gifted people who often struggle with neuroses; their ability to function varies considerably even over the short run, and some potential leaders lose the struggle altogether. Also, beyond early childhood, the development patterns that affect managers and leaders involve the selective influence of particular people. Managerial personalities form moderate and widely distributed attachments. Leaders, on the other hand, establish, and also break off, intensive one-to-one relationships.

It is a common observation that people with great talents are often indifferent students. No one, for example, could have predicted Einstein's great achievements on the basis of his mediocre record in school. The reason for mediocrity is obviously not the absence of ability. It may result, instead, from self-absorption and the inability to pay attention to the ordinary tasks at hand. The only surefire way that an individual can interrupt reverie-like preoccupation and self-absorption is to form a deep attachment to a great teacher or other person who understands and has the ability to communicate with the gifted individual.

Whether gifted individuals find what they need in one-to-one relationships

depends on the availability of teachers, possibly parental surrogates, whose strengths lie in cultivating talent. Fortunately, when generations meet and the self-selections occur, we learn more about how to develop leaders and how talented people of different generations influence each other.

While apparently destined for mediocre careers, people who form important one-to-one apprenticeship relationships often are able to accelerate and intensify their development. The psychological readiness of an individual to benefit from such a relationship depends on some experience in life that forces that person to turn inward.

Consider Dwight Eisenhower, whose early career in the army foreshadowed very little about his future development. During World War I, while some of his West Point classmates were already experiencing the war firsthand in France, Eisenhower felt "embedded in the monotony and unsought safety of the Zone of the Interior...that was intolerable punishment."⁶

Shortly after World War I, Eisenhower, then a young officer somewhat pessimistic about his career chances, asked for a transfer to Panama to work under General Fox Connor, a senior officer whom he admired. The army turned down his request. This setback was very much on Eisenhower's mind when Ikey, his first born son, succumbed to influenza. Through some sense of responsibility for its own, the army then transferred Eisenhower to Panama, where he took up his duties under General Connor with the shadow of his lost son very much upon him.

In a relationship with the kind of father he would have wanted to be, Eisenhower reverted to being the son he had lost. And in this highly charged situation, he began to learn from his teacher. General Connor offered, and Eisen-

hower gladly took, a magnificent tutorial on the military. The effects of this relationship on Eisenhower cannot be measured quantitatively, but in examining his career path from that point, one cannot overestimate its significance.

As Eisenhower wrote later about Connor, "Life with General Connor was a sort of graduate school in military af-



fairs and the humanities, leavened by a man who was experienced in his knowledge of men and their conduct. I can never adequately express my gratitude to this one gentleman....In a lifetime of association with great and good men, he is the one more or less invisible figure to whom I owe an incalculable debt."⁷

Some time after his tour of duty with General Connor, Eisenhower's breakthrough occurred. He received orders to attend the Command and General Staff School at Fort Leavenworth, one of the most competitive schools in the army. It was a coveted appointment, and Eisenhower took advantage of the opportunity. Unlike his performance in high school and at West Point, his work

at the Command School was excellent; he graduated first in his class.

Psychological biographies of gifted people repeatedly demonstrate the important part a teacher plays in developing an individual. Andrew Carnegie owed much to his senior, Thomas A. Scott. As head of the Western Division of the Pennsylvania Railroad, Scott recognized talent and the desire to learn in the young telegrapher assigned to him. By giving Carnegie increased responsibility and by providing him with the opportunity to learn through close personal observation, Scott added to Carnegie's self-confidence and sense of achievement. Because of his own personal strength and achievement, Scott did not fear Carnegie's aggressiveness. Instead, he gave it full play in encouraging Carnegie's initiative.

Great teachers take risks. They bet initially on talent they perceive in younger people. And they risk emotional involvement in working closely with their juniors. The risks do not always pay off, but the willingness to take them appears to be absolutely crucial in developing leaders.

Can Organizations Develop Leaders?

A myth about how people learn and develop that seems to have taken hold in American culture also dominates thinking in business. The myth is that people learn best from their peers. Supposedly, the threat of evaluation and even humiliation recedes in peer relations because of the tendency for mutual identification and the social restraints on authoritarian behavior among equals. Peer training in organizations occurs in various forms. The use, for example, of task forces made up of peers from several interested occupational groups (sales, production, research, and finance)

supposedly removes the restraints of authority on the individual's willingness to assert and exchange ideas. As a result, so the theory goes, people interact more freely, listen more objectively to criticism and other points of view, and, finally, learn from this healthy interchange.

Another application of peer training exists in some large corporations, such as Philips N.V. in Holland, where organizational structure is built on the principle of joint responsibility of two peers, one representing the commercial end of the business and the other the technical. Formally, both hold equal responsibility for geographic operations or product groups, as the case may be. As a practical matter, it may turn out

the operation and opens the way for the formation of cliques in an atmosphere of intrigue.

One large, integrated oil company has accepted the importance of developing leaders through the direct influence of senior on junior executives. The chairman and chief executive officer regularly selects one talented university graduate whom he appoints as his special assistant and with whom he will work closely for a year. At the end of the year, the junior executive becomes available for assignment to one of the operating divisions, where he or she will be assigned to a responsible post rather than a training position. This apprenticeship acquaints the junior executive firsthand with the use of power and

tices, and constantly challenged his superior. A CEO naturally has the right to select people with whom he feels congenial. But I wonder whether a greater capacity on the part of senior officers to tolerate the competitive impulses and behavior of their subordinates might not be healthy for corporations. At least a greater tolerance for interchange would not favor the managerial team player at the expense of the individual who might become a leader.

I am constantly surprised at the frequency with which chief executives feel threatened by open challenges to their ideas, as though the source of their authority, rather than their specific ideas, was at issue. In one case, a chief executive officer, who was troubled by the aggressiveness and sometimes outright rudeness of one of his talented vice presidents, used various indirect methods such as group meetings and hints from outside directors to avoid dealing with his subordinate. I advised the executive to deal head-on with what irritated him. I suggested that by direct, face-to-face confrontation, both he and his subordinate would learn to validate the distinction between the authority to be preserved and the issues to be debated.

The ability to confront is also the ability to tolerate aggressive interchange. And that skill not only has the net effect of stripping away the veils of ambiguity and signaling so characteristic of managerial cultures but also encourages the emotional relationships leaders need if they are to survive. □

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that one or the other of the peers dominates the management. Nevertheless, the main interaction is between two or more equals.

The principal question I raise about such arrangements is whether they perpetuate the managerial orientation and preclude the formation of one-to-one relationships between senior people and potential leaders.

Aware of the possible stifling effects of peer relationships on aggressiveness and individual initiative, another company, much smaller than Philips, utilizes joint responsibility of peers for operating units, with one important difference. The chief executive of this company encourages competition and rivalry among peers, ultimately rewarding the one who comes out on top with increased responsibility. These hybrid arrangements produce some unintended consequences that can be disastrous. There is no easy way to limit rivalry. Instead, it permeates all levels of

with the important antidotes to the power disease called *hubris*—performance and integrity.

Working in one-to-one relationships, where there is a formal and recognized difference in the power of the players, takes a great deal of tolerance for emotional interchange. This interchange, inevitable in close working arrangements, probably accounts for the reluctance of many executives to become involved in such relationships. *Fortune* carried an interesting story on the departure of a key executive, John W. Hanley, from the top management of Procter & Gamble to the chief executive officer position at Monsanto.⁸ According to this account, the chief executive and chairman of P&G passed over Hanley for appointment to the presidency, instead naming another executive vice president to this post.

The chairman evidently felt he could not work well with Hanley who, by his own acknowledgment, was aggressive, eager to experiment and change prac-

1. (HarperCollins, 1973).

2. Alfred P. Sloan, Jr., *My Years with General Motors* (Doubleday, 1964).

3. *Ibid.*

4. *Ibid.*

5. *Ibid.*

6. Dwight D. Eisenhower, *At Ease: Stories I Tell to Friends* (Doubleday, 1967).

7. *Ibid.*

8. "Jack Hanley Got There by Selling Harder," *Fortune*, November 1976.

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