5 FOLLOWERSHIP

Excellent followership gets more done, more effectively and efficiently. It facilitates the work of the team; makes managing easier; and extends the reach of leadership by finding opportunities, solving problems, and delighting customers. People who are great followers are happier with their work and take greater accountability for the success of the organization.

Because of this, individuals should make it a personal priority to develop followership; managers should learn to coach it within their teams; money and resources should be provided to develop it; and executive teams and organizations should make followership an area of emphasis.

—Marc Hurwitz and Samantha Hurwitz[1]

With the ground of authority in the followers granting or withholding obedience, leaders are constrained to lead in ways construed by followers to be consistent with the goals of the organization.

—William Litzinger and Thomas Schaefer[2]

In relative terms, followership is a moderately new concept in the study of leadership in that the first studies were reported in the late 1940s and early 1950s. In searching for the word *followership* in the titles of articles in an academic database, we found no mention of it from 1900 to 1947. During the next 32 years, there were five mentions. A bit more research was conducted from 1980 to 1999, and slightly more from 2000 to 2009. From 2010 to 2017, much more research has been done, with 43 articles in that six and a half year period with the word *followership* in the title and 175 articles with followership as a topic. This compares to 33 and 61 articles, respectively, from 1948 to 2009 (see Table 5.1). This means that research on followership has increased significantly during the period from 2010 to 2017.

Dubrin (2013) suggests that leaders are followers, and followers exhibit the skills of a leader. He further suggests that followers are the ones in an organization who get things done, and that without followers, the great ideas of leaders could not be accomplished. Daft (2015) argues that to consider leadership without followership makes for a flawed perspective because there needs to be people who effectively and willingly follow, as well as those who effectively and willingly lead, in order to have organizational success. Further, Daft (2015)

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[1]Hurwitz and Hurwitz (2015, p. 26).

[2]Litzinger and Schaefer (1982, p. 80).

TABLE 5.1 ■ The Evolution of Followership in Academic Research		
Period	**Title**	**Topic**
1900 to 1947	0	0
1948 to 1980	5	5
1980 to 1999	14	22
2000 to 2010	14	34
2010 to 2017*	43	175

*As of July 2017.

believes that all members of an organization—including leaders—are followers and that in spite of the focus on leadership, most members of an organization are followers more than they are leaders. Finally, Daft (2015) suggests that followership and leadership include being able to manage, respectively, upward and downward in the organization hierarchy.

Crossman and Crossman (2011) define followership as "a relational role in which followers have the ability to influence leaders and contribute to the improvement and attainment of group and organizational objectives. It is primarily a hierarchically upwards influence" (p. 484). They suggest that to become an effective leader, one must first become effective at followership and that organizations can enhance the experiential nature of followership to develop effective leaders.

THE ORIGINS OF FOLLOWERSHIP

In one of the earliest papers on followership, Bienenstok (1954) suggests that in our intense desire to examine leadership, there is a distinct possibility that followership and its significance may have been overlooked. He argues that without followership there would not be leadership, because both are "inseparable parts of the same process" (p. 397). He further suggests that leaders must depend on their followers and always consider how followers will react to the influence of leaders, as leaders direct the activities of organizations. Furthermore, he argues that followers may even refuse to be led, may repudiate the leader and his or her ideas, and may even decide to leave the organization or move to another part of the organization to get away from their current leader. Followership is more common than leadership and more socially necessary (Bienenstok, 1954).

Frew (1977) argues, based on his findings in an empirical study that included followership, that leadership training needs to help leaders

- recognize their own leadership style,

- understand the complex nature of their jobs as leaders, and

- recognize the followership needs of those who work for them.

In the 1970s and 1980s, followership research was conducted in the areas of education (Fu, 1979), political science (Nakamura, 1980), police science (Gilbert & Whiteside, 1988), and nursing (Guidera, 1988). Interestingly, Guidera (1988) argues that in nursing, little had been written about followership more than 30 years after Bienenstok (1954) suggested that the significance of followership may be overlooked in the intense desire to understand leadership.

A PRACTITIONER PERSPECTIVE ON FOLLOWERSHIP

In a thoughtful practitioner article, Litzinger and Schaefer (1982) quote Aristotle from his *Politics* book. Aristotle had said: "Who would learn to lead must . . . first of all learn to obey" (p. 78). They then describe a question they had asked army officers who were graduates of, and faculty members at, West Point, the U.S. Military Academy for training and educating army officers. Their question: "Since developing leadership is what this place is all about . . . how do you go about doing that task?" The answer: "We begin by teaching them to be followers" (p. 78). Litzinger and Schaefer argued later in their paper that the mastery of followership is what may qualify and prepare people for leadership. They presented the following principles (based on Hegel's 1807 work in his *Phenomenology of Mind*):

- that leaders must know what a follower goes through, and more important, must develop within themselves all that a follower is;

- that the school for leadership is followership in the sense that followership is completely retained within leadership but moves well beyond followership, with followership being transformed in moving beyond itself; and,

- that leaders are more followers than they are leaders.

Goffee and Jones (2001) argue that leadership is a duality and that there cannot be leadership without followers. They suggest three things that will encourage followership:

- leaders giving followers a feeling of significance. That is, followers feel that they really matter, that they are valued;

- leaders developing a sense of community to which followers feel that they belong and where community is defined as feeling a sense/unity of purpose at work combined with a willingness to build relationships at work with one another; and

- leaders developing a sense of excitement, edge, and challenge in people's lives so that they feel excited at work.

They conclude by saying that followership is active and that "to the follower, as much as it is to the person who stands above him [her] in the organizational hierarchy, leadership is entirely personal" (p. 148).

RECENT WORK ON FOLLOWERSHIP

Gobble (2017) argues that like leadership, followership is necessary. She goes on to say that we need followers even more than we may need leaders—followers who are "active,

engaged, courageous" (p. 61). Followership is about supporting leaders and, she argues, pushing leaders, asking tough questions that lead to better decisions, and not letting leaders get away with unethical and/or dishonest behavior (Gobble, 2017). Based on Kelley's (1992) work, Gobble (2017) presents five followership styles:

- Sheep—those who are passive, uncritical in their thinking, and who only do what they are told;

- Alienated—those who are critical, disengaged cynics who act rarely and criticize and question most everything;

- Yes-men and women—those who are active in their aggressive deference to their bosses and who would never consider questioning their bosses' judgment and decisions;

- Survivors—those who shift as the political winds blow and who are very good at surviving change without contributing to the organization; and

- Effective followers—those who think critically, who are active participants and contributors to the organization, who can manage themselves well, who solve problems, and who take the initiative in getting things done.

Further, Gobble (2017) suggests that followership is looked down on and that we have developed a culture where no one wants to be described as a follower. She suggests that this is unfortunate, as everyone is a follower at some point in time and that it requires as much attention to be a good follower as it does to be an effective leader.

THE CASES

Case 5.1 Jones Schilling Employee Coaching Workshop

Four managers at Jones Schilling, an Asia-based retailer, are preparing to coach their Gen Y employees on how they can better contribute to the firm's performance. Each of these managers needs to coach an employee with distinct issues. The case allows discussion on how to recognize and seize the opportunity to informally coach for talent development—to improve followership. It also allows for a discussion on what to expect from employees as they respond to their coaches. Finally, it leads to a discussion as to what makes for effective coaching to improve followership.

Case 5.2 Sarah Vickers: Post Acquisition Career Management

A large U.S. investment management corporation has recently acquired a prominent Canadian investment management company, with the justification for the cost of the acquisition largely based on huge economies of scale from integrating parts of the operations of both companies. A senior vice-president of the Canadian company has been asked to recommend how this should be done. She concludes that it would be best to keep administrative functions under the Canadian company's authority, but when she presents her report to the chief executive officer of the U.S. firm, he requests that she change her report to give these functions to the Canadian branch of the U.S. company. Should she bow to her superior's wishes and change her recommendation? What are the ethics and career impact of changing a professional opinion under pressure from top management?

THE READING

Reading 5.1 Followership: The Other Side of Leadership

If leadership is important to performance, then followership must be, too, yet followership is a comparatively neglected concept. This article defines followership as the ability to take direction well, adhere to a program, be part of a team, and deliver what is expected. In fact, how well followers follow is almost as important as how well leaders lead. The article identifies eight qualities of followers: (1) Judgment: The key is knowing the difference between a directive that a leader gives that is questionable and a directive that is truly wrong; (2) Work Ethic: This includes diligence, motivation, commitment, attention to detail, and effort; (3) Competence: Followers must be competent, although leaders are obligated to assure this; (4) Honesty: Followers owe leaders honest and forthright assessments, especially when a leader's agenda seems flawed; (5) Courage: Followers need the courage to be honest; (6) Discretion: Gossiping and speaking inappropriately about work matters is unhelpful and often harmful; (7) Loyalty: This is particularly important when problems exist with leaders; and (8) Ego Management: Followers need to remember that they are team players.

CASE 5.1

JONES SCHILLING EMPLOYEE COACHING WORKSHOP

Jane M. Howell and Ken Mark

INTRODUCTION

In 2014, four managers at Jones Schilling (JS), an Asia-based retailer, faced problems with their "Generation Y" (Gen Y) employees, that is, people born in the 1980s and 1990s. They are preparing to coach their employees on how they can better contribute to their firm's performance. Here are the employee coaching profiles for the role plays.

Cindy Chu, a junior financial analyst, had worked for the company for three years; although she had high potential, she was channeling her energies to activities outside of work. Jason Wong had been hired 12 months ago in an entry level position at JS Shops, the health and beauty care department of the company, but had recently been promoted to assistant manager level. Yet, in spite of—or perhaps because of—this rapid promotion, he didn't seem to take his job seriously, disappearing from the office for hours at a time without explanation and displaying little initiative. After three years with JS, Michelle Kang moved into the position of marketing associate 12 months

ago. She was so confident of her own abilities that she often ignored the traditional ways of doing things and pushed her ideas forward, ignoring the feelings and ideas of others and interacting with both superiors and peers in an informal manner that they saw as disrespectful. Within two years of joining JS, Sam Chang was promoted to manager in charge of the fresh food category for JS's supermarket chain, Centre Stores (CS) in Hong Kong (HK) and China. A combination of an improving economy and Sam's changes contributed to outperformance in his department, and he now considered himself ready to be promoted to a director position immediately instead of gaining more experience at the manager level.

Were these attitudes—lack of initiative and commitment to the job at hand, a sense of entitlement, over-confidence and too casual, star performance resulting in flight risk—endemic to the new generation of employees? How could the managers coach their problem employees to better contribute to the firm's performance without alienating them? The managers decided to meet to figure out a way to deal with these problems without losing such promising hires.

CINDY CHU: THE "HIDDEN GEM"

"I need Cindy to be more focused in her work," remarked Mary Lam, JS's finance manager. Mary was speaking to another finance manager after they had reviewed next quarter's budgets. "She's got a lot of potential, and I can see her being a leader in our department, but she needs to go the extra step to get things done. I've hinted about this to her, but she does not seem to have changed the way she approaches her projects."

Cindy, 27 years old, was hired at JS three years ago as a junior financial analyst. She was a graduate of a high-ranking university with a degree in business and finance. A sports star in university, she had competed in volleyball and played for the HK youth team.

After a year working in data entry, Cindy was promoted to financial analyst and was given a portfolio of important, regional level projects to manage. She was part of a five-person team that reported to a senior manager. She was responsible for a range of projects including reviewing financial transactions and verifying and reconciling accounts. Her work was integral to the finance team because management needed to have visibility on

where the numbers were trending for the current quarter and the current fiscal year. The Finance Department had a lean staffing model: there was not a lot of overlap between what each individual did. Spikes in work load could require people to stay longer at the office than usual. There was also limited scope for innovation because processes set up years ago had to be followed.

Cindy's first project was to audit one of JS's warehouses to ensure that the inventory counts were correct and that returns were being processed effectively and in a timely fashion. Product returns—often defective goods—were shipped back to the warehouse from stores. Defective goods had to be identified so that chargebacks to suppliers could be processed quickly to reduce the value of invoices; this effectively lowered JS's working capital requirements. Cindy excelled at this task, proving herself to be detail-oriented. When data for a few suppliers were missing, she was able to think outside of the box, reaching out to stores and to suppliers to piece together the missing quantities. She made a note of this additional check so that other financial analysts could employ the same technique should they come across the same issue in the future.

Cindy's performance in her second project was mixed. She had to analyze the warehouse's financials, document its financial processes and provide a recommendation. She was quietly—and constructively—corrected on what she did wrong (i.e., she jumped to conclusions without supporting data), but she reacted to this criticism badly.

Three years into her career at JS, Cindy was not living up to her potential as a leader. She was rated a mid- to high-level performer, but Mary believed that she could be one of the company's highest level leaders in the next 10 years.

Cindy seemed to be channeling her energies into extracurricular activities and was, at times, disengaged. Mary wanted to get Cindy to raise her game because there was a lot of work to be done. Ideally, Mary would like to put Cindy on the promotion track, but Cindy's recent performance did not lend support to this plan of action. Sometimes when Cindy was asked to stay on after work to get pieces of work done, she did not react positively. Her colleagues commented:

- "Cindy's work is good, but she does not take the extra step to ask questions when

numbers are presented to her. Context around performance usually helps managers understand why a unit has underperformed or overperformed."

- "Cindy just takes the figures and lets someone else worry about digging deeper. She believes it is not part of her job and it does not concern her."

- "Cindy is a B+ player and seems diligent, but we notice that she seems to be juggling work and life priorities and can be seen texting to her friends on her mobile phone."

Some of this extracurricular activity—especially extensive chatting on Facebook and Twitter—was creeping into work hours, and Mary wanted to put a stop to it. Cindy seemed to prioritize personal activities over work; as a member of a sports club's board of directors and an active volunteer, she had significant outside interests. She was not threatening to leave but was doing the minimum required to be employed at JS. Mary wondered, "How should I engage Cindy and change the way she approaches her work?"

JASON WONG: ENTITLED AND LACKING INITIATIVE

"Jason shows flashes of brilliance, but my assessment thus far is that he lacks initiative," lamented Peter Lee, merchandising manager for JS Shops, the company's chain of health and beauty care stores. "Traditionally, we would sit the employee down and deliver a written evaluation to hint that their behaviour needs to change in order for them to be successful in a career at JS. But I think I need to take another, more nuanced approach with Jason." Peter thought about what he would say to Jason at their 4 p.m. project meeting.

JS Shops was the largest health care and beauty care chain in Asia, with over 4,000 stores in 12 Asian and European markets. Many of these stores packed 20,000 items into a small footprint, and merchandising (the selection and presentation of products for maximum appeal to consumers) was key to success. Jason was part of a team of 20 merchandising associates who were tasked with rolling out key changes to stores' product layout. It was a very detail-oriented job and required patience. Jason had to follow up with stores to make sure the new changes were rolled out on a tight timeline so that all stores displayed the same consistent look. To carry out his job, he worked from the JS office where he compiled the changes and sent out messages. But he also worked on the ground, visiting various stores to ensure that the new store layout changes were being carried out. At the store level, he worked with the managers to ensure the new layouts had been received and were being followed.

Peter hired Jason out of university 12 months ago. Graduating with a degree in visual arts, Jason seemed to have a good combination of aptitude and attitude for an entry level position at JS Shops. Peter had been in the process of building a team to improve merchandising at store level, and Jason's creativity appeared to be exactly what they needed. The unexpected promotion of four individuals left positions vacant, and Jason was promoted to assistant manager a month ago.

In merchandising, 80 per cent of Jason's job was to interact with people to ensure that merchandising details—promotional product and offers, training staff to educate them on upcoming promotions, coordination with suppliers—were managed. But colleagues remarked that Jason only did 90 per cent or less of what he was told to do and never displayed any initiative. For example, instead of ensuring that 100 per cent of the new store plan had been put in place, he "glanced" at the layout without checking that each product was in its place. When products were out of place or when the store layout had not been updated, Jason did not note this.

Jason disappeared for a few hours a couple of times a month. Instead of spending four hours at each store conducting a check, the assistant manager reported that Jason left after an hour. He then showed up at the next store three hours after that (not including travel time), leaving a three-hour unexplained gap.

When confronted, Jason said he had been very efficient and had got the work done (in fact he had, as his manager found out). He had completed a four-hour block of work in one hour by finding a way to reduce the number of steps in the review. He used a portable laptop during the store visit rather than noting the changes on paper and then transferring them to an electronic format later. This showcased his "flashes of brilliance." But even though he had done the work, a colleague asked Peter if Jason felt entitled to a three-hour break. Often, even when there was a

project with a deadline looming, Jason was unafraid of checking out at 5:30 p.m. sharp each day.

Peter had heard that Jason's business etiquette needed to be improved. Jason was known to dress casually and call superiors by their first names. It was well-known that he was an only child and that his family had high hopes for him. No one in his family wanted to see him fail. His two parents, four grandparents and four surviving great grandparents naturally placed all their hopes on him.

"How do I change Jason's attitude?" wondered Peter. "I want him to be more motivated, to be more engaged, to show initiative. On the other hand, given that Jason has not shown himself to be a stellar candidate, there is the risk that he will leave the firm if he does not react well to my feedback." Peter summarized his challenge succinctly: "How can I turn a B– player into an A player?"

MICHELLE KANG: THE CAREFREE, CREATIVE MAVERICK

Karen Goh, marketing manager for JS's Centre Shop, one of the two largest supermarket chains in HK, Macao and China, faced a similar issue. "How can I coach Michelle without breaking her spirit? She's creative, but she's a bit of a maverick and often does not follow instructions to the letter. While I appreciate her enthusiasm, she has to know that our processes and requests are made to fulfill specific purposes. When I ask for data, I expect to be given a report with the data in it, not a report with her musings and recommendations." Michelle was a high performer in JS's marketing department and had been with JS for three years, a marketing associate for the past year. She had graduated in the top quartile of her class with a business degree from a local university.

But Michelle's mannerisms concerned colleagues more used to a more formal cultural setting. Karen wanted to help Michelle change the way she interacted with colleagues and superiors. "A little more politeness and formality in her written and verbal communication would be nice," said Karen. She wondered how to deliver the message to Michelle effectively.

The Marketing Department gathered data, conducted research, managed marketing creative (the development of advertising to feature its stores) and placed advertising pieces in traditional and online advertising vehicles for all 340 CS stores. Michelle was primarily in charge of managing outside agencies and creative development. She excelled at translating JS's key brand objectives into advertising that could drive consumers to stores. She enjoyed working with a wide variety of people within JS and with partners such as advertising agencies and marketing research firms that provided data and other research tools such as focus groups.

A key issue was that Michelle did not listen to instructions very well. When asked to gather data and provide it in a predetermined format, she focused on what the manager did not ask for, going above and beyond the stated "ask." She gathered a different set of data, conducted her own analysis on that data and provided her results. The manager, however, was frustrated that Michelle did not "fill in the blanks" and give him what he was looking for.

Evidently, Michelle did not realize that the requested piece of analysis was only a small part of a larger analytics project. Even when informed about her role in the project, she reacted dismissively, as if she knew better how to solve the problem. The truth was that Michelle *did* know the answer, but it was important for the JS staff to document the process en route to finding the answer, so that different teams in the future could refer to their analysis and understand the basis for the decision.

The other issue that Karen wanted to remedy was that Michelle interacted with everyone on an informal basis. She wanted to be treated as an equal, even by very senior people. While Gen Y's typically wanted to be treated as equals by their immediate manager, Michelle believed she deserved to be treated like an equal by even the most senior of managers. She seemed unaware that her mannerisms and rebellious nature were overshadowing her good work.

Karen wanted to achieve two changes in Michelle's behaviour: (1) to get Michelle to follow instructions without demoralizing her and dampening her creative side and (2) to be more respectful of others at JS. For example, it would be great if Michelle could make the following two communication changes:

- Start emails off in a more formal way instead of just writing "need recent report, can u send to me plz?"

- She needs to know why it is important to address senior leaders by "Mr." or "Mrs." and to adopt a more polite demeanour as

opposed to saying "Hey Stu" or "Hi Karen." She needs to learn that it matters *how* she says *what* she says.

SAM CHAN: STAR PERFORMER AND FLIGHT RISK

"Every once in a while, we get an employee who is a star performer from the start. Sam is one of those employees," remarked Susan Wang, senior director of Operations at CS. "But I think he is a little disappointed at not being promoted ahead of his time. He expects to be promoted now. He's good, but he's not seasoned yet. How can we retain him without promoting him?"

The CS chain consisted of higher income stores that sold imported goods, fresh fruit and vegetables and other nonfood items. They were billed as "lifestyle" stores, appealing to customers who looked for a wide variety of fresh and unique products; in fact, CS sold its own private label products. CS did not compete with others by having the lowest prices but rather on the freshest selection, best presentation and high convenience.

Fresh food delivered high margins and drew customers into stores where they were likely to purchase a basket of goods. In many neighbourhoods, the quality of fresh food determined how successful the store would be. Managing fresh food assortment was a high profile project.

Sam, 27 years old, had been in leadership positions in secondary school, where he served as head prefect of his class, and at university. He graduated from a prestigious local university with an engineering degree, looking for a chance to work on "real" projects. He joined JS's store team to make a difference at the store level. He was promoted to assistant manager within two years and was now in charge of the fresh food category for HK and China.

At first acquaintance, Sam portrayed a mild personality, but in reality he was determined to succeed. After being quickly promoted to assistant manager, he moved to merchandising, where, as manager, he was tasked with managing the fresh food category, already a high performing category, with the objective of making each store serve its neighbourhood profile.

A combination of an improving economy and Sam's changes contributed to outperformance in fresh food versus targets. It was hard to say which—the improved economy or Sam's changes—contributed to this success. There was a vacant director position in the packaged goods category in China—a larger role and the next logical step up—and Sam wanted the job. He had been told that he was good and part of JS's talent pool of high potential leaders.

Sam was expected to serve four years in the manager role before being considered for a director-level position. Currently, he had been in his manager role for only one year, but, according to Sam, he had demonstrated great skill in turning around an underperforming category of products for JS's retail operations. He was near the top of his group as a manager. However, senior management believed Sam would benefit from a few more years of work as a manager before being promoted in order to round out his skills. In particular, senior management wanted Sam to manage a turnaround of a declining category, working under a director, before they promoted him. Sam thought that he should not have to wait and was frustrated because he believed that he had "earned" the right to be a director. Sam's colleagues thought highly of him, but not all of their comments were universally good:

- "Sam is a very diligent worker and produces great results. He is able to motivate a team to achieve stretch goals."

- "Sam benefited from the demise of a local competitor . . . that's the only reason why fresh food has improved its margins in the last five months."

- "Sam is assertive but can come across as overly demanding. He asked for a project to be completed ahead of schedule even though there was no deadline looming. To finish the project, about five staff members had to postpone their vacations, which was unnecessary, in my opinion. Sam could benefit from learning how to work with people more effectively."

"He will leave the firm if we don't provide him a good reason to stay," thought Susan. "He is a high potential leader and he knows his value in the market because of recruiting sites and social media discussions. He is in demand as an 'operator.'" Susan had heard that Sam wanted to continue his career at JS, and she thought of ways to encourage him to keep focused on his career.

CASE 5.2

SARAH VICKERS: POST ACQUISITION CAREER MANAGEMENT

Alison Konrad and Moira Saganski

Alison Konrad and Moira Saganski wrote this article solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

Sarah Vickers sat in the lounge of the Boston airport waiting for her flight to Toronto. She was still shaken by the outcome of her meeting earlier in the day with John Reed, chief executive officer (CEO) of RPG Investments Inc. (RPG). RPG had acquired STL Investment Management Ltd. (STL) earlier in the year with the justification for the cost of the acquisition largely based on huge economies of scale from integrating parts of RPG's Canadian operations and STL's operations. Vickers, a senior vice president of STL, was asked by Reed and Richard Elliot, president and CEO of STL and Vickers' boss, to investigate the opportunities for integrating administrative operations in the two organizations and to report back to them. She had submitted her report on Friday of the previous week recommending that the administrative functions for the two entities be undertaken by STL because of its advanced infrastructure. She had scheduled a meeting with Reed today and with Elliot tomorrow to discuss the report. Reed surprised—indeed shocked—Vickers by telling her in no uncertain terms to change her recommendation such that

the administrative functions be carried out by RPG's Canadian operation, not by STL as she had proposed.

As she ran the meeting over and over again in her mind, she wondered what she would say to Elliot next day and what changing the recommendation would do to her integrity and her career in the firm.

HISTORY OF STL INVESTMENT MANAGEMENT LTD.

Vickers was the chief administrative officer at STL, a prominent Canadian investment management company located in Toronto. She was hired by Elliot at a time when STL was planning to assume its outsourced computer and administrative functions from an external service provider. Vickers was so successful in developing state-of-the-art infrastructure and in recruiting skilled and knowledgeable staff that STL was able to introduce innovative investment products into the Canadian marketplace. The company had a competitive advantage over its competitors as it was no longer restricted to the generic external transfer agent and portfolio management systems used by most Canadian retail investment management firms. It experienced impressive growth in assets and expanded its presence in the Canadian retail investment marketplace. While successfully managing this growth in products and assets, Vickers improved her professional qualifications and industry visibility by the addition of an MBA and a CFA designation, very much aware that the Ontario Securities Commission continued to increase the bar for those working in senior positions in the securities industry.

HISTORY OF RPG

RPG Investment Inc., a U.S. corporation established in New York in the 1920s, was initially focused on the U.S. institutional market, managing the assets of wealthy U.S. clients. The company expanded its operations into the U.S. retail market in the late 1970s to take advantage of the introduction of tax deferred retirement accounts (401Ks and IRAs).

In the 1980s, RPG established a Canadian subsidiary (RPG Canada Ltd.) as a means of developing its investment management capabilities in the Canadian resource industry, an asset class important for both diversification and returns for U.S.-based portfolios. This was followed by a decision to enter the Canadian retail market place in the early 1990s at a time when the Canadian mutual fund industry was experiencing significant growth. This strategy was not unique to RPG—a number of U.S.-based investment management firms, banks and other financial service providers had set up shop in Toronto, the financial capital of Canada. With operations in New York and Toronto, RPG was in a position to administer and market tax deferred retirement plans in the United States and Canada, thus benefiting from increased assets under management in the retail sector.

DECISION IMPACT

At the time of acquisition, two-thirds of STL's staff worked in its transfer agent and systems departments in Toronto. STL had devoted millions of dollars over the preceding 20 years to develop a transfer agent system that allowed it to introduce and support feature-rich mutual fund products. This technology was also used to support several of its high growth business lines, which its competitors had not been able to match to date. Continued innovation and flexibility in the highly competitive financial services industry was a key success factor for STL.

If administrative operations were transferred to RPG, hundreds of jobs would be lost at STL while additional employment would result at RPG. Many of RPG's staff would not move to the company's location outside of Toronto, and many highly skilled knowledge and system staff would become available to competitors. Importantly, RPG would be in a position to make up lost ground in its product functionality, which had lagged relative to other industry participants. Should an administrative transfer occur, a significant slowdown in product innovation at STL was expected as staff resources would be devoted to system conversion issues at RPG.

Given this analysis, Vickers was convinced that her initial recommendation was the right one for the merged firm. But RPG's CEO seemed firm in his insistence that she change it. Vickers wondered what her options were and how her choice might affect her future career.

READING 5.1
FOLLOWERSHIP: THE OTHER SIDE OF LEADERSHIP

John S. McCallum

The link between leadership, management and enterprise performance is widely understood and accepted. Improving leadership improves management and raises the probabilities of better performance. That boards often change leaders when enterprises are slipping confirms the importance placed on leadership.

The flip side of leadership is followership. It stands to reason that if leadership is important to performance, followership must have something to do with it too. But curiously, followership gets only a small fraction of the airtime that leadership does.

Nowhere is this more the case than in MBA programs. MBA programs pride themselves on their ability to teach leadership. Leadership skills are at the head of the list of what many MBA students say they want to get out of an MBA. To them, the better the leadership skills, the better the chances of making the executive suite. They are right! So enamored are MBA programs with leadership that programs actively search out evidence of leadership ability in selecting among applicants.

MBA programs loudly trumpet their leadership development prowess. It is bizarre to even go there but has anybody ever thought of an MBA program facing the highly competitive MBA student market with the value proposition: "Get your MBA at our university; we teach followership better than anyone else; become a better sheep at our university." This article is about followership.

Followership is a straightforward concept. It is the ability to take direction well, to get in line behind a program, to be part of a team and to deliver on what is expected of you. It gets a bit of a bad rap! How well the followers follow is probably just as important to enterprise success as how well the leaders lead.

The label "excellent follower" can be a backhanded compliment. It is not a reputation you necessarily want if you are seeking higher corporate office. There is something of a stigma to followership skills. Pity because the practical reality is one does not reach progressively more responsible leadership positions without demonstrating an ability to follow and function effectively in a group. The fact is that in organizations everybody is both a leader and a follower depending on the circumstances which just adds to the paradox of the followership stigma.

Followership may take the backseat to leadership but it matters: it matters a lot! Quite simply, where followership is a failure, not much gets done and/or what does get done is not what was supposed to get done. Followership problems manifest themselves in a poor work ethic, bad morale, distraction from goals, unsatisfied customers, lost opportunities, high costs, product quality issues and weak competitiveness. At the extreme, weak leadership and weak followership are two sides of the same coin and the consequence is always the same: organizational confusion and poor performance.

Good followers have a number of qualities. First, judgement. Followers must take direction but they have an underlying obligation to the enterprise to do so only when the direction is ethical and proper. The key is having the judgement to know the difference between a directive that your leader gives on how to proceed that you do not agree with and a directive that is truly wrong.

No one disputes that good judgement is critical to being a good leader. It is just as important in the follower. Show enough good judgement as a follower and you usually end up getting a shot at being the leader. This is something of an aside, but there is a line that I have always liked about judgement: "Good judgement comes from experience; experience comes from bad judgement."

Second, work ethic. Good followers are good workers. They are diligent, motivated, committed, pay attention to detail and make the effort. Leaders have a responsibility to create an environment that permits these qualities but regardless, it is the responsibility of the follower to be a good worker. There is no such thing as a bad worker who is a good follower.

Third, competence. The follower cannot follow properly unless competent at the task that is directed by the leader. It is the obligation of the leader to assure that followers are competent. Sometimes things go wrong because the follower is not competent at the task at hand. When this happens, leaders should blame themselves, not the follower. A sign of poor leadership is blaming followers for not having skills they do not have.

Fourth, honesty. The follower owes the leader an honest and forthright assessment of what the leader is trying to achieve and how. This is especially the case when the follower feels the leader's

agenda is seriously flawed. Respect and politeness are important but that said, it is not acceptable for followers to sit on their hands while an inept leader drives the proverbial bus over the cliff. Good leaders are grateful for constructive feedback from their team. Bad leaders do not welcome feedback and here followers have to tread carefully. If the situation is serious enough, consideration should be given to going above the leader in question for guidance.

Fifth, courage. Followers need to be honest with those who lead them. They also need the courage to be honest. It takes real courage to confront a leader about concerns with the leader's agenda or worse, the leader himself or herself. It is not for naught that Churchill called courage "The foremost of the virtues, for upon it, all others depend." From time to time, it takes real courage to be a good follower.

Sixth, discretion. A favorite saying in World War II was "Loose lips sink ships." Sports teams are fond of the expression "What you hear here, let it stay here." Followers owe their enterprises and their leaders discretion. Talking about work matters inappropriately is at best unhelpful and more likely harmful. Discretion just means keeping your mouth shut. It should be easy but many find it next to impossible. Bluntly, you cannot be a good follower and be indiscreet. Everybody who works at an enterprise has a duty of care; indiscretion is not care, it is careless.

Seventh, loyalty. Good followers respect their obligation to be loyal to their enterprise. Loyalty to the enterprise and its goals is particularly important when there are problems, interpersonal or otherwise, with a particular leader. Followers who are not loyal are inevitably a source of difficulty. They create problems between team members; they compromise the achievement of goals; they waste everybody's time; they are a menace. Loyalty is not a synonym for lapdog. Rather, its essence is a strong allegiance and commitment to what the organization is trying to do. Followers should remember that their obligation is to the enterprise, not a given leader at a given point in time.

Eighth, ego management. Good followers have their egos under control. They are team players in the fullest sense of the concept. They have good interpersonal skills. Success for good followers relates to performance and goal achievement not personal recognition and self promotion. Sounds too good to be true and often it is. It is difficult but the best organizations tie advancement and reward to performance and goal achievement as hard as that may be to do.

Followership will always be in the shadow of leadership. But there are no leaders without followers and on-going success with weak followers will usually prove elusive. It is true that an organization is only as good as its leaders. It is also only as good as its followers. Who would not benefit from giving some thought to how they could be a better follower? Such thought may actually hasten your trip to the leadership position you actually want.