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Prozac leadership and the limits of positive thinking

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BUSINESS DEMANDS SUCCESS, and in turn, requires a positive, optimistic outlook and an upbeat willingness to take risks. This kind of positivity is now embedded in many leadership practices and organizational cultures. Yet, there has been little consideration of its potential downsides. It is certainly the case that leaders who are consistently upbeat and passionate are more likely to inspire people and create a 'feelgood' environment that benefits everyone in an organisation. To keep this emphasis on the positive, vast investments are made by businesses each year with coaches, consultants, HR and internal marketing. In this scenario, voicing caution and scepticism is anathema, it breaks the positive spell.

There is growing evidence that in the years leading up to the global financial crash an excessively optimistic approach to leadership became predominant in Western economies. In this climate of reckless selling, critical thinking and expressions of doubt were actively discouraged in favour of high levels of risk taking and excessively optimistic thinking.

The former president of Lehman Brothers, Joe Gregory, prided himself on making decisions based on 'instinct' rather than detailed risk analysis. The biggest banking takeover in history – the acquisition by the Royal Bank of Scotland (RBS) of the Dutch Bank ABN Amro – was completed without due diligence. This decision fundamentally weakened the RBS balance sheet, not only because of the size of the acquisition, but also because of ABN's exposure to the US subprime mortgage crisis. Consequently, RBS had to be bailed out by the Government.

For some leaders positivity has become like an addictive drug that militates against critical reflection in ways that can be damaging for individuals, organisations and whole societies. Drawing on the findings from various research projects, I refer to this phenomenon as 'Prozac leadership' (Collinson 2012). Prozac leaders attempt to define reality and inspire others by using excessively positive statements. These leaders are not only over-optimistic themselves, they also demand constant positivity

from their followers. They often refuse to pay attention to cautionary voices and alternative views to their own, effectively silencing criticism, which typically results in reinforcing the conditions for excessive and dangerous risk taking. Believing their own rhetoric that everything is going well, Prozac leaders discourage open debate. As a result they misunderstand or ignore problems entirely, leaving their organisations ill-prepared to deal with unforeseen events and setbacks. By insisting that subordinates' upward communication is exclusively positive, this type of leadership can end up silencing committed employees and punishing those who dissent. This can result in over optimistic projections, poor decisions, lack of timely responses to problems, and the potential for business collapse.

An important theme which has frequently emerged in my research in UK organisations over the past 30 years is that employees often detect inconsistencies between leaders' (excessively) positive messages and their actual practices. Research on

two North Sea oil installations found that, despite senior management's upbeat claims about the company's safety performance, many offshore workers did not disclose accidents and near misses. Believing that managers would prefer not to hear about any difficulties related to safety, workers deliberately communicated overly positive messages back up the hierarchy. Employees learn that it may be advisable to comply with the typical mantras of Prozac leaders such as 'I only want to hear positive news' and 'Bring me answers, not problems'. They end up having no choice but to perpetuate the cycle of positive impressions by communicating the 'good news' that Prozac leaders favour.

Others may be more determined to speak-up and question organisational cultures of delusional optimism, regardless of the personal costs of so doing. In 2004 Paul Moore, the head of group regulatory risk at Halifax (now HBOS), was fired because he repeatedly warned directors that the bank was lending too much, too fast. Its aggressive sales culture was out of balance with its systems and controls. Moore sued HBOS for unfair dismissal and in 2005 the bank settled his claim on condition that he remained silent about his dismissal. Three years later Moore's warnings were corroborated as Halifax went to the brink of collapse as a result of financing its lending growth by raising funds on wholesale markets. Another bail out by the Government ensued. After the House of Commons lifted the non-disclosure agreement, Moore submitted a memorandum of evidence to the Treasury Select Committee which was investigating risks taken by UK banks prior to the credit crunch. Following the revelation that Moore had been fired by Sir James Crosby, formerly CEO at HBOS, Crosby re-signed from his subsequent post of Deputy Director at the Financial Services Authority.

In the business school world, where current and future leaders are trained and developed, positive thinking is strongly encouraged by the focus on 'appreciative enquiry', 'positive psychology' and 'positive organisational behaviour': themes that are influential especially in the US, and increasingly in the UK, Europe and the Far East.

The international impact of excessive positivity in scholarly work can also be seen in the hostile reaction of some US scholars to articles which apply a critical analysis to leadership and management. The preference of US anonymous reviewers for uncritical studies in many of the dominant US business school journals constitutes a key publication barrier for more critical scholarship. In business schools we have a responsibility to encourage critical and independent thinking in teaching and research – and how this translates into hands-on business leadership which is clear-sighted, willing to confront difficult realities and unafraid to speak in terms of problems when necessary.

In many ways, Prozac leadership is one expression of a highly masculine culture within business, where for some men, excessive risk-taking and bravado are central to the identity they wish to project both as men and as leaders. Women may be particularly aware of these dynamics. Condoleezza Rice and Claire Short have both commented on the excessive positivity of their respective leaders: George W Bush and Tony Blair. But given the strength of the cultural norms of male leaders there may also be a degree of imitation by women of what's seen as 'successful', and some female leaders can look to suppress dissenting voices to ensure a consistent positive message. Mrs Thatcher is an interesting example. In her first term as Prime Minister, she was clearly willing to listen to the advice of others, such as key advisor William Whitelaw ("Everyone needs a Willie", she famously said). But by her third term there were signs that Mrs Thatcher had started to believe she was always right, and would only take notice of people and messages that supported her decisions. Her attachment to an excessively positive view meant that, when she was finally deposed by her own party, she didn't see it coming.

Self-reflection, mindfulness and awareness are important qualities of effective leadership, and particularly important when seeking to avoid falling into a Prozac approach. Leaders need to ask themselves whether they can honestly say they consult regularly with staff, and do they seek out more questioning as well as positive feedback? Do they avoid consulting

with anyone who might not agree? Developing critical thinking is an important mechanism of defence: exploring leadership dilemmas through research and looking for opinions from a variety of people and not just those who are likely to agree. Leaders shouldn't just accept positive reports from subordinates, but take the time to think twice. If there's a potential cause for concern, they should dig a little deeper to find out what is really going on, and encourage staff also to think critically about situations, and to report the truth in order to build trust. Flexibility isn't a weakness, and the ability to make U-turns can be a real leadership strength.

Being positive can indeed be empowering and transformational, facilitating innovation and enhancing teamwork, and in many cases is, of course, preferable to its opposite. But positivity is now so embedded, ubiquitous and taken for granted in Western cultures that it is rarely questioned. The unfounded optimism of Prozac leadership can damage performance by eroding trust, communication, learning and preparedness – either silencing followers or provoking their resistance. More effective leadership dynamics are likely to emerge when optimism is combined with critical thinking, when positivity is tempered with a willingness to confront difficult realities, and when an upbeat vision is blended with a capacity to listen to alternative voices. This requires a fundamental transformation in both the theory and practice of leadership. ■

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