

Prozac Leadership @ Work



*Professor David Collinson,
Head, Department of Management
Learning and Leadership*

Effective leadership is typically associated with being upbeat and positive. A positive outlook can be empowering and enable leaders to inspire their teams. Coaches and consultants frequently emphasize the need for leaders to display ‘passionate’ commitment and ‘infectious’ optimism. But there has been little consideration of the other side of this coin - how leaders’ positivity and optimism can become excessive in organisations and societies.

In a recent article (Collinson 2012), I argue that for some leaders positivity can come to resemble an addictive drug that militates against critical reflection in ways that may produce very damaging organisational and societal consequences.

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leadership journal link*



Drawing on the findings from various research projects, I refer to this phenomenon as ‘Prozac leadership’. The article observes that 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 in their followers. They often refuse to heed cautionary voices and alternative views, effectively silencing criticism, which can lead to a culture of excessive risk taking.

Believing their own words that everything is going well, Prozac leaders deny or underestimate (potential) problems, leaving their organisations ill-prepared to deal with unforeseen events and setbacks.

Discouraging critical thinking in favour of high risk taking, Prozac leadership appears to lie at the heart of the deep recession that has swept across many Western economies. 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 adequate due diligence. Characterised by excessive positivity, 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.

In a climate of excessive positivity 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’. Followers may engage in positive impression management 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. Moore sued HBOS for unfair dismissal and in 2005 the bank settled his claim for over half a million pounds 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.

A recurrent 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.

In many Western societies, positive thinking is now a multi-million pound industry. Although positive thinking cultures at work encourage optimism, celebrate success and express high expectations, they can lead to false promises, disciplinary pressures and blame. For example, proponents of positive thinking pre-suppose that if your business fails, or your job is eliminated, it must be your fault. If an optimistic outlook is the key to economic success, then there is no excuse for failure. Similarly, in contemporary research in business schools, positive thinking is often strongly encouraged by the focus on 'appreciative enquiry', 'positive psychology' and 'positive organisational behaviour'; themes that are particularly influential in the US, and increasingly in the UK, Europe and the Far East.

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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Reference:

Collinson, D. Leadership (2012) 'Prozac Leadership and the Limits of Positive Thinking' Leadership, 8(2): 87-107.xt