

Applying Common Sense Leadership: Evidence from Senior Leaders

Jon K. Webber¹, Gregory W. Goussak² and Elliot M. Ser³

Abstract

The purpose of this study is call for further academic conversations into how to practice common sense leadership in a 21st century organization. This qualitative study was performed from July 29th through December 7th, 2010, which involved 26 participants from across the United States who were identified as senior leaders in their organization. These executives indicated that leading by example; managing your human assets; doing the right thing; seeing the big picture; developing a plan for the future; and making the right hiring and transitional decisions were key common sense leadership best practices. Participants concluded that common sense leadership is a full, hands-on effort, which requires attention to every detail of the business from financial to human asset management toward all members of the organization.

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1 Reintroducing Common Sense

Our previous study (Webber, Goussak, & Ser, 2012), examined how 26 senior leaders defined common sense as it relates to the 21st century organization. Their conclusion was that while there was no agreed upon term that best describes common sense one could readily recognize its imprint on organizational practice (Webber, et al.). The following summarizes the findings of the second question asked of this group: “What are some common sense, best practice leadership examples you could provide from your lived experiences as a senior executive?”

¹University of Phoenix.

²Ashford University.

³Florida Atlantic University.

2 Recognizing Common Sense Leadership

The study of common sense leadership appears to be relatively new to the literature. Webber, Goussak and Ser (2012) found that common sense leadership cannot be defined in one single way, but as a compilation of three different traits: (a) goal-setting, (b) decision making and (c) employee motivation. One approach for applying common sense in leadership is to understand the depth of the traits identified in our previous study. Goll (1993) found that respect drives leadership and popularity supports respect and not the reverse. Management by Values (MBV), a theory developed by Goll, is a leadership model that falls under the behavioral leadership approach consisting of a mix between each of the Scott (2003) perspectives. Scott (2003) believed that behavioral leadership originated from three distinct perspectives: (a) the rational system, (b) the natural system and (c) the open system. Rational system theories center on the attainment of goals. As found in the previous study, goals were a critical component of common sense leadership because an organization must center on a specific direction. Models of rational systems theory depend on a formal process and set of procedures towards accomplishing organizational goals. The goals of the individual are not a concern under rational system theories. Natural system theories emphasize organizations as collectives (Scott, 2003). In contrast to rational system theories, natural system theories acknowledge that organizations differ in their goals and methods for attaining those goals. This concept was also confirmed by our previous study because a balance is necessary between attaining goals and making decisions that affects both the organization and the individuals that service that organization. According to Scott, the open systems perspective is more flexible than the rational or natural systems perspectives. The primary difference between the open systems perspective and the other perspectives is the effect of the environment in the operational and leadership process.

MBV represents a philosophy incorporating a number of styles and concepts working in conjunction with one another in order to maximize benefits for any organization's success. The central premise of MBV is the action triad. The action triad consists of three components: (a) norms, (b) values and (c) goals (Goll). MBV is a balanced approach to leading in the 21st century. The balance between the norms, values, and goals of the organization in conjunction with the members of the organization is critical to long-term success and an important component of balancing the three traits of common sense leadership. Prior to MBV, academia and business relied on such theories as Management by Directing (MBD) and Drucker's Management by Objectives (MBO) (Goll, 1993). According to Goll, the problem with the earlier theories was the weight given to participants that are more aggressive and lesser consideration to less aggressive members in directing an organization (Goll). How the organization balances each of the three elements of the action triad will determine the influence and quality of the people that make up the organization. A strong consistency between each of the elements will influence the overall quality of the organization's environment (Goll).

Although not the first element, values are the foundation of MBV because they give meaning to the organization and everything that the organization does. Values are not necessarily achieved goals, but are standards by which we live. According to Goll, values determine the direction and manner in which people behave. Values focus an organization on the question of "why" (Goll, 1993, p. 7). Webber et al. found that common sense leadership begins with an understanding of the individual team members' values and uses those values to determine what

motivates people in order to make the necessary decisions to achieve organizational goals. Goals provide the tangible what of the organization, “the physical manifestation of the organization’s values” (Goll, 1993, p. 8). In the MBV model, goals equate to the rational system of organizational behavior. The key focus of the goal component concerns the reason for organizational existence. Goals provide a quantifiable purpose for organizational direction. The balanced management approach of MBV takes the concept of goal attainment to the next level. Under MBV, the goals of both organization and the individuals involved in the organization are equally important. The responsibility of the organization’s leadership involves determining the needs and desires of the members of the organization in order to focus on specific organizational goals. Norms enhance and protect the values of the organization. According to Goll (1993) the norms in an organization “place certain limitations on behaviors of persons within the organization” (p. 9). The norms of an organization relate to Scott’s rational system of organizational behavior. At some point in the process, an organization prescribes how to accomplish the organization’s goals and objectives.

In order to understand MBV, a leader focuses on understanding each of the elements that make up the action triad. It was this philosophy that guided the original study by Webber, Goussak and Ser. Common sense leadership utilized a rational approach to demonstrate a focus on the goals of the organization in conjunction with the needs of the team (employees). Understanding MBV and the balance of the action triad could help management understand how common sense leadership helps promote a positive environment within the organization resulting in successful organizational productivity.

3 Applying Common Sense

As was noted in the previous work (Webber et al., 2012), the researchers first pursued this line of inquiry after one of the authors made some observations on emerging leaders in Eastern Europe who seemed to embrace Western management practices but did not seem to understand how to move their learning into actual practice. Common sense was then theorized to be the hitching post that would help leaders in the former Soviet bloc nations to connect with a different paradigm that they asked to be adopted. Additional thoughts on other developing countries facing similar challenges led researchers to review common sense leadership understanding and practice among the kinds of leaders who were thought worthy of emulation because of their background and moral authority.

It is acknowledged that before the study was undertaken, the researchers made an assumption that common sense was a term that was widely understood and identified by practitioners in the leadership field. However, after an exhaustive search of the literature, it was discovered there was no universally acceptable definition that could benchmark such behavior within an organizational setting (Polanyi, 1966; Fletcher, 1984; Brooks & Highhouse, 2006; Motowidlo, Hooper & Jackson, 2006; Stemler & Sternberg, 2006; Clawson, 2009; Godwin, 2009; Moon, 2009; Rausch, 2009; Salter & Highhouse, 2009, and Zhao, 2009). This finding was also echoed by the senior leaders who revealed their answers when asked about similar matters involving their companies (Webber et al., 2012).

The participants in the previous study revealed that common sense could be recognized among three predominant groupings, which guided how these senior leaders determined what was and was not included within the broad research question. These areas were

identified as goal setting, decision making, and motivation (Webber et al, 2012). In order to open up further dialogue on how the leaders interpreted the jargon, the same participants were then asked a second question related to common sense practices. This added level of inquiry further helped the researchers pinpoint how the terminology was embraced in the workplace by those recognized its existence.

Once it was determined that common sense was the principle connector between leaders and organizational best practices, the next step for the researchers was to investigate the nexus between such areas. Unlike the previous study where there was not an agreed upon determination of the terminology's meaning, participants in this second study were able to provide examples from their experience, which revealed why they believe common sense leadership is relevant within the context of their current operating structure. Their responses provide some interesting talking points for further research and academic dialogue.

3.1 Data and Methodology

This qualitative study on providing best practice, common sense leadership examples was performed from July 29th through December 7th, 2010. It involved 26 participants who were identified as senior leaders in their organization, which meant the participants were at least a Vice-President to be considered for inclusion in the study. A convenience sample was used, which involved individuals from both the public and private sector. The study included leaders from information technology, insurance, investment, legal services, manufacturing, marketing, public utilities, real estate, restaurants, and staffing. Participants were polled from Georgia (50%), Nevada (23%) and other regions of the United States (Alabama, Connecticut, Florida, Maryland, Minnesota, North Carolina, and Pennsylvania). SurveyMonkey.com was used as the platform for the participants to provide their viewpoints on this issue (Webber, et al., 2012).

3.2 Results

Similar to what we discovered when we asked the same group of people questions to direct us toward how common sense was recognized (Webber, et al., 2012), they pointed to six predominant categories representing the best practice for transformational organizations. The participants identified the following common sense leadership principles: (a) Leading by example; (b) Managing your human assets; (c) Doing the right thing; (d) Seeing the big picture; (e) Making the right hiring and transitional decisions; and, (f) Developing a plan that works

3.2.1 Leading by example (LBE)

Participants noted that common sense practices begin with leaders doing what they ask others to emulate. CS3 opined that it starts with not allowing superiors to get caught up in the success of the moment and "continually move the bar." CS 13 added that in their industry it means to model the kind of behavior that they want employees to follow so agents empathize with their customers and fully explore their actual business needs. CS 14 connects this with the ability to "always provide just a little bit more, which is tough in this competitive environment." They go on to note that for "customers/clients, [employees should] understand what they need and want before making a commitment." CS 15 likens

these concepts to how “treating others with kindness and respect garner more in terms of productivity and quality work than other forms of management. Leadership should inspect what it expects.”

One way this is done, according to CS 18, is by discovering “that success is achieved when I am out front, leading by example, while truly listening to my associates and giving them proper credit and rewards for their efforts.” When things do not go right for the organization, CS 20 suggests that leaders accept the mistakes and move on. Leading by example starts at the top of the hierarchy, too. CS 24 frames it in terms of “the best leaders still aspire to consistently [provide] an ethical, honest, trustworthy example of servant leadership in which they value the people with whom they work as important to their overall success in business and life.”

Finally, CS 26 notes five keys to leading by example, which are best common sense leadership practices: 1. Remain positive even in the presence of what appears to be extreme negative. 2. Inspire others to kindness, decency, and the Golden Rule. 3. Act today as if someone is writing down all of your deeds and you’ll have to read the book of our life out loud in 10 years to a room full of people, 4. Fairness is the basis for all human activity. 5. Relentlessness and perseverance are traits that will frequently trump others. CS 13 likens this to being a Boy Scout leader where “adult leaders who would go out of their way to show the scouts an interesting project, or tell an engaging story, or ask about their lives were the adult leaders who had a keen common sense that the boy scouts responded to” in a positive way.

3.2.2 Managing your human assets (MHA)

Common sense leadership engages the organization through the management of its human resources. There were a number of short responses in this area but it shows these participants are interested in being good fiduciaries of the human wealth that they invest in on a daily basis. Rules and regulations are considered the hallmark of how organizations function but CS 6 notes “sometimes it’s okay to bend company policies depending on the situation; especially as it relates to employee retention and management”. In other words, while guarding the ethical stronghold of the organization there are times where, as CS 16 notes, “sometimes common sense has to trump policy. Therefore, be sure you have people in positions of responsibility and authority who have good common sense.”

Goleman’s (1995) emotional intelligence ideas came up several times among participants in knowing how to manage one’s followers. For example, CS 7 likened common sense leadership best practices to “understanding human nature and how that plays a part in determining the strength and weaknesses of an employee and knowing how to play to their strengths.” CS 10 adds that means not worrying “who gets the credit. Team members work twice as hard when they believe they have ownership of the project.” CS 15 connects this with common sense understanding that “you are only as good as the people you work with.”

Communication is a vital part of the area of managing one’s assets. CS 9 notes that means providing timely feedback and coaching for times when the follower has both positive and negative performance. CS 19 adds that requires one to “be a better listener than a talker”. To keep the communication lines open, CS 20 notes that entails keeping an open-door policy and to use social media to allow different channels of communication. CS 26 adds two rules to this section: 6. Communicate clearly and with the

audience/listener in mind. 7. Getting people to happily get where you want them to go on their own.

3.2.3 Doing the right thing (DRT)

This area of inquiry matches similar statements made in our previous study when the same group was asked to define what common sense leadership meant to them (Webber, et al., 2012). Moral and ethical considerations were highlighted in areas such as “live your values and be of good character. Walk the walk and talk the talk. Do what you say you will do” (CS 1) and “think of what you are going to say before you say it; don’t do things that knowingly can get you fired or in jail. Check your ego before you make a decision” (CS 4).

What this indicates is common sense leaders need to set up an organizational environment where “before a decision is made [one should] evaluate the effect it has on others and whether you could be proud of the decision. Evaluate what is being considered and if it meets the company values and objectives” (CS 17). Within such a setting, the leader needs to celebrate accountability and openness; high moral, ethical and customer service standards (CS 20) and “integrity, courage, honesty, and reliability (a practical application of integrity, actually)” (CS 21). CS 19 says this all boils down to treating others as you would like to be treated, which points us back to the Golden Rule.

3.2.4 Seeing the big picture (SBP)

Participants note that common sense leadership application also lends itself to good macro-management practices. CS 8 believes that it is just as important to not what to say no to as what an organization decides to move forward with. They note that “choosing wisely what to ignore frees up bandwidth to work on the meaningful stuff.” CS 12 says it comes down to placing before the company the items that are important for them to succeed and to grow the business. CS 25 adds that a good understanding of budgetary data is a key ingredient in helping both leaders and followers to move the organization in a positive direction for the future.

Competition also came up as a consideration in the study. CS 14 notes it starts knowing how your product or service compares with your competitors and then operate in an environment where it is your privilege to provide such items to your customers. CS 5 cautions, though, that one should be careful in seeking alliances with competitors, which might undermine one’s own profitability.

CS 24 puts everything in perspective by noting common sense leadership practices work best when there is a personal balance between “one’s home and family with work, leisure, and inspirational growth.” This connotes “spending lots of time with one’s leadership team so that the cultural principles of the organization are so strongly inculcated that the team can make independent decisions that are in keeping with the principles of leadership.”

3.2.5 Developing a plan that works (DAP)

Another area involves what participants see as common sense leadership planning best practices. CS 8 sees this as a role issue where the CEO deals with “what if” and the COO deals with “what is.” CS 3 notes that leaders do this through a regular review of progress being made in comparison with documented goals. CS 20 points to staying ahead of the

game by looking at least two years ahead in relationship to required staffing needs and operational needs. When doing this, CS 22 advises to keep “the product simple and [have] the marketing align with the needs of the consumers.”

Planning considers the boom years of the organization as well as the ones where potential ruin is possible. CS 23 sees this in relationship to a small business manager who sensed the downturn in the economy and began reducing various expense categories in anticipation of a lessened cash flow. By doing so, layoffs were not needed and his company was able to maintain its market position. CS 26 adds these final words of wisdom by noting that common sense leadership practices involve: 8. [The] vision to see what is currently not visible and [the] faith to not pay attention to what everyone else is looking at. 9. Commonness is a very uncommon manner.

3.2.6 Making the right hiring and transitional decisions (MRH)

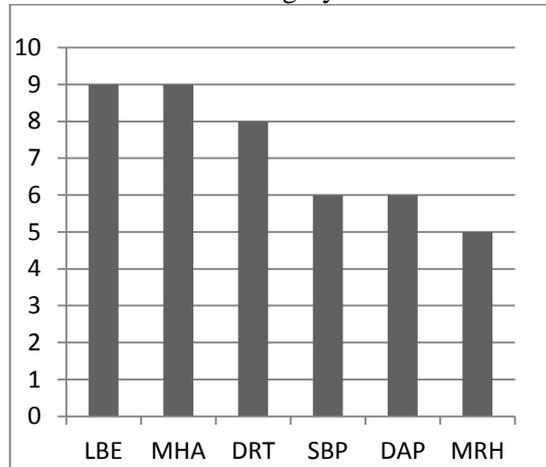
The start and end of individual hiring decisions is a tough one for any leader and common sense leadership practices especially when the future outcome of the organization may rest in that person’s productivity and connection to the established cultural beliefs. CS 3 notes the process should start with picking the best and brightest people who help drive the organization’s success. CS 8 adds that leaders should not confuse a good match in the job description categories with people who are talented. CS 24 says there is no substitute “for hiring the best people and investing the time and resources into them to develop their full potential.”

On the back side of employment is that moment when the person becomes a liability for the organization due to cutbacks or poor performance. CS 2 notes there are times when you just have to as a common sense best practice terminate someone who is no longer a good fit with corporate goals. There are also rough economic times when, through no fault of their own, the employee cannot be kept on the payroll because of poor income flow. In such times, CS 14 believes that organizations have a responsibility to pay for outplacement services as a wise exit strategy to bring closure to the relationship.

4 Determining Best Practices

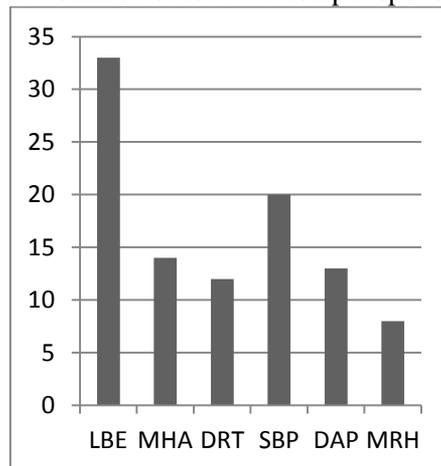
The goal of this study was to expand the understanding from our original study, which attempted to create a definition of common sense leadership. This study utilized a qualitative methodology to understand senior management’s view of common sense leadership and how it applies to a modern 21st century organization. There were six areas the study identified as being the primary common sense leadership best practices that should be followed by the person in charge (see Table 1). At the top of the list for traits mentioned, Leading by example (LBE) and Managing your human assets (MHA) each had 9 responses, with Doing the right thing (DRT) receiving 8 mentions by senior leadership participants. The other three choices noted (Seeing the big picture (SBP), Developing a plan that works (DAP), and Making the right hiring and transitional decisions (MRH) lagged in the tally with 5-6 notations for each of their grouping.

Table 1: Actual number of common sense leadership best practices identifiers per category



What is interesting to note is the actual number of common sense leadership best practices identifiers per category did not always coincide with the actual number of responses per classified category (see Table 2). For example, while Managing your human assets (MHA) tied in the number of actual posts submitted (9) the second place number of remarks written about common sense leadership involved Seeing the big picture (SBP)(20 lines of response). Similarly, doing the right thing (DRT) was replaced in the ranked order with developing a plan that works (DAP) when the actual number of lines of responses per classified category was considered.

Table 2: Actual number of common sense leadership responses per classified category



5 Moving Forward

After stepping back and reviewing both parts of the study, the researchers realized that while these executives could readily identify the key common sense leadership best practices by category their actual best management inclinations were revealed in the

amount of commentary added within each category noted. The biggest limitation of this study were the number of senior executives willing to share their opinions about how common sense leadership is defined and how it applies within a modern 21st century organization. Future research should be undertaken to compare both parts of the current study with cultural considerations outside of the boundaries of the United States where other factors might determine acceptable common sense leadership behavior.

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