

The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

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**Jacob** 00:06

Welcome everyone to another episode of the future of work with Jacob Morgan. My guest today is Scott DeRue the Edward J. Frey Dean of the Stephen M. Ross School of Business at the University of Michigan. And he's also the Stephen M. Ross Professor of Business. Scott, thank you for joining me,

**Scott** 00:24

Jacob. Thanks for having me. I'm really excited to be here.

**Jacob** 00:26

So I originally reached out because I was reading an article that you wrote, which I was completely fascinated by. And I think everyone who's watching and listening is gonna get a lot out of this as well. And the article was around why capable people are reluctant to lead. So I wanted to spend a little bit of time exploring that. And then I have lots of other questions for you based on some of the talks that I've seen you give, you've talked about entrepreneurship, all sorts of fun stuff. But why don't we start with a little bit of background about the research that you did for that article, which I found to be quite interesting?

**Scott** 01:00

Yeah, one of the things that I've always been fascinated by is why capable people choose to not step up and claim leadership roles. And it really originated the first class I ever taught as a professor. On day one, I walked into the class, and I asked everyone, raise your hand, if you see yourself as a leader. And this was a class of MBA students. And I assumed everybody would raise their hands. And I would say maybe 50 60% of hands went up. And so I started asking students, well, why did you raise your hand? But even more interesting to me? Why did you not raise your hand?

**Scott** 01:43

And that was back in 2007. And many years later, we've done a lot of research on how people perceive leadership roles, and why they don't step up. And that's really what motivated this set of studies that we've done. And we've interviewed hundreds of people. We've looked at our own MBA students here at the Ross School of Business, and tried to understand what is it about their motivations, but also their perceptions of risk? That actually, in many cases, preclude people from stepping up and leading,

**Jacob** 02:16

Actually I know quite a few people like that. Friends, family members, and I hear so many stories from people who say, you know, I've been putting in a position to become a manager or to lead a team. And

I always say, Great, congratulations. And they say, Oh, and I turned it down. I say, What are you nuts? Like, why would you do that? So I feel like, I mean, is this a common thing that you're seeing in the from MBA students and in the business world, in general,

**Scott** 02:45

It is quite common. And oftentimes, it happens in very subtle ways. Because people either turn down opportunities, they don't pursue opportunities, or they get into these roles, and they don't really step up and assume that leadership role. And our real motivation, in writing, the article that you read, was to unpack what are the types of risks that people perceive about leadership that keeps them from stepping up? And if we can identify those types of risk, then maybe we can help people overcome that fear, that anxiety that's associated with that risk?

**Jacob** 03:25

Hmm, no, that makes sense. Well, good, why don't we jump into what those are? I think in the article, you had interpersonal risk, image risk, and risk of being blamed. So maybe we can start with the first one, the interpersonal risk?

**Scott** 03:41

Yeah, so the interpersonal risk in psychology is really just about how other people in my relationships, my co workers, my colleagues, my friends, may perceive me. You know, we're friends today, what might we be tomorrow, if I step up and assume this leadership role, right, they don't want to hurt other people's feelings. They don't want to be sort of the bossy one in the relationship. They're just fearful of me stepping up and assuming this leadership role in some way, harming the interpersonal relationships that we hold near and dear.

**Scott** 04:20

And, you know, I mean, for me, for example, you know, I started at the Ross School of Business as an assistant professor. And nine years later woke up as dean and I, so I really grew up here, right, my friends are here, my colleagues are here. And so this form of interpersonal risk would manifest as me being worried how my colleagues and my friends here within my community, many of whom helped me get to where I'm at how they might perceive that relationship now. And we find that a number of people are really worried about what the impact of stepping up and assuming these leadership roles will do to their network of colleagues, friends, co workers in the life?

**Jacob** 05:03

Were you worried about that when you get the dean position?

**Scott** 05:08

I was in. So in some cases, yes. And, relationships do change. And it's a reality of leadership that you do have to accept. But you can also lean into that, that that anxiety that fear that concern about the or personal risk. And so I know, myself before I took over as Dean, I went, and I had a number of conversations with really close colleagues about, hey, how's this going to work now that I'm the dean and, and before we were colleagues, co workers, or maybe they're even my mentors, and just reaching

out proactively to them, and opening up space for that conversation, really unlocked both my own fear and anxiety.

**Scott 05:53**

But what I also learned is, they also had that same anxiety and that concern, and just by giving that conversation space, we were able to align on, hey, this relationship means a lot to us. And so how are we going to work through this in a way that respects the roles and the position of leadership? But still, we're able to maintain these relationships in ways that are meaningful to us? And that key of unlocking that conversation is really important.

**Jacob 06:25**

What about people who say, well, the whole point of building relationships is to become a leader in your company, right? I mean, that's, that's why you create relationships with your leaders. That's why you create relationships with people on different teams and departments, because you do want to grow and excel. So then it's kind of funny to say, well, I've created those relationships to get ahead. But now that I'm given the opportunity to get ahead, I don't want to damage the relationships, like it's kind of a weird, I don't know, catch 22 there

**Scott 06:30**

It is. And for me, it's counterintuitive, until you're thrust into that position. And what we find in our research is that many people are building these relationships, not necessarily to get ahead, but as part of their own, you know, aspirations, their contributions to others, and in the spirit of giving to others, they build these relationships. And then because of those relationships, that then to your point, thrust you into this position, where now you're assuming a leadership role. And but they don't think about the risk until they get there. And what we're trying to do is help people understand, yes, this interpersonal risk exists, how can you lean into it, and minimize the risk and maintain the relationships.

**Jacob 07:38**

So what's really interesting about that, so one of the things that I found particularly fascinating, it seems like the relationships, you would care about the relationships, because the assumption is you want to have those relationships for a while. But at the same time, there's also so much talk of, don't view your company, like a family, view it as you know, just be there for a couple years, and then move on. So you know, it's kind of like there's two opposite sides here. One is I really care about those relationships, I want to have them for a long time I care about the people. And then there's the other side of like, well, you're just going to be the company for two, three years. So, you know, might as well do whatever you can to get ahead. I mean, which school of thought is prevailing? Do you think in the business world, the more the relationship, the family style? Or is it this understanding that people are just going to rotate every few years?

**Scott 08:33**

I think, depending on who you ask, you can get both right? I think there are people in the business world that really understand the power of relationships. And then, especially in the younger generation, there's just a natural assumption. And it's reality, that they're going to be moving not only jobs, but

they're going to be moving organizations on a regular basis. I mean, you know, the average tenure in the tech sector right now is about two years or even less in big tech companies, right?

**Jacob** 09:05

That's crazy.

**Scott** 09:06

You're getting a lot of movement. The thing I would say to folks is I don't see these as mutually exclusive. And I think the most successful people are going to see the integration of them. And what I mean by that is you can still move organizations every couple of years. If that's how you want to manage your career. But if you invest in relationships, while I'm at, you know, a company for a couple of years, the beauty of those relationships can transcend your time at that organization. And you can carry those forward in your career. And you know, to do that, you've got to nourish them, you've got to cultivate them, you've got to give into them. You can't just take you have to give.

**Scott** 09:49

But if you do that, well, you're going to build a really diverse network of colleagues, professional contacts, but also friends over the course of your career. That can be quite powerful for your own personal gain, but also, in addition to that personal gain, give you the network that's going to enable you to have the impact that you want to have in the world.

**Jacob** 10:10

Yeah, no, I think that that makes a lot of sense. Okay, so for people out there who see that as a risk, what advice or guidance do you have to I don't know, to mitigate that to get over it. And to be able to take that leadership role?

**Scott** 10:28

Yeah, I mean, with regards to interpersonal risk, and it really depends on what type of risk we're talking about here. But for interpersonal risk, in particular, it really is leaning into those relationships and opening up a conversation with your say, risk sensitive colleagues, I think in the article that you read, that's what we called it is your risk sensitive colleagues. And, just acknowledging that, hey, this is this is a potential issue.

**Scott** 10:56

And if you're thinking about it, chances are they are as well. And I think giving space for that conversation, and really co creating how you're going to be able to maintain your relationship, while you assume this leadership role that may have some influence on them, how you can balance and in maintain that relationship, whether it be personal or professional, is the key. And you just have to get over that fear and lean into that conversation.

**Jacob** 11:28

Okay, great. All right, let's jump to the second one, which is image risk. So what is image risk?

**Scott** 11:36

image risk is simply put is the worry that I'll be perceived as a know it all, I'll be perceived as bossy, I'll be perceived as aggressive. My image my reputation, because I'm stepping up into these leadership roles.

**Jacob 11:56**

So bossy? Is there a difference or I don't know, if you guys looked at this, was there a difference between men and women in this regard?

**Scott 12:06**

So in this particular set of studies, we didn't look at the gender differences, but there is research that shows pretty clearly that when a woman steps up claims, leadership roles, engages roughly in the same behaviors that a man does, she's at greater risk of being perceived as bossy, or, or the like. And so we do a lot of work with, with aspiring leaders who are female, to understand how do you navigate and manage that dynamic. So that you can still manage reputation and image, but really be an effective leader. And, and so your intuition is correct. But what we find is that women can overcome that. But it is a bias that many organizations have.

**Jacob 13:03**

Do some people say, well, who cares? If I'm viewed as being bossy? Or no at all? Like, yeah, I'm, I got promoted, I'm an executive at the company like the hell with what that what that appears to be like? Because I would imagine there are certainly some people like that out there. And there are other people who are a little bit, you know, same thing, even for the interpersonal risk, right? Some people just, whatever, and other people are, I don't know, a little bit more held back by that.

**Scott 13:30**

Yeah, that's absolutely correct. And I mean, you know, I'm basically trained as an organizational psychologist and there's a, you know, a concept called tolerance for risk or the like, and, and some people are much more sensitive to risk and risk averse. And, and some people, you know, basically say, the hell with it, and I'll take the risk and, and let the cards you know, play out the way they will.

**Scott 13:57**

But what we're finding in our research, like that first class that I ever taught, is there is a significant number of people that are very sensitive to these forms of risk and, and, you know, every organization I work with, if you ask the CEO, what is your greatest challenge? In the top three will be talent and a lack of leadership talent to carry the organization forward. And if 40 or 50% of our of our people are holding themselves back because of this risk issue. Then maybe that's a really significant explanation for why we've got a dearth of talent in organizations around the world

**Jacob 14:41**

That actually fits very well. I mean, I so my book, the future leader came out last year and I interviewed 140 CEOs and I that was one of the things that I talked to them about is around greatest challenges and opportunities and all that sort of stuff. And talent always keeps coming up. And I think the assumption is always that there are not enough skilled people to take on leadership roles. But rarely do we think that there are enough skilled people to take on those leadership roles. They just don't want

them. And I don't think that's a conversation that a lot of people have, they just assume that we just don't have them there. But they're there. They just don't want those positions.

**Scott** 15:20

That's right. And then it begs the question, how do we create an organizational environment that helps people process that risk, so they're more likely more motivated to step up?

**Jacob** 15:33

So what is the specific problem with the image risk? I mean, the interpersonal risk I get, you don't want to damage those relationships because you're at the company, you want to have a good working relationship. But what is the danger of being viewed as a know it all?

**Scott**

Most people Jacob want to be liked and so there's an element of I just want to be liked to where I want to be perceived as a good person and the like, So I think that's part of it. I think there's also a part of it that is a belief that if I'm perceived as a know it all, aggressive, bossy, etc, then people won't want to work with me or for me, I'll be perceived as a bad team member, which may you know cut off future opportunities. But I think a lot of it just has to do with you know, similar to interpersonal risk is this need to be liked and this need to want to be perceived in a positive light. And we all have that at some level.

**Jacob**

So the next risk that you outline, and I'm gonna go out on a limb, and guess that this is maybe the most, I don't know, the most prevalent risk or the risk that people are most worried about. And that is the risk of being blamed, which is being held personally responsible for any failure. Am I right in making that assumption?

**Scott**

It's very common. And Jacob, your intuition that this is one of the most common forms of risk that really holds people back from stepping up and taking on that responsibility of leadership, you are spot on. We call it instrumental risk or outcome risk. And at the end of the day, it's basically people are worried that if they step up and take this responsibility of leadership, that they will be ultimately responsible for the outcome. And it's true, regardless of the outcome, right?

**Scott**

So if things go well, then those that are in those leadership roles often get a disproportionate amount of credit for it going well, right. It's always a team effort. But they get a lot of credit, when it goes well. But the opposite is also true, right? That when it doesn't go well, even though it's a collective effort, the person or persons who are in those leadership roles, because they have the responsibility, they often get more of their fair share of blame, right.

**Jacob**

Isn't that part of the responsibility of a leader though is like to you know, when something goes well, you you get some credit you give credit for your team and the mark of a great leader is that when something goes bad, you take the fall, and you shield your team from it. So isn't that kind of inherent with the role

of leadership that you should be taking on more of the risk like you should be blamed if things don't go well?

**Scott**

I so I think that is true. But what we're finding is that the significant number of people that are not stepping up to lead are doing so in part because of this risk. And so the question is, how do we create environments? How do we help these individuals, be more willing to take on that risk, so that we have more talent, more people who are not only capable, but also are inspired and willing to take on that responsibility of leadership? And so it's, it's not a question of, is there or is there not risk? Or should there or should there not be risk? There is that risk, and that is inherent in leadership. How do we help them get over that risk?

**Jacob**

So there's nothing I noticed there was nothing for example, about like compensation. You know, it's not worth the money to get promoted to this leadership position. Did compensation fall into any of these factors as far as it's just not worth the money?

**Scott**

We rarely find that right? On average leadership roles are paid more than non leadership roles. And the more salient reasons that people give, and point to about not stepping up is much more about either the image risk, the interpersonal risk, or very common, this instrumental or outcome risk. Now, you know, maybe at some point, if you pay them enough, they're willing to take the risk. And so maybe there's that calculation going on. And as you know, we're seeing a lot more performance based pay in organizations these days, which I think is a good thing. But ultimately, what performance based pay does is it makes this outcome risk even more salient to people. Right, and so if they are less likely to step up to lead because of this outcome risk or instrumental risk, then performance based pay can actually shine a really bright light on that that anxiety.

**Jacob**

Yeah, no couldn't agree more. Okay, so we have the three risks interpersonal risk, image risk and risk of being blamed. So why don't we start off with advice for leaders. So leaders who are looking to attract and retain talents, as we talked about earlier, the assumption is always that we don't have enough leaders. Whereas the conversation could be flipped and say, well, we probably do have leaders, they just don't want to step into those roles. So as an existing leader of a company, and you want to bring up that next generation of leaders, what are some things that you can do to mitigate these risks? Now, how do you so I mean, that's a word that's oftentimes used in the leadership world, right creates psychological safety. Do you need any advice on how to do that? Is it about being vulnerable as a leader is about encouraging those conversations? Is it about I mean, what do you do to create that safety?

**Scott**

I'll give you, I'll give you two things. And there's, you know, obviously a much longer list. But two that I continue to be encouraged by in terms of the research we're doing and the findings coming out of that.

And what we're seeing when leaders really are mindful of the environment, they're creating these two practices, I think, really make a difference.

**Scott**

So first is and it's really inspired by the work of Amy Edmondson and her work on psychological safety. But the more you can create an environment where it's not only okay, but it's expected for people to engage offer differing and diverse opinions, share their point of view, even if it's not the consensus or the the dominant view within the group, the more you can role model that and create a very psychologically safe environment, what you're doing is giving people license to engage in the group in the organization in a way that's going to make them perceive less risk, whether it be image risk, interpersonal risk or outcome risk, you're going to create a environment where they perceive less risk in engaging and stepping up, even if it's counter to where you are as a leader, or where the others are in the organization. So creating that psychologically safe environment is really, really foundational and important here.

**Jacob**

Okay, all right. So that was the one technique. What was the other one?

**Scott**

Yeah, all of those things. So, you know, one of the things that I think really effective leaders do is role model, that vulnerability, they role model, the willingness to be challenged. Right. So I know for my leadership team, I'm always asking the question of, hey, what might be an alternative perspective, right? Even if it's the perspective I have challenge me, like, what, what's the other side of this of this conversation, right? And so welcoming, and inviting that devil's advocate, I'll even sometimes secretly plant or nominate the devil's advocate in my team, and ask them to challenge not only others in the group, but also me, just to create a norm in the group that this is again, not only Okay, it's actually expected, right? That we're creating this, this safe environment where we can challenge each other, but we're doing so to get to the best solution, the best idea the best outcome.

**Scott**

And so I think leaders who can reframe conflict away from, you know, conflict and the tension aspect and, and really more conflict over ideas. And it's a dialogue and debate and a discussion. Because we share the same goal of getting to a creative outcome. I think that that role modeling is really, really important. The other thing that I point to a lot is a lot of people see leadership is this big, grandiose sort of concept, right? You're held up on this big pedestal.

**Scott**

And so it's almost like it's unreachable for a lot of people. And so if you can break it down into what we often refer to as low stakes opportunities, to step up and take on maybe smaller leadership roles, or at least roles that are perceived to be smaller leadership roles. And in some sense, let people try on a different persona, right, and experiment with leadership in less risky, less visible ways. Then they realize that actually the risk here isn't that great. And so allowing them space to experiment in that way becomes really important.



**Jacob**

Yeah. I like that. So instead of, okay, so instead of, you know, all of a sudden saying, hey, you're leading a multi billion dollar project tomorrow, you know, baby steps first and say, Hey, we you know, we have this new initiative, we're putting a little bit of resources around it, why don't you see how it's going before jumping into like this, this crazy project?

**Scott**

Exactly make sure they can swim before you throw them in the deep end. But even if you know they can swim, they may not know they can swim.

**Jacob**

Now, so I interviewed a few CEOs on this podcast, just even the past few months. And I asked them, What is something that you did that made you very successful as a CEO that allowed you to grow and excel where other people struggled? And a lot of the common responses that came back was we took on projects that nobody else wanted. We did the hard projects, the things that we were not ready for, because we viewed them as an opportunity to shine. So how does that balance in with this idea of taking in something small? Like how do you? I mean, is there a way to tell when somebody is ready for that big project versus when they're ready for something small?

**Scott**

Yeah, I often refer to it as running to the fire. Right. But there are smaller fires and bigger fires. Right? And, and so again, you know, some people run to the big fire, and it works out. And then they keep going, right? They get promoted and the like, you probably rarely hear about the people that ran to the fire and got burned. Right, you hear from those people a little less, unless they've had the opportunity to run to multiple fires, and it ultimately ended up working out. Right.

**Scott**

And so I think there's a lot of value even, I mean, some of my early research was on developmental opportunities, and how far can you stretch people? And how far do you want to stretch people? And the probably intuitive answer is you want to stretch people, but not too far. Because what happens is, if you stretch people too far, then their ability to process and learn as they're going, actually decreases. And the risks that we're talking about here becomes so paramount in their mind and in their in the foreground that they actually can't function as effectively. And so you're actually undermining their development and their performance by stretching them too far. It's a very delicate balance.

**Jacob**

Yeah, I suppose that's what makes a great leader right is you know, what is just outside the scope of what your people can do? And that's what you give them instead of something that's just unattainable and unrealistic. So yeah, all right. I like that. What about advice for individuals, so not for leaders, but, you know, for individual contributors who want to get into a leadership position, but they themselves perceive these risks? Is there anything that they can do for themselves to help overcome these things?

**Scott**

Yeah, so you know, one of the practices that we often talk with executives and our students about is going and talking with people that have been in similar situations that, you know, have gone through the fire in some basic sense. And talk about the risks, right, put them on the table talk about I'm like, how did you know how Jacob, how did you think about the interpersonal risk? How did you think about the image risk when you were thrust into this position? What did you do to minimize or mitigate that risk? How do I think about the outcome risk?

**Scott**

And so reaching out into your network and your, you know, your collection of mentors, if you will, to understand how other people have processed that risk? And what we find in our research is simply opening up the conversation. Actually, that actually reduces the risk. Right? And so that's, that's one practice that we often talk about. The other that I often talk with our students about, and executives as well, is the question I often ask is, what's the worst thing that's going to happen? Like, if this goes, if this goes south, if it if it goes sideways, or you know, poorly, what's the worst thing that's going to happen? And if you engage in that conversation, more often than not, the worst thing that can happen, actually isn't that bad.

**Jacob**

Yeah. Couldn't agree more in the perception is always worse than the reality is they say.

**Scott**

Precisely

**Jacob**

Okay, so I wanted I know we have maybe 10 or 15 minutes left. So I wanted to switch gears a little bit. So we talked about why some capable people are reluctant to lead what the risks are and how to overcome them. I wanted to talk more broadly about leadership because obviously, you've been teaching a lot of MBA students, you see where a lot of these MBA students go, you talk to and work with a lot of leaders. What do you see makes up the most successful leaders, whether it's MBA students or leaders that you're working with? What separates them from just the average leaders?

**Scott**

The one that I would the one attribute that I would point to, and obviously there are many, is the ability to learn and adapt. In the world that we're living in right now, it's so dynamic and fluid, not, you know, not to mention sort of the, you know, the last year and, and the, the, you know, with the pandemic and everything that's happened, and how flexible organizations have had to be and the like, but how dynamic whether you're in the private sector, the public sector, for profit, not for profit, the pace of change, we often hear and it's correct is really, it's rapid, right? It's fast.

**Scott**

And so, you know, I tell our students all the time, and executives that I have the privilege of working with the skills you have today, the half life on those skills is probably three, four, maybe five years at the most. And the world is going to change around you. And if you're not flexible, if you're not adaptive, if

you're not updating and learning and growing constantly, then you're not going to be effective as a leader. And so I think the most important thing we can do from a leadership development perspective, is enable individuals to continue to learn and grow, so they can flex and adapt.

### **Jacob**

No, no, I think that's fantastic advice. So learning growing, being adaptive, agile, I think, is something also that I heard from a lot of the CEOs that that I've worked with and had on this podcast as well. Do you think leadership is changing? Like if you were to look back at maybe what was taught in schools over the last 10, 15, 20 years, or even what you knew about leadership 20 years ago, versus where we are now and where things are going? Would you say that leadership is different?

### **Scott**

There are certain aspects of leadership that I think are increasingly important these days. So, you know, we hear a lot about, and I think these things were always true, but we're hearing more and more about them, right? So the power of vulnerability. Right? And, and you step back and you ask, Well, why is vulnerability becoming more important for leaders in organizations? Well, because the social and cultural fabric of organizations is ultimately built on trust. And the trust that people have in institutions, the trust that people have in leadership, in many ways in our society now is more fractured than it's ever been before.

### **Scott**

And so we're longing for this sense of trust, and what's the fastest way to build trust, vulnerability. And so I think that's a more recent or modern theme or trend that we're seeing in leadership that, you know, vulnerability was always important, because trust was always important. But now, I think it's even more important than it historically has been.

### **Scott**

You know, the other that I would say, is the emphasis on leaders being able to build inclusive teams and organizations that are able to capture the power of diverse points of view, diverse perspectives. Again, and I think it actually comes back a lot to the pace of change that we're seeing and the need for creativity and the need for innovation. Because what's fundamental to that need for creativity, innovation, is diverse points of view, diverse perspectives coming together. And what we're seeing is that historically, a lot of organizations, a lot of leaders, were not very good at creating cultures and communities that were more inclusive. And that's becoming ever more important in modern society and certainly the business world today.

### **Jacob**

You mentioned that for a lot of MBA students that have life of their skills is around three years or so. So what do you think, for a lot of leaders now? who are trying to wonder, you know, what are the skills that we should be focusing on to become better leaders? Or what are the skills that we should be teaching our up and coming leaders to be more effective? What are some of those skills or mindsets that you see emerging that are most crucial for for leaders over the next? I don't know, three, five years?

**Scott**

Sure. So, you know, there's always been and always will be foundational elements of leadership, right? I mean, at the end of the day leadership is about influencing a group of people to achieve and accomplish a shared goal. Right? I mean, that's my most basic definition of leadership is you got a group of people, you got a shared goal, how do I influence that group of people to work together to achieve that goal? Right? That's been true for hundreds of years. Right?

**Scott**

So it's still true today. And there are foundational elements of being able to do that, right? Being able to create a compelling vision that gives people a sense of that shared goal, and inspires people to want to share that goal and work towards it. The ability of leaders to build relationships and collaborative community, so that group can actually work together to achieve that goal, the ability to understand what what are the what's the work that has to get done, in order to achieve that goal, and how do I structure the work to get done, whether it's a small team, or a multinational corporation with hundreds of 1000s of people, you got to be able to create a compelling vision, you got to be able to build the organization, the team, the community, and you've got to be able to create structure. So you get work done.

**Scott**

Those are foundational elements to leadership. The piece that is evolving, is, again, tied back to the pace of change. Where if you ask me, what's the most important thing we can teach leaders today? Again, I go right back to the most important thing I can teach you how to do is teach you how to learn how to adapt and how to flex. I need you to understand, understand and be able to deploy those foundational elements, I need to be able to create that vision, I need to be able to structure work, I need you to be able to build the collaborative organization. But on top of those foundational elements, I need you to be able to learn grow and adapt.

**Jacob**

Yeah, no, I definitely see that as a crucial one. Do you see common mistakes that leaders make? And I don't mean to mistakes in terms of like, you know, they invested in the wrong thing and you know, something lead to failure. But things that leaders are doing where they couldn't be great. They could be these really amazing leaders if they would just fix like these one or two little things, or maybe they're big things, I don't know. But just these mistakes that leaders keep making over and over that you think a lot of leaders out there need to fix.

**Scott**

Yeah, it's, I'd love to write the book just on the the 100 most common mistakes or the 10 most common mistakes that people make, because there's there's certainly common ones out there, right. So a couple come to mind for me that our research illustrates time and time again. And they're related. The inability of som to actually listen always amazes me. Right? And it's related to another mistake that we often find, which is leaders assuming that as the leader, as the leader, whether it's formal or informal, that I have to have the answer. You're not the leader because you need to have the answer. You're the leader because you need to have the right questions. And you need to be able to organize a group to figure out the answers. And too many leaders assume that they need to have the answer when the power of leadership is in the questions that you ask. Not the answers that you have.

**Jacob**

Yep, love that it's almost like the Socratic method, right? Where even if you know the answer, you should ask the right questions to help people come to the answer themselves. Yeah. I love that.

**Scott**

Yeah, that's exactly right. And chances are 80% of the time you may even you may know the answer. But what about the 20%?

**Jacob**

Yeah. Anybody if you know the answer, and I've heard this from several leaders, they try to not give the answer, because they want their teams to come up with the answer. Which I yeah. Yeah, it's a very hard thing. I mean, I have a small team of people that I work with 10 people, and sometimes I know the answer to something. And I, I know that if I just give the answer, things will move along quicker. And I have to be like, Jacob, just shut up. Let them figure it out.

**Scott**

That's right, because you're trying to develop your people.

**Jacob**

Because, you know, and it's, it's hard, and you got to restrain yourself, it's not easy.

**Scott**

That's true

**Jacob**

So in the last few minutes that we have left, one of the things that I saw you were giving a talk about this, actually, which I thought was very interesting. And you said the importance of working across a business and not just in a function. And I think this is something that a lot of leaders sometimes struggle with, because the assumption is that to be a leader, you know, you start off in one field or one area, let's say marketing, and you're just going to climb that corporate ladder and marketing, you're just going to stay in your one geographic location, there's only one ladder and you just kind of go to the top. And it seems like that assumption is very much being challenged. And I thought maybe you could talk a little bit about that for a minute, because I saw you, I think you were giving a talk to your school actually on this, on the importance of working across different aspects of the business, instead of just being in one specific area.

**Scott**

Yeah. And there's value in both, right? And if your goal is to get promoted as fast as possible, in a short amount of time, staying within your singular lane, same geography, same functions, you know, like, yeah, there's expertise there that you will develop. And chances are, your first few promotions might

actually come a little faster than they otherwise would. But what we find is if your aspiration is ultimately to be in senior level roles, you need to have a breadth of experience, in addition to some expertise, right?

**Scott**

So it's not that you have to be expert in something, right. But you also need to be able to speak the language, across functions across geographies across roles as well. Because you're going to get to a point where the people who are reporting to you know more about their jobs than you do. Right. And if you stay in a singular function, that's generally not true, right? Because you're the expert in marketing, or you're the expert in finance. But if your goal is to get to senior levels of organizations, very senior levels of organizations, you've got to have breadth that accompanies or is coupled with your depth. And I generally find that at key points in your career life cycle, going lateral, and then coming back or going lateral and sort of zigzagging up the organization ultimately diversifies your knowledge and skill set in a way that pays dividends down the road, much more than just staying in a singular function.

**Jacob**

It's sort of like the difference between short term and long term. I think the analogy one leader gave me before I think it was Steve Smith, the CEO of LL Bean, where he was giving this analogy of like climbing a mountain, where sometimes you have to go up to one peak, then you have to go down a little bit and take another path up to get to the top of the mountain. And I love that visual because if your endgame is focused a little bit in the future, and you want to be that senior level executive, you know, I talked, for example, to the CEO of gray bar, Kathy Mazarella. And she was telling me that she's worked in pretty much every function in that company, Product Management, customer service. She was an HR she was an every aspect of that business before she became CEO and I find that to be very, very common from a lot of the top executives that I interviewed, they worked in so many different functions. So I like that. That message that if your goal is to go farther up inside the organization, then it might take a little bit longer. You might have to think big picture, make some lateral moves. But if your goal is to get to like a mid level leadership position and stay there, then probably specializing in something might be the right. Right approach. Who knows?

**Scott**

Yeah, no, I think that's right. And, you know, I've had the same experiences, I talk with CEOs and work with them and their leadership teams. Most people in their leadership teams have had a diversity of experience that gives them a bird's eye view of the organization, but they also bring a depth with them as well. Right and coupling those together. I think it's critically important.

**Jacob**

Yeah. Couldn't agree more. Well, and then we're pretty much the end of our time, any last parting words of leadership, wisdom and advice for people who are watching and listening?

**Scott**

I would go back to the risk that we started with. And, you know, my aspiration is to, you know, my sort of life mission, if you will, is to help people maximize their potential. And one thing that we can all do to maximize our own potential is lean into those risks. Right? Whether it's outcome risk, whether it's image

risk, whether it's interpersonal risk, let's not let that risk hold us back. But let's lean into it. Let's embrace that risk. And in doing so, by stepping up and assuming these leadership roles, we're able to have a bigger impact in the world. Because at the end of the day, we all want a legacy that we're proud of, we all want a legacy that's built on a positive impact that we leave behind. And the more you can step up and lead, the more impact you're going to have, and the stronger that legacy is going to be. And so I hope we can create a world and create an environment where people are inspired to step up.

**Jacob**

Love it. Scott. Where can people go to learn more about you? I know you have some talks that you've done anything that you want for people to check out, please feel free to mention.

**Scott**

They can come to the Ross School of Business here at the University of Michigan. And we'll create the best leadership development experience that one could ever imagine. And I'm easy to find.

**Jacob**

Currently accepting MBA candidates

**Scott**

That's right. And I'm easy to find. So if I can be helpful to anyone, please feel free to reach out.

**Jacob**

Cool. Well, Scott, thank you so much for taking time out of your day to speak with me really appreciate it.

**Scott**

Jacob Thank you so much.