We have reached a moment in history when self-esteem, which has always been a supremely important psychological need, has become an urgent economic need—the attribute imperative for adaptiveness to an increasingly complex, challenging, and competitive world.

We now live in a global economy characterized by rapid change, accelerating scientific and technological breakthroughs, and an unprecedented level of competitiveness. These developments create demands for higher levels of education and training than were required of previous generations. Everyone acquainted with business culture knows this. What is not equally understood is that these developments also create new demands on our psychological resources.

Specifically, these developments ask for a greater capacity for innovation, self-management, personal responsibility, and self-direction. This is not just asked at the top. It is asked at every level of a business enterprise, from senior management to first-line supervisor and even to entry-level personnel.

A modern organization can no longer be run by a few people who think and many people who merely do what they are told. Today, organizations need not only a higher level of knowledge and skill among all those who participate but also a higher level of independence, self-reliance, self-trust, and the capacity to exercise initiative—in a word, self-esteem. This means that persons with a decent level of self-esteem are now needed economically in large numbers. Historically, this is a new phenomenon.

Recent and emerging technological and economic realities may be driving our evolution as a species, commanding us to rise to a higher level than our ancestors. If this premise is correct, it is the most important development of the twentieth century—and in its ramifications the least appreciated. It has profound implications for the organization of the future and the values that will have to be dominant in corporate culture—values that serve and celebrate autonomy, innovativeness, self-responsibility, self-esteem (in contrast to such traditional values as obedience, conformity, and respect for authority).

The Roots of Self-Esteem

Let me begin with a definition. Self-esteem is the experience of being competent to cope with the basic challenges of life and of being worthy of happiness.[1] It is confidence in the efficacy of our mind, in our ability to think. By extension, it is confidence in our ability to learn, make appropriate choices and decisions, and manage change. It is also the experience that success, achievement, fulfillment—happiness—are appropriate to us. The survival-value of such confidence is obvious; so is the danger when it is missing.

Over three decades of study have led me to identify six practices as the most essential to building self-esteem. All are relevant to the organization of the future.

The practice of living consciously: respect for facts; being present to what we are doing while we are doing it (e.g., if our customer, supervisor, employee, supplier, colleague is talking to us, being present to the encounter); seeking and being eagerly open to any information, knowledge, or feedback that bears on our interests, values, goals, and
projects; seeking to understand not only the world external to self but also our inner world as well, so that we do not act out of self-blindness. When asked to account for the extraordinary transformation he achieved at General Electric, Jack Welch spoke of “self-confidence, candor, and an unflinching willingness to face reality, even when it’s painful,” which is the essence of living consciously.

The practice of self-acceptance: the willingness to own, experience, and take responsibility for our thoughts, feelings, and actions, without evasion, denial, or disowning—and also without self-repudiation; giving oneself permission to think one’s thoughts, experience one’s emotions, and look at one’s actions without necessarily liking, endorsing or condoning them. If we are self-accepting, we do not experience ourselves as always “on trial,” and what this leads to is non-defensiveness and willingness to hear critical feedback or different ideas without becoming hostile and adversarial.

The practice of self-responsibility: realizing that we are the authors of our choices and actions; that each one of us is responsible for our life and well-being and for the attainment of our goals; that if we need the cooperation of other people to achieve our goals, we must offer values in exchange; and that the question is not “Who’s to blame?” but always “What needs to be done?”

The practice of self-assertiveness: being authentic in our dealings with others; treating our values and persons with decent respect in social contexts; refusing to fake the reality of who we are or what we esteem in order to avoid someone’s disapproval; the willingness to stand up for ourselves and our ideas in appropriate ways in appropriate circumstances.

The practice of living purposefully: identifying our short-term and long-term goals or purposes and the actions needed to attain them, organizing behavior in the service of those goals, monitoring action to be sure we stay on track—and paying attention to outcome so as to recognize if and when we need to go back to the drawing-board.

The practice of personal integrity: living with congruence between what we know, what we profess, and what we do; telling the truth, honoring our commitments, exemplifying in action the values we profess to admire; dealing with others fairly and benevolently. When we betray our values, we betray our mind, and self-esteem is an inevitable casualty.

A Leader’s Self-Esteem

Leaders often do not recognize that “who they are” as people affects virtually every aspect of their organization. They do not appreciate the extent to which they are role models. Their smallest bits of behavior are noted and absorbed by those around them, not necessarily consciously, and reflected via those they influence throughout the entire organization. If a leader has unimpeachable integrity, a standard is set that others may feel drawn to follow. If a leader treats people with respect—associates, subordinates, customers, suppliers — that tends to translate into company culture.

The higher the self-esteem of the leader, the more likely it is that he or she can inspire the best in others. A mind that does not trust itself cannot inspire greatness in the minds of colleagues and subordinates. Neither can leaders inspire others if their primary need is to prove themselves right and others wrong. (Contrary to conventional wisdom, the problem of such insecure leaders is not that they have a big ego, but that they have a small one.)

If leaders wish to create a high self-esteem/high performance organization, the first step is to work on themselves: to work on raising their own level of consciousness, self-
responsibility, etc. They need to address the question: Do I exemplify in my behavior the traits I want to see in our people?

(Or am I like the parent who says, “Do as I say, not as I do?”) This principle, of course, applies not only to CEOs but to managers on every level.

This leads to the question: How does an individual work on his or her own self-esteem? I discuss this question at length in The Six Pillars of Self-Esteem, but here are a few suggestions.

**Working on One’s Own Self-Esteem**

The practices that cultivate and strengthen self-esteem are also expressions of self-esteem. The relationship is reciprocal. If I operate consciously, I grow in self-esteem; if I have a decent level of self-esteem, the impulse to operate consciously feels natural. If I operate self-responsibly, I strengthen self-esteem; if I have self-esteem, I tend to operate self-responsibly. If I integrate the six practices into my daily existence, I develop high self-esteem; if I enjoy high self-esteem, I tend to manifest the six practices in my daily activities.

If we want to learn to operate more consciously, we need to ask ourselves, What would I do (or do differently) if I brought five percent more consciousness to my dealings with other people? If I brought five percent more consciousness to, for example, implementing our mission, rethinking strategy, creating more outlets for individual creativity and innovativeness in our organization? What facts do I need to examine that I have avoided examining?

Or again, if I operated five percent more self-acceptingly, or self-responsibly, or self-assertively, or purposefully, or with greater integrity, what would I do differently? Am I willing to experiment with those behaviors now?

If I recognize that if I brought five percent more self-esteem to my dealings with people I would treat them more generously, why not do so now? If I know that with more self-esteem I would better protect my people, why not do so now? If I understand that with higher self-esteem I would face unpleasant facts more straightforwardly, why not choose to do so now?

When we do what we know is right, we build self-esteem. And when we betray that knowledge, we subvert self-esteem.

**Encouraging Self-Esteem in an Organization**

A few suggestions for leaders and managers who wish to encourage consciousness in their people:

Provide easy access not only to the information they need to do their job, but also about the wider context in which they work—the goals and progress of the organization—so they can understand how their activities relate to the organization’s overall mission and agenda.

Offer opportunities for continuous learning and upgrading of skills. Send out the signal in as many ways as possible that yours is a learning organization.

If someone does superior work or makes an excellent decision, invite him or her to explore how and why it happened. Do not limit yourself simply to praise. By asking appropriate questions, help raise the person’s consciousness about what made the achievement possible, and thereby increase the likelihood that others like it will occur in the future. If someone does unacceptable work or makes a bad decision, practice the same principle. Do not limit yourself to corrective feedback. Invite an exploration of
what made error possible, thus raising the level of consciousness and minimizing the likelihood of a repetition.

Avoid overdirecting, overobserving, and overreporting. Excessive managing (“micromanaging”) is the enemy of autonomy and creativity.

Plan and budget appropriately for innovation. Do not ask for people’s innovative best and then announce there is no money (or other resources) because the danger is that creative enthusiasm (expanded consciousness) will dry up and be replaced by demoralization (shrunken consciousness).

Stretch your people. Assign tasks and projects slightly beyond their known capabilities. Keep handing responsibility down.

For encouraging self-acceptance:

When you talk with your people, be present to the experience. Make eye contact, listen actively, offer appropriate feedback, give the speaker the experience of being heard and accepted.

Regardless of who you are talking to, maintain a tone of respect. Do not permit yourself a condescending, superior, sarcastic, or blaming tone.

Keep encounters regarding work task-centered, not ego-centered. Never permit a dispute to deteriorate into a conflict of personalities. The focus needs to be on reality—"What is the situation?" “What does the work require?” “What needs to be done?”

Describe undesirable behavior without blaming. Let someone know if his or her behavior is unacceptable: point out its consequences, communicate the kind of behavior you want instead, and omit character assassination.

Let your people see that you talk honestly about your feelings: if you are hurt or angry or offended, say so straightforwardly with dignity (and give everyone a lesson in the strength of self-acceptance).

For encouraging self-responsibility:

Communicate that self-responsibility is expected and create opportunities for it. Give your people space to take the initiative, volunteer ideas, and expand—their range.

Set clear and unequivocal performance standards. Let people understand your nonnegotiable expectations regarding the quality of work.

Elicit from people their understanding of what they are accountable for, so as to assure that their understanding and yours is the same. Elicit a clear statement of what precisely they are committed to being responsible for.

Publicize and celebrate unusual instances of self-responsibility.[2]

For encouraging self-assertiveness:

Teach that errors and mistakes are opportunities for learning. “What can you learn from what happened?” is a question that builds self-esteem, encourages self-assertiveness, expands consciousness, and promotes not repeating mistakes.

Let your people see that it’s safe to make mistakes or say “I don’t know, but I will find out.” To evoke fear of error or ignorance is to invite deception, inhibition, and an end to self-assertive creativity.

Let your people see that it’s safe to disagree with you: convey respect for differences of opinion and do not punish dissent.
Work at changing aspects of the organization’s culture that undermine self-assertiveness (and self-esteem). Traditional procedures, originating in an older model of management, may stifle not only self-esteem but also any creativity or innovation (such as requiring that all significant decisions by passed up the chain of command, thus leaving those close to the action disempowered and paralyzed).

Find out what the central interests of your people are and, whenever possible, match tasks and objectives with individual dispositions. Give people an opportunity to do what they enjoy most and do best; build on people’s strengths.

For encouraging purposefulness:

Ask your people what they would need in order to feel more in control of their work and, if possible, give it to them. If you want to promote autonomy, excitement, and a strong commitment to goals, empower, empower, empower.

Give your people the resources, information, and authority to do what you have asked them to do. Remember that there can be no responsibility without power, and nothing can so undermine purposefulness as assigning the first without giving the second.

Help your people to understand how their work relates to the overall mission of the organization, so that they always operate with a grasp of the wider context. In the absence of this grasp of context, it is difficult to sustain purposefulness.

Encourage everyone to keep measuring results against stated goals and objectives – and disseminate this information widely.

For encouraging integrity:

Exemplify that which you wish to see in others. Tell the truth. Keep promises. Honor commitments. Let there be perceived congruence between what you profess and what you do. And not just with insiders but with everyone you deal with—suppliers, customers, etc.

If you make a mistake in your dealings with someone, are unfair or short-tempered, admit it and apologize. Do not imagine (like some autocratic parent) that it would demean your dignity or position to admit taking an action you regret.

Invite your people to give you feedback on the kind of boss you are. (Remember that you are the kind of manager your people say you are.) Let your people see that you honestly want to know how you affect them, and that you are open to learning and self-correction. Set an example of nondefensiveness.

Convey in every way possible that your commitment is to operate as a thoroughly moral company, and look for opportunities to reward and publicize unusual instances of ethical behavior in your people.

The Bottom Line

In conclusion I will quote my friend and colleague, Warren Bennis, who made an observation that goes to the heart of the matter:

“About any behavior that is thought to be desirable by an organization, it’s useful to ask: Is this behavior rewarded, punished, or ignored? The answer to this question tells you what an organization really cares about, not what it says it cares about.”

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Notes

