Section I
Business
Jon and KayAnn described their first experience in meeting Jim Madden, the CEO of AmTour, Inc., as something that had come straight out of a manual for how to build a positive relationship between a franchisor and franchisees. Jon and KayAnn were aspiring entrepreneurs and AmTour, Inc. seemed like the opportunity of a lifetime. Give up everything that you have financially, sign a multi-year contract, and off you go. Like so many franchisees before them, they were drawn by the opportunity to chase the dream of owning a business and franchising seemed so attractive. AmTour’s professional marketing program offered just what they needed to attract clients and Jon and KayAnn were promised the independence that they desired to run the franchise as they saw fit. After hearing Jim Madden’s initial sales pitch and meeting some of AmTour’s key staff and successful franchisees, Jon and KayAnn were raring to go.

Many years later as I sat with Jon and KayAnn recounting the details of their former affiliation with AmTour, Inc., Jon recalled being hyperenergized by what he and KayAnn had experienced in their first year as franchise owners. He spoke openly about what the first convention had meant to him. It was all about hearing how other franchisees had successfully built million dollar enterprises and meeting newcomers like he and KayAnn. In the opening
ceremony, Jon vividly recalled a popular post-grunge song from the late 1990s blasting in the background as one after another photo of happy franchise owners flashed before them. Jon said, “For whatever reason, I deeply connected to the lyrics of that song as I saw all of those happy faces. The entire experience seemed too good to be true. In that brief moment, I became fixated by the thought that we would be next! That thought never left me in our first year with AmTour, Inc. I truly felt like I was a part of something bigger than myself.”

“At the end of its first year of operation, our franchise was celebrated as one of the most successful newcomers in the entire AmTour, Inc. franchise system.” Jon added, “The night of the awards ceremony was one of the proudest moments of my life. When we returned home following that meeting, I remember being pumped to contribute, motivated to perform, and happy that we had become part of what CEO Jim Madden liked to commonly refer to as ‘The AmTour Family’. The company was growing by leaps and bounds with vendors from all over the world who were rapidly becoming a part of the system. It just seemed that we could do no wrong, but the months that followed would begin to tell something more about ‘the family’.”

When I asked Jon to tell me a bit more, he paused to collect his thoughts. He continued, “Several years later, the whole experience is still so real. My wife and I had absolutely poured our souls into creating what we did over that prior year. Neither of us had ever worked that hard. It was so difficult, but so rewarding and something that you could never, never forget. With rare exception, we loved our clients and our clients loved us. I can truly say that. We took care of each other. Some were more collaborative than others, but we always tried to at least be collegial. In the end, some things worked better than others, but that experience left such a deep impression on me about the importance of relationships — not just having them, but how we approach them.” [Jon paused to reflect]

“If there was ever an element of family buried within AmTour, Inc., it was expressed between the franchise owner and their clients. As I think about it, I could also say the same thing about the vendors with whom we worked the most. We fully supported each other and enjoyed what we were constantly attempting to create on behalf of our growing list of clients. If something went wrong, we corrected it while trusting each other in the process. I was always grateful for those jobs because our relationships with vendors were also tied to relationships that we had built over time with our clients. We protected those relationships by constantly delivering on what we had promised. Early on, we had to scramble to get potential customers to trust us with their work. As that trust grew,
the collaboration ensued and clients began giving us bigger and bigger jobs as they also referred us to people that they knew. Our franchise benefited greatly through word of mouth. The best relationships that we developed with vendors and clients became more than a collaboration; they were cohesive.” [Jon paused]

“I will never forget one job that we were doing for an association which represented an internationally renowned list of clients. Two days before this huge event for which they had entrusted an incredible amount of work to our franchise, the vendor with whom we had been doing more and more jobs delivered a final product to us that did not exactly come out as we had planned. Frantically, I called the vendor, described the problem, and told them that I needed this huge job to be reproduced and redelivered overnight. If we failed this one, we were toast with this client and in our business community because everything that we were doing for them was so tightly interconnected! Instead of pointing fingers at each other, they immediately swung into action and we pulled that event off without a hitch. Everyone raved about what we had produced. As we heard the raves, I stopped to ask myself what the result may have been if we had resorted to ranting about ‘who did what’ wrong. What we had pulled off was nearly impossible to do, but the importance of the relationship between our franchise and the vendor made it happen. As a result of that job, the client loved our franchise even more and we established an even deeper bond with the vendor and in our business community. What’s wrong with that picture? Nothing. Without the ability to dialogue with vendors and clients about problems that we all occasionally faced, our best relationships and our best work never would have surfaced. It is really amazing when you stop to consider just how much dialogue matters to relationships. It demanded a different mindset than you typically see in business. That thought has never left me.”

Jon continued, “What I just described is a far cry from what we experienced with Jim Madden and company. With all due respect, the AmTour staff were almost always courteous to us when we called to make occasional requests for marketing and other materials to help with the promotion of our franchise, but those calls were never based on something that I would describe as collaborative or cohesive. Those conversations were more about being collegial with one another; checking off boxes in a daily routine. Contrast that courtesy with one of the most tell-all times that we experienced with AmTour, Inc. One day about a year into our franchise, a senior administrator of AmTour, Inc. announced that they were planning to switch out accounting systems. That idea seemed innocent enough, but how AmTour carried out that process told so much of what we and other franchisees, vendors, and clients who were a part of the AmTour system would begin to learn about
how “the family” really operated. In two months, AmTour was going to pull the plug on their existing accounting system that controlled virtually everything related to franchisees, vendors, customer accounts, you name it, and turn on a new system. When a group of franchise owners inquired what that meant for franchisees, we were all simply told not to worry. After all, everything had been carefully planned out by corporate (unfortunately without any input from franchise owners, vendors, or clients). The processing system for all orders, invoices, and payments for more than 200 franchisees and literally thousands of vendors and clients would be down for a maximum of 24 hours, and on the following day, voilà!, the whole system would move forward (or so we were told).”

“What we did not know at the time was no parallel testing with the current system had been performed prior to this switchover that controlled the entire system. Again, we are talking about hundreds of franchisees and vendors and thousands of clients ranging from small mom and pop shop clients to massive, global organizations. We were all being told that some grand plan was in place. Yet, 48 hours after the old accounting system had been switched off, we were told they had discovered ‘a small glitch’ in the new system. In reality, the new system was not working. Once again, however, we were told that everything was under control. ‘No problem’, said Jim Madden and literally everyone with whom you were allowed to speak about the matter at corporate HQ. Give it a couple of days and everything will be just fine. Literally six weeks after this switchover occurred, dismayed franchise owners began to pressure CEO Madden for answers. Madden finally admitted that the problem had been a bit larger than AmTour had initially imagined. The problem with that six week period is that all franchisee accounts were down across the entire system, clients who had already paid their outstanding invoices weeks ago were increasingly upset by the overdue notices that they were being sent regarding ‘unpaid bills’, and vendors began calling franchisees wondering when they were going to be paid for work that had already been performed. During this same six week period, franchise owners were not being paid for completed jobs while senior administrators to include CEO Jim and all other corporate employees at AmTour’s HQ miraculously never missed a beat with their own paychecks. To be frank, the entire system was in survival mode and no one at AmTour’s HQ seemed to be truly concerned about it. In the meantime, our bills did not stop coming. It took them another two months to correct the error and we were left holding the bag. It made you wonder if these people really knew what they were doing and, yet, you suddenly realized just how much control that they had over your client’s money, your vendor’s money, and your own money. That doesn’t even include the time that we had invested
in establishing and maintaining all of our client and vendor relationships. What was important to us just seemed so unimportant to AmTour, Inc. and yet we had totally bought into this idea that we were part of this big happy family. What a mess!"

“We had sacrificed everything that we had to be a part of that system. Our dreams and hard work were wrapped up in a system which had been reduced to little more than a contractual arrangement that was increasingly difficult to support or imagine. The more that we examined the series of events that had occurred, the more that we and other franchise owners felt like we had all become part of a system that was closed, one-sided, and uninterested in receiving feedback from the rest of the system. After nearly being bankrupted emotionally and financially three months into that mind-numbing process, we finally cashed in our remaining chips and moved on.”

Scholarly Commentary

… Reality is made up of circles but we see straight lines. Herein lies the beginnings of our limitation … What we see depends on what we are prepared to see … we need a language of interrelationships …. (p. 73)

… Hierarchy is antithetical to dialogue … If one person is used to having his view prevail because he is the most senior person, then that privilege must be surrendered … If one person is used to withholding his views because he is more junior, then that security of nondisclosure must also be surrendered …. (p. 288) (Peter M. Senge, The Fifth Discipline)

Leadership and followership are often viewed through a hierarchical lens in which leaders are superior and followers are inferior due to the respective professional roles played by each in the hierarchy. In stark contrast to this understanding, Burns (1978) suggests that leadership is relational, collective, and purposeful and acts toward goals that represent the values and motivations of leaders and followers alike (pp. 18–19). Burns also notes that leaders who attempt to control things do so out of an act of power, not leadership (p. 18). In retrospect, AmTour, Inc. could have learned a thing or two from Burns’ suggestions.

Stemming from lessons learned from this case, the author defines leadership as a socially co-constructed and emergent process through which people in their respective roles individually, relationally, and collectively lead and follow other people through recurrent intra-agency and inter-agency interactions in the dynamic
and purposeful pursuit of intertwining organizational goals and initiatives. As described in prior research, leadership is not about individuals; it is an expressed relationship between individuals (Hollander, 1992; Howell & Shamir, 2005; Shamir & Eilam, 2005). Leadership is not limited to formal relationships in an organizational hierarchy (Meindl, 1995; Schein, 2015); nor, as a relational (Uhl-Bien, 2006) or collective (Barnes & Kriger, 1987) reality, is it confined to a single organization. Leadership potentially extends to those with whom an organization has interdependencies (Adner, 2012; Edmondson, 2012; Hosking, 2007) such as suppliers, consumers, and others who in some way impact, or are affected by, an organization’s activities. The intra-agency and inter-agency interdependencies of AmTour, Inc. perfectly illustrate these points (see Figure 1). The intra-agency and inter-agency dynamics of AmTour, Inc. include the hierarchy of its senior leaders, middle managers, and non-managerial staff, as well as the non-hierarchical relationships between hundreds of franchisees, a global network of vendors, and a countless list of clients who collectively comprise the various interdependencies of the AmTour franchising system.

As noted in Figure 2, four socially co-constructed patterns emerge from this interdependent framework which relate to the coordinated efforts and collective actions of the respective agencies and their constituents in the pursuit of intertwining goals and initiatives.

The coordinated efforts and collective actions of the four socially co-constructed patterns are respectively referred to as a people orientation and a process orientation. The people orientation refers to the coordination of individual, relational, and collective efforts and the process orientation refers to the collective actions of the respective agencies and their constituents in the individual, relational, and collective pursuit of intertwining goals and initiatives. The four socially co-constructed patterns include (a) a contractual orientation in which minimal to moderate emphasis is directed toward people and processes; (b) a collegial orientation in which minimal to moderate emphasis is directed toward people and moderate to maximal emphasis is directed toward processes; (c) a collaborative orientation in which moderate to maximal emphasis is directed toward people and minimal to moderate emphasis is directed toward processes; and (d) a cohesive orientation in which moderate to maximal emphasis is directed toward people and processes.

At any given time, all four socially co-constructed patterns are assumed to be present as represented by the coordinated efforts and collective actions of the respective agencies and their constituents. As described, not all socially co-constructed patterns in the model may have the same needs, for example, some organizational
Figure 1. Graphical Representation of Intra-Agency and Inter-Agency Interdependencies within a Global Franchising System.
initiatives may be more interdependent (Marchington & Vincent, 2004) and therefore more contingent upon rapport building and long-term considerations (Collins, 2001; Rogers, 1995), while others may be one-off dependencies in which a contractual or collegial orientation may seem more practical given the additional organizational resources that may be necessary for more collaborative (Bradbury-Huang, Lichtenstein, Carroll, & Senge, 2010; Isaacs, 1993) and cohesive orientations. Independent of these limitations, all agencies can potentially benefit from the model’s considerations.

As also noted in Figure 2, each modeled orientation is further represented by an emergent mindset from which each socially co-constructed pattern of people and process dynamically flows. EACH emergent mindset is representative of either a hierarchical mindset or a dialogical mindset. A hierarchical mindset is symbolic of an either/or orientation (DeRue, 2011) for each socially co-constructed pattern, whereas a dialogical mindset is representative of a both/and orientation (Wheatley, 2006) for each socially co-constructed pattern. A hierarchical mindset is characteristic of a contractual or a collegial orientation, whereas a dialogical mindset is representative of a collaborative or a cohesive orientation. A hierarchical mindset is an individual (self), relational (e.g., dyadic), or collective (e.g., team or organizational) approach which leaders use to exercise authority and control over followers in the pursuit of inter-agency and intra-agency organizational goals and initiatives. In direct contrast, a dialogical mindset is an individual (self), relational (e.g., dyadic), or collective (e.g., team or organizational) approach which people use to lead and follow other

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Figure 2. Emergent Mindset (Hierarchical-Dialogical) from which Each Socially Co-constructed Pattern Dynamically Flows.
people in the pursuit of goals and initiatives. As proposed, each socially co-constructed pattern (SCP) of leading and following can be represented by the following formula:

\[ SCP = \text{people orientation} + \text{process orientation} + \text{emergent mindset} \]

**Conclusion**

In the pursuit of intertwining goals and initiatives, any socially co-constructed pattern of leadership or followership has the potential capacity from which to benefit or be hindered by the coordinated efforts, collective actions, and emergent mindsets of an agency and its constituents. Each coordinated effort, collective action, and emergent mindset begins with individuals in their respective roles as part of relational and collective groups. In the changing world in which we now live, socially co-constructing a new mindset often means shifting between members of a particular group as new teams evolve and different relational and collective mindsets emerge. Socially co-constructed mindsets are also dependent upon the fluidity and longevity of agency and constituent relationships; as well as past efforts, actions, and mindsets which further influence relationships within and between agency groups. These dynamics were all a part of AmTour, Inc., an agency which fully illustrates the emerging potential of individual, relational, and collective mindsets. Actively contributing to a family — as AmTour’s CEO loved to refer to those who collectively comprised the inter-agency and intra-agency parts of the AmTour system — can be complicated; however, the outcomes that emerge from the inner dealings of those who contribute may benefit by first pausing to consider the deeper meaning behind the word — “family”.

**DISCUSSION QUESTIONS**

1. Which of the socially co-constructed orientations mentioned in this case do you believe are more important to an organization in conducting its daily business? Do some businesses require more collaborative and cohesive orientations or does one size fit all? What information from the AmTour case can you use to support your response?

(continued)
2. As described in the AmTour case, are intra-agency or interagency interdependencies more important for a particular organization to pursue? Do you believe that these interdependencies benefit or harm organizations? How might social media be used to support your belief?

3. The AmTour case differentiates between individual, relational, and collective mindsets. Which of the mindsets do you believe has the greatest potential for impacting an organization? Explain your response.

4. Write an essay in which you describe leadership and followership that you have experienced in a professional setting. Who was involved? How would you describe the relationships between the various organizational members? Using the model developed in this case, how would you assess the relationships between people and processes in the organization? Into which category(ies) of the model would you place each relationship? Do you believe that each relationship benefitted or hindered the organization? If you were to change anything about each relationship, what would it be and why? Please describe.

References


