Authentic Leadership and the Leadership Paradox

The Balancing Act of Leading a Small Business

This case was written by Professor Amanda Bullough and her graduate student, Aynsley Dunham, at the University of Delaware. It is intended to be used as the basis of class discussion rather than to illustrate either effective or ineffective handling of a management situation. The case was compiled from published sources and interviews with the business leader.

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Abstract

This case examines the issues faced by Georgia Wilkins,[1] a small business owner who co-owns an advertising firm with her husband. Issues discussed include how Georgia created the culture in her business, the tension between being an owner and boss versus a teammate and friend to her staff, and the difficulties she faced due to being in business with her spouse. The solutions Georgia found are presented for students to review and discuss.

Learning Outcomes

By the end of this case, students should:

- Appreciate the challenges faced by small business owners in developing a desirable company culture.
- Understand the difficulty of balancing being both a boss and a friend and the additional and unique gender-specific challenges associated with this.
- Be able to identify strategies for authentic leadership and tackle the leadership paradox presented in this case.
- Recognize teams-based and participative leadership, mentoring, and effective communication as essential components of leadership.
- Realize the importance of diversifying a client base, industry base, and the goods and services offered.

Leaving the Corporate World

Georgia Wilkins had never wanted to own her own business. Before Valbaney Advertising was founded, Georgia spent 15 years cultivating a successful career in financial services. Although she enjoyed it, her career had never been the focus of her life; instead, she firmly believed in work-life balance and did not tie herself to her career. Georgia did not want her career to be her identity as it would have been if she was an entrepreneur, and corporate life allowed her that freedom. It also offered other benefits that Georgia valued.

For Georgia, working in financial services meant working in well-established corporations with established cultures. As finance is a male-dominated field, Georgia found that women tended to support one another and that there was a sense of camaraderie between them.

[1] The personal and business names in this case are fictitious. This case was compiled from published sources and interviews with a real business leader. The story and circumstances are true and wholly appropriate for learning. Because of the personal nature of the story in this case, the leader on which this case is based asked for anonymity after reading the draft. She is comfortable with her story being used, so long as her name, her husband's name, and her company name are unidentifiable.

(Chandler, 2020) This camaraderie became very important to her. One of her best experiences was with a female boss who mentored her on how to succeed in business. This woman taught Georgia to manage her emotions at work to be strong and assertive without being viewed as aggressive or nasty, which are negative traits often ascribed to assertive women. (Amanatullah & Tinsey, 2013) She also allowed Georgia to develop her portfolio as she saw fit and allowed her to become the businesswoman she wanted to be. Georgia sincerely appreciated the established culture and hierarchy's support, especially with the freedom she was given to grow and develop in her role as she wanted. This culture greatly impacted Georgia and is one of the things she missed about leaving the corporate world to open her own business.

With Valbaney established, Georgia found herself facing several quandaries. First, she had to determine if she could bring the supportive culture she so enjoyed from corporate America to their new business and, if so, how. Next, Georgia had to balance her desire to nurture her employees, as her former boss had done for her, and being their superior. She saw her employees as her teammates and wanted to be able to support them. Still, she often became too emotionally invested and lost the objectivity needed to manage them effectively.

Becoming an Entrepreneur

Georgia and her husband, Samson Valbank, founded Valbaney Communications in 1998. Her husband had just sold a prior business and wanted to return to working in advertising. Knowing that Georgia had skills in business development and business operations, Samson asked Georgia to leave the financial sector to help establish Valbaney.

Georgia enjoyed corporate life but ultimately decided it made sense for her to take a break from financial work to help with Valbaney. She knew her business skills would be extremely helpful in ensuring the company succeeded. Her husband was focused more on the creative side of advertising, whereas she was skilled at day-to-day operations. More importantly, they had a young son whom Georgia wanted to be available as a parent. She knew the time and effort that went into maintaining a financial portfolio at a bank and that she would have to leave her son with nannies or babysitters if she wanted to maintain her finance career. As that was not an option for Georgia, she decided to leave the financial sector for a few years until their son was older and Valbaney was established, at which time she would return to the career she so enjoyed.

That time never came. Although she had not intended to become an entrepreneur, Georgia could never find the right time to leave Valbaney behind; the business was as much hers as it was her husband's. So instead, Georgia and her husband have continued to run Valbaney together and have turned it into the successful advertising agency it is today.

Struggles with Leadership

When Valbaney opened its doors, Georgia felt the lack of structure she had relied on in her prior work. Now, her decisions could make or break the company, and her actions and reactions at work would set the tone for the company culture amongst her employees. She felt somewhat exposed because everything she did now reflected on the company and her position as an owner. However, that also meant that she knew she could make things happen if she led by doing and let her actions speak for themselves, so she took steps to build the company culture she desired.

The first step to creating the business culture Georgia wanted was to find the right people to staff the company. It was vital for her to support women where she could, but she would not do so at the expense of the company's success: If a woman were not qualified for a job, she would not be
hired. But to the greatest extent possible, Georgia hired women qualified to fill roles in the company to begin recreating the culture she had enjoyed while working for corporations.

The second step to creating the culture Georgia wanted was to show her employees that they were a team and that she considered them her peers as much as her employees. She wanted them to feel they could approach her and tell her anything. She wanted to be able to mentor them, as her former boss had done for her. She thought she had succeeded until two business associates told her differently.

The first came from an employee conversation when a 12-year employee resigned. Upon his resignation, he stated that Georgia and Samson were "too emotional" and did not like that about them. At first, this surprised Georgia, as she always tried to project a sense of strength to inspire employees (even if she did not feel it inside herself) and to prevent herself from showing strong emotions so she would be seen as capable. That was, after all, what her mentor in the corporate world had taught her. But then she remembered conversations with her husband over the years about how she became too emotionally invested in her employees. In her efforts to guide them, she constantly found herself becoming emotionally concerned for them, losing the necessary objectivity to really help them. So, Georgia realized there was something to her former employee's observation after all.

The following conversation came from a woman they contracted with who said that because Georgia was the boss, there would always be things the employees did not share with her. This, too, took Georgia by surprise; after all, she had tried her best to make her employees feel comfortable sharing issues with her. But as the woman told her things she had heard around the office and Georgia had not, she began to think. She wondered if this woman had tried to start divisions in her company or if perhaps Georgia did not want to believe it possible she had failed in creating the environment she wanted. More conversations with her husband over the

years came to mind, where they debated whether it was right of her to consider herself as part of the team, working alongside her employees, rather than as their boss. Her husband and the contractor had agreed that there was an inherent difference between being a part of the team and being the team's boss—something that Georgia did not want.

The conversations shook Georgia. It was becoming apparent that sometimes, her best was not enough to fulfill the role of Georgia Wilkins, owner of Valbaney. She also clearly saw leadership differently from her husband or the contractor. To Georgia, their employees were her teammates: They were equals who worked together to solve issues and to do a good job. However, Samson saw their employees as subordinates who carried out his tasks. What did this mean for her? What did it mean for Valbaney? How could Georgia address these issues?

Economic Troubles

Unfortunately, building a company culture and trying to balance being a boss and coworker were not the only issues Georgia faced: The economic recession in 2008 highlighted additional problems she needed to address. Specifically, it demonstrated the problem with clients in one primary business field and the potential problems with both partners relying on the same business for income.

From its founding, most of Valbaney's customers were in the real estate sector. Samson had many ties to real estate and had developed much of their client base from his existing business relationships. These relationships had been essential to getting Valbaney off the ground. Still, it left the company vulnerable throughout the real estate crisis in 2008 that caused the Great Recession, which took the U.S. approximately ten years to recover from. As a result, Valbaney lost business, and many clients did not pay them for services rendered. This sudden lack of income left the company struggling to pay its bills, and for a time, bankruptcy was considered.

Ultimately, the couple decided they did not want to file for bankruptcy and instead decided to keep the company afloat by using their savings. Though they succeeded and were able to turn things around as the economy recovered, it was a tough time for the family. The lack of income and savings meant they could barely afford groceries and, ultimately, had to short-sell their home. The couple made significant sacrifices to keep Valbaney afloat and became painfully aware of two things: First, that their relatively homogeneous customer base was a significant liability to the company's continued success in the event of another crash, and second, that their shared reliance on the company for the family's income was potentially disastrous.

References

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