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Your Company's History as a Leadership Tool

by John T. Seaman Jr. and George David Smith

“There’s no need to dwell on the past; what matters is the future.” As business historians who consult frequently to companies, we hear some version of this sentiment all the time from executives. When the history of an organization does come up, it’s usually in connection with an anniversary—just part of the “balloons and fireworks,” as one business leader we know characterized his company’s bicentennial celebration (knowing that the investment of time and money would have little staying power). This is not to say that celebrations are unimportant, and we sympathize with managers’ day-to-day need to focus on the steps ahead. A fast-changing world leaves little time for nostalgia and irrelevant details—or, worse, strategies for winning the last war.

We also know, however, that leaders with no patience for history are missing a vital truth: A sophisticated understanding of the past is one of the most powerful tools we have for shaping the future. Consider how Kraft Foods managed its 2010 integration of the British confectioner Cadbury. Cadbury’s management had mounted fierce resistance to the acquisition, and many of its 45,000 employees feared the loss of their values and an end to the product quality for which the company was known. As the clash of cultures was picked up by the business press, many observers predicted that this would prove to be yet another value-destroying deal, a nightmare of postmerger failure to integrate.

To help smooth the process, senior executives turned to Kraft’s long-established archives. Company archivists quickly launched an intranet site, titled “Coming Together,” that honored the parallel paths Kraft and Cadbury had taken. Poring over historical materials, they had found much evidence of shared values, and the presentation reinforced those common themes. For instance, the founders, James L. Kraft and John Cadbury, were both religious men whose faith had deeply influenced their business dealings. Both had demonstrated a commitment to creating quality products for their customers. Both valued their employees at a time when workers were often seen as a commodity, and both believed in giving back to their communities. In addition to the founders’ stories, the intranet site included interactive time lines, iconic advertising images, brief documentary videos, and dozens of detailed histories of brands such as Oreo cookies, Maxwell House coffee, Ritz crackers, and now Cadbury chocolate and Halls candies—all designed to show how leading Kraft and Cadbury brands had come to sit side by side on grocers’ shelves. The ultimate illustration, titled “Growing Together,” traced Kraft’s previous mergers as well as the one with Cadbury. Its clever road map motif implied continued forward motion as a stronger, united company. The same narrative took hold in other communications, from CEO speeches to press releases, and in employee training sessions. Kraft ended up integrating Cadbury more smoothly than any of its previous acquisitions.

That very deliberate use of the company histories to ease anxiety was masterly, but the story only begins to explain how a company can utilize its past. The job of leaders, most would agree, is to inspire collective efforts and devise smart strategies for the future. History can be profitably employed on both fronts. As a leader strives to get people working together productively, communicating the history of the enterprise can instill a sense of identity and purpose and suggest the goals that will resonate. In its most familiar form, as a narrative about the past, history is a rich explanatory tool with which executives can make a case for change and motivate people to overcome challenges. Taken to a higher level, it also serves as a potent problem-solving tool, one that offers pragmatic insights, valid generalizations, and meaningful perspectives—a way through management fads and the noise of the moment to what really matters. For a leader, then, the challenge is to find in an organization’s history its *usable* past.

Recalling History to Unite and Inspire People

Kraft’s decision to invoke the past to pull people together may have been intuitive, but its success is consistent with a finding of many scholars: A shared history is a large part of what binds individuals into a community and imbues a group with a distinct identity. A history with a narrative thread also helps people understand what is happening around them. “The present,” according to the historian and philosopher David Carr, “gets its sense from the background of comparable events to which it belongs....Discovering or rediscovering the story, picking up the thread, reminding ourselves where we stand, where we have been and where we are going—these are as important for groups as for individuals.” Knowing the history of a group to which we belong, in other words, can help us see events, and ourselves, as part of a still unfolding story and of something larger than ourselves.

One use of organizational history, then, is simply to remind people "who we are." The bond is so strong in groups that historical anecdotes making the rounds can come to constitute a truthful mythology, with or without the sanction of a group's leaders. Companies young and old have their creation myths and cautionary tales—typically stories about entrepreneurs and risk takers, about triumph over adversity, about perseverance and sometimes just survival. Ask someone at General Mills, for example, about the cultural values of the place, and you are likely to hear the story of the 1878 explosion that destroyed its largest flour mill. In the aftermath of that disaster, the company's founder developed a far safer technique for milling flour—and then, rather than patent it, gave it away to all his competitors. Why does the story get repeated? Because it says something positive about values that people want to preserve.

Once leaders recognize this basic truth about how history shapes culture, the importance of learning lessons from the past becomes clear. The senior partners at McKinsey & Company know this well. In our work researching and writing the histories of scores of companies over the years, we've encountered few that pay as much attention to their history. As McKinsey's global managing director, Dominic Barton, told us, "We believe it is essential for every one of our partners and colleagues to understand our history and how our values were shaped over time. Although the context today is radically different from what it was 20, 40, or 80 years ago, we can still draw lessons from understanding how previous generations of partners confronted challenges and opportunities and responded to them." Indeed, when McKinsey—having grown from a small, relatively informal "self-governing partnership" into a global network of thousands of consultants—embarked in the late 1990s on major governance reforms, a task force of senior partners studied organizations of all kinds. But the partners knew it wasn't enough to look at outside examples of best practice: Their governance issues had arisen in the context of unique intellectual standards and ethical values that had consistently served the firm well. So they also paid careful attention to their own history and then crafted a more formal governance structure that would distribute authority widely while retaining tight control over the firm's culture.

For other companies, history can be instrumental in transforming cultures that are no longer useful. Cultural change, we know, can be extremely difficult for people to embrace. At the group level as at the individual level, they often react to calls for change not just as prods that may take them outside their comfort zone, but also as attacks on their individual security and self-worth. Of all the competencies required of a great leader, change management is arguably the hardest to develop. One way to develop it is to look beyond today's often repeated stories to discover other, long-forgotten ones. That is what executives at UPS did in the late 1990s, when they realized that the company's decades-old growth model had nearly run its course, and large-scale innovation would be required.

With experiments in promising offshoots of the business, such as third-party logistics services, beginning to take off, UPS needed its people to move beyond their traditional focus on operational efficiency. It wasn't enough for leaders to explain the need to venture into new business areas; they had to instill in their employees the confidence to move boldly. So they started talking about their past in a new way. They pointed to the many moments of transformation in UPS's long history: its shift from bicycle deliveries to trucks, its move into air freight with the creation of its own cargo airline (which quickly became the world's second largest), and its introduction of web-based package tracking. The point was to teach a company accustomed to the routines of industrial engineering that it had been innovative all along—and that the two were not incompatible. "Yes, it's new and it's different and it's tough and it's a change," then-CEO Jim Kelly liked to tell employees. "But that's OK. We've done that successfully for many years."

The UPS story reminds us of the words of a great historian, Carl Becker. "The past," he said, "is a kind of screen upon which we project our vision of the future." Even when no clear picture of the future can be discerned in the past, leaders can use their histories to explain how the organization has arrived at a critical need for change through no fault of current management or employees, and why the sometimes painful steps that follow are necessary in a larger process of change and adaptation.

Revising History at IBM

When informed observers of modern business history think of IBM, they see a once-great company that on the brink of failure revived its fortunes by sharply breaking from its past. Yet to do so, company leaders had to understand just how IBM's history could help in making the transition.

When Louis V. Gerstner Jr. was recruited to lead IBM, in 1993, he was the first outsider to serve as CEO of an institution long populated by career executives and employees. He had no prior experience in the computing industry. But he did have an excellent track record as a leader, and there was little time to waste: After decades of prosperity, IBM had just recorded a multibillion-dollar annual loss and was hemorrhaging cash. Gerstner famously told a press gathering a few months after his arrival, "There's been a lot of speculation as to when I'm going to deliver a vision of IBM [but] the last thing IBM needs right now is a vision." The task at hand, he said, was to make some tough-minded decisions to get various business units competing more effectively, and fast.

No time for vision, perhaps, but time enough for perspective. Whether or not he thought of himself—or his employees saw him—as mindful of IBM's history, Gerstner became a quick study in the salient facts about its traditions and culture. In his 370-page account of his tenure, he uses the words "history" and "tradition" or their derivatives 40 times, and "culture" some 130 times. "Tradition" usually implies just how much IBM had become a prisoner of collective path-dependent behavior that kept the company from adapting to new market dynamics. Gerstner learned that a whole generation of IBM managers had grown up with the captivating story of the IBM 360, the great integrated computing system (and arguably the world's most important product launch since the Model T Ford). The outcome of a bet-the-company investment in mainframe computer technology in the early 1960s, the 360 had sustained IBM's industry leadership for nearly three decades. But in the process the company had become wed mainly to the hardware sector, which by the 1990s was mature and commoditized. Moreover, a long, drawn-out antitrust suit had diminished management's competitive drive.

But the larger history of IBM was more than the story of a leadership position lost. It was a lesson in the organizational values that underpinned past successes—values that could help the company triumph again in a fast-moving, high-tech world in which computing, information systems, and telecommunications were inextricably intertwined. Whether in the era of mechanical tabulating machines or of punch-card coded computers or of electronic mainframe systems, IBM had always been about meeting new market demand through radical product innovations. One thing was constant: the focus on customer needs and customer service. After all, the first two CEOs, Thomas Watson and son, had started as highly market-savvy salespeople.

That simple insight served Gerstner well as he steered IBM into the more profitable fields of software (mostly middleware) development and consulting. Because he introduced dramatic changes to IBM's organization and management, cut costs, and laid off people (and then hired new people with new skills and backgrounds), he was seen by veteran employees as departing from a time-honored social compact at IBM: the implied promise of lifelong employment. But he was simultaneously restoring a customer orientation that had weakened over the years. Steadily he began to right the ship. From 1993 through 2001 IBM's net income soared from negative $8.1 billion to $7.7 billion, while cash flow more than doubled and market capitalization increased 10-fold. It was one of the most dramatic corporate turnarounds in history.

In 2002, as the dust settled, Samuel J. Palmisano succeeded Gerstner, bringing the more familiar, comforting persona of one who had grown up at IBM. A history major in college, he ventured into the company's well-organized archives soon after becoming CEO to see what he might learn. There he found speeches and memos from Thomas Watson Sr. to supplement what he remembered from his monthly lunches with Thomas Watson Jr. more than 12 years earlier. Palmisano was no more captive than Gerstner to IBM's history. He recognized its still powerful constraints, and warned about the expendability of even great companies, especially the "bone pile of companies" that "could not get beyond an emotional attachment to the past." But he saw in IBM's history a clear vision of what the future had to offer and an opportunity to liberate the company once and for all from a dysfunctional view of its past. So he began to codify values that were consistent with the entire arc of IBM's experience—values based on "satisfying customer needs, building long-term relationships, and pursuing breakthrough innovations."

Seeing IBM's mission in these terms made it easier for the company to let go of its hard-disk and personal computer businesses—high-profile but low-margin sectors in which it had invested huge amounts of time, capital, and creative energy. It also helped Palmisano build consensus around IBM's Smarter Planet initiative, which deployed the company's assets to support smart-grid and other advanced technologies. He was able to show that such an effort both echoed historical precedents in infrastructure development and was rooted in the company's long-standing commitment to entrepreneurship aimed at broad societal impact. "It's old-fashioned, but it's motivational," he says.

Thus, each in his own way, Lou Gerstner and Sam Palmisano found in IBM's history a usable past—one that helped them not only to persuade people to embrace necessary solutions to deep-seated problems, but also to grasp the nature of those problems in the first place.

History can also be used to put adversity in context. One of us (John Seaman) recently got to know the pharmaceutical company Mylan when it commissioned a history of its first 50 years. Now a *Fortune* 500 company, the generic-drug maker began as a small West Virginia company that flirted twice with bankruptcy before establishing a firm foothold in the market. When Mylan's stock price sank to $6 in October 2008, at the height of the global financial crisis, and through the difficult months that followed, executives recounted tales of the company's early struggles. They wanted to let people know that Mylan had seen worse and to inspire them to believe it could survive once more.

Even now that the company has returned to growth, Heather Bresch, the CEO and a 20-year veteran of Mylan, still thinks it is vital to talk about the history of the company, which in recent years has remade itself into a global enterprise. In a business that is all about attracting top talent, she says, people want to know they are part of something larger than themselves. “A track record speaks volumes,” says Bresch. “Here’s what we’ve been doing for 50 years. We’ve persevered.”

History can help to heal rifts as well. In 2007, for example, a young CEO we know at a 70-year-old manufacturing company watched, frustrated, as the strong corporate culture he had grown up with seemed to be dissolving before his eyes. He was proud of the company’s recent hires, highly educated and ambitious people who were pursuing new opportunities such as wind towers, equipment leasing, and fleet management. But he could see that this group wasn’t meshing with his longtime managers in the manufacturing division, experts in bending and welding steel who had lots of experience but lacked academic degrees. History pointed to a solution. Far more than its competitors, this company had granted autonomy and opportunity to entrepreneurial people who could “build from scratch.” This craft mentality was strong in both the new hires and the shop-floor engineers. It needed only to be highlighted and recognized. The CEO and his team developed programs and incentives based on that unifying theme, and watched respect and collaboration grow between the two groups.

Does using select pieces of the past to rally support for change seem manipulative—an exercise in “spin” or even propaganda? It could be, at least in the hands of a highly charismatic yet irresponsible leader. But don’t underestimate people’s ability to sniff out the inauthentic; a company’s employees are its most skeptical audience. The effective use of history depends on a genuine respect for what it has to teach and the belief that it holds not only anecdotes with which to adorn executive speeches, but also the deep truth of the organization. It requires the habits of mind that the discipline of history has to offer.

Thinking Like a Historian

The reality is that we are all historians when it comes to making decisions. The ability to identify opportunities or problems in the present (and to frame aspirations for the future) inevitably grows out of personal experience augmented by our broader societal knowledge of what has come before. As the great historian of business strategy and organization Alfred D. Chandler Jr. never tired of asking his Harvard Business School classes and colleagues, “How can you know where you’re going if you don’t know where you’ve been?”

So it doesn’t surprise us when we meet business leaders who have undergraduate degrees in history or whose leisure reading is dominated by history and biography. In many ways business leaders, regardless of their educational background, must think like historians. Start with their insistence on basing any serious decision on facts. To be a good historian demands treating facts with intellectual integrity—viewing them with an open mind and a willingness to be surprised. As the study of change over time, history also impels us to think about the long term—another strength of the best leaders, whose well-developed, long-range perspective on the companies they manage may be the only antidote to the pressures of quarterly earnings reporting and the need to react to one crisis (real or perceived) after another.

Thinking historically, of course, is not easy. It requires an appreciation of the dynamic nature of change in a complex human system. It demands an understanding of the particularity of problems and the often unintended consequences of their solutions. Emphasizing the contingency of cause and effect, it rejects formulaic approaches, because no two situations are ever identical in detail or in context. An old saying, frequently attributed to Mark Twain, is “History does not repeat itself, but it often rhymes.” That is why we also search for useful analogues in history. For it is in the rhyming, the patterns, that we can find perspective on the dimensions of our challenges and on the questions we must pose in order to progress.

Looking Back to Plan Forward

Conventional problem solving begins with two questions: What is the problem? and How can it be fixed? It is more unusual to ask, How did we get to this point? But unless you pose that question, explains Michael Watkins, who has written on the best use of an executive’s first 90 days in office, “you risk tearing down fences without knowing why they were put up. Armed with insight into the history, you may indeed find the fence is not needed and must go. Or you may find there is a good reason to leave it where it is.” A company’s history invariably shapes the way its management thinks about vision, strategy, and entrepreneurship, and decisions made in the past often constrain the available solutions.

Seven Tips for Getting History on Your Side

1. Visit your corporate archives—or begin compiling them. Any effort to understand or leverage your company history is only as good as the raw materials—documents, images, and artifacts—you have at your disposal.

2. Enrich your archives with interviews of departing executives and long-tenured employees—especially the outlaws and the iconoclasts. Such interviews flesh out the written record, which often omits the rationale for decisions or fails to note what might turn out to be important ideas and events.

3. Survey what is known and understood about the company's history and values. This will help you separate fact from fiction, identify the missing pieces you need to address, and begin to understand how history shapes perceptions about the company today.

4. Make the history—of people, products, and brands—accessible. Use today's rich media not only to capture stories about the company's past, but also to engage audiences inside and outside in an ongoing dialogue about the meaning of that past for the company's work.

5. Conduct postmortems on major projects and initiatives—successful or otherwise. Recognize that you can learn as much from failure as from success.

6. Seek historical perspective before every major decision, whether it involves a new strategy, a major acquisition or investment, or a new marketing campaign or communications initiative.

7. Talk at every opportunity about the history—charismatic leaders, breakthrough innovations, decisive impacts—and what it says about the company you are today or want to become.

We saw this for ourselves when one of us (George David Smith) and two professional colleagues, Davis Dyer and Margaret B.W. Graham, were working closely with Alcoa to record its history. In 1983 Alcoa was emerging from the worst financial performance it had seen since the Great Depression. Worldwide competition had rendered primary aluminum a commodity, reducing the company's pricing power. In an eloquent and forthright letter to shareholders, Krome George, the outgoing CEO, warned that Alcoa would have to adapt to "a world quite different from the one we have known." The historians soon identified a series of "embedded constraints"—unspoken assumptions and underlying patterns of behavior—that had rendered the company's situation worse than it needed to be.

One constraint was Alcoa's long experience as a dominant primary aluminum producer. Over time, managers in the aluminum smelting division had attained top corporate positions more often than those in newer, more-profitable downstream operations, such as sheet for aluminum cans or plate for aircraft construction. Everyone knew it was time to shift focus, but executives who had grown up in the heyday of Alcoa's aluminum smelting had made only token moves.

Another was Alcoa's lingering domestic mind-set in a globalizing economy. In the late 1920s the company had abandoned efforts to establish aluminum production overseas, preferring to concentrate on the still fast-growing U.S. market. For most of the postwar era it had been content to ride the wave of strong U.S. demand. Now it was moving too slowly to develop needed international operations. As the new CEO, Charles Parry, told his managers, "World War II demands for aluminum and the outstanding growth in [domestic] consumption during the postwar years combined to reinforce...a mind-set that long outlasted the context of its creation." Revisiting the company's history put the problem on the table for discussion.

Alcoa is hardly unique in having made unexamined assumptions about "how we do business." As Robert Benmosche, who is currently charged with reviving the insurance behemoth AIG, holds, all executives ignore such constraints at their peril: "The culture of a company can still be embedded in decisions made today. Understanding the company history is important. Once you understand that, then you can work with people to say, 'This is where we need to go. This is why we're here. This is why we can't be here anymore.' But you have to dig through the culture, the history, to understand the thinking, or you're never going to take it to the next level."

That is precisely what Alcoa learned when it saw how past decisions and long-forgotten events informed the organizational reforms it was able to make in the early 1980s. The company was still smarting from the failure of its 20-year effort to develop a new approach to chemical smelting, one that had promised to eliminate a costly electrolytic process involved in making primary aluminum. It soon had to write off an enormous investment in a full-scale pilot plant that had been erected on the basis of successful earlier-stage experiments. Scientists at Alcoa Laboratories understood perfectly what had gone wrong from a purely technical standpoint. Historical analysis added the crucial human dimension.

Before World War II, Alcoa had a world-class R&D organization and a proud tradition of fundamental research, including alliances with academics and other outside partners. When a 1945 court decree ended its monopoly, the company responded to competition by abandoning basic science in favor of product and process engineering that could generate near-term sales and improve margins. It became more secretive, more isolated from outside developments. By the early 1960s, as research got under way on the ill-fated smelting process, Alcoa Laboratories had exhausted its store of knowledge from fundamental research, leaving it ill prepared for such a complex scientific undertaking. Peter Bridenbaugh, Alcoa's vice president for technology from 1993 to 1996, said when he was presented with these findings, "While it was relatively easy to identify the strengths and weaknesses in our organization, understanding how they came into being proved much more difficult....I [finally] began to appreciate the penalty we were paying for changes that had occurred in the years following the war." This insight made it easier for Alcoa executives to build consensus for changes in hiring, training, funding, and management of the laboratories.

The leaders of another company, a giant in the energy sector, could not imagine making the biggest strategic investment decision on their agenda without the benefit of historical perspective. In the early 1990s the company was contemplating a dramatic expansion of its oil-refining capacity, at a cost of billions of dollars, in anticipation of future demand. But oil prices had plunged recently, and its ROI depended on their bouncing back. As part of its decision-making process, the company developed case studies of its own and other capital-intensive industries over a half century. Of course, none of the past situations was strictly comparable to the one at hand, and although some prices had recovered in the short term, others had languished. But there was no missing the dominant theme: Over time, even in highly concentrated industries, globalizing competition was bringing prices down, despite short-term fluctuations. The company decided to pass on the investment.

More recently, at Dimensional Fund Advisors, the focus wasn't on any particular decision but, rather, on *all* future decisions by the next generation of leaders. As the firm approached its 30th anniversary, in 2011, its leadership team was preparing to pass the torch to younger managers who would preside over an organization that had been transformed by geographical expansion, a proliferation of new funds designed to meet the needs of specific market segments, a large influx of new employees, and structural changes in organization and management.

Dimensional's founder and co-CEO, David Booth, was adamant that not everything should change. He knew that 30 years in business was no accident; it was the consequence of discrete decisions, many of them made in the firm's first five years, which had recently been codified in six guiding principles. One principle was to base investment strategies on academic research. When Dimensional launched its micro-cap fund, in 1981, Booth and his salespeople argued that what would become known as "small cap" stocks were an important part of a well-diversified portfolio. Their instincts told them that small-cap stocks should provide excess returns to offset their additional risk. But only after research had confirmed this were they willing to make the argument to clients. The same principle served Dimensional well in the run-up to the financial crisis of 2008, when the firm steered clear of exotic financial products it couldn't validate through research, much less explain to its clients.

How could this principle, not to mention the whole value system that had guided the firm for three decades, be made explicit and transmitted across geography and generations? Booth engaged our firm to help Dimensional develop a rigorously researched narrative that described those early decisions, put the firm's development in perspective, and explained what made it distinctive in a crowded marketplace of money management firms. Today Booth uses the narrative in ongoing dialogues with young leaders and new hires at the monthly lunches he hosts for both and also in the firm's formal orientation and training programs.

Leaving a Legacy

To lead with a sense of history is not to be a slave to the past but, rather, to acknowledge its power. A company's store of experience—its evolving culture and capabilities, its development within the broader contexts in which it has competed, and its interactions with government and other forces—shapes the choices executives have to make and influences how people think about the future. Great leaders respect and honor that basic truth. They don't ignore history until the time comes to plan their organization's next anniversary. And though they may not view themselves as historians, they find it useful to think and talk about the past—in the present and in living color. They make their companies' collective experience an explicit part of their thinking in order to better discern what form change can and should take. They find in it a rich source of stories that can motivate people to embrace change even in the worst of times. In doing so, they don't simply manage their companies more effectively; they find their own place in history.

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History can be profitably employed on both fronts. As a leader strives to get peopleâ€¦Â In its most familiar form, as a narrative about the past, history is a rich explanatory tool with which executives can make a case for change and motivate people to overcome challenges. Taken to a higher level, it also serves as a potent problem-solving tool, one that offers pragmatic insights, valid generalizations, and meaningful perspectives â€" a way to cut through management fads and the noise of the moment to what really matters. (Read the full article). Your Company's History as a Leadership Tool. "There's no need to dwell on the past; what matters is the future." As business historians who consult frequently toâ€¦ hbr.org. Visit and join the john clements talent community. (2013), "Your companyÂ's history as a leadership tool: take your organization forward by drawing on the past", Strategic Direction, Vol. 29 No. 5. https://doi.org/10.1108/sd.2013.05629eaa.010. Download as .RIS. Publisher.Â Criticizes the popular trend among senior managers to ignore their companyâ€™s history, where they argue that a fast-changing world leaves little time for nostalgia and irrelevant details or for applying the strategies of the past to the present. Takes the contrary view whereby the authors, who are business historians at the Winthrop Group, assert that leaders who have no patience for history are missing a vital truth in that a sophisticated understanding of the past is one of the most powerful tools they have for shaping the future. History can be profitably employed on both fronts. As a leader strives to get people working together productively, communicating the history of the enterprise can instill a sense of identity and purpose and suggest the goals that will resonate. In its most familiar form, as a narrative about the past, history is a rich explanatory tool with which executives can make a case for change and motivate people to overcome challenges. Taken to a higher level, it also serves as a potent problem-solving tool, one that offers pragmatic insights, valid generalizations, and meaningful perspectives--a way to cut through management fads and the noise of the moment to what really matters. Company archivists quickly launched an intranet site, titled â€œComing Together,â€ that honored the parallel paths Kraft and Cadbury had taken. Poring over historical materials, they had found much evidence of shared values, and the presentation reinforced those common themes.Â In its most familiar form, as a narrative about the past, history is a rich explanatory tool with which executives can make a case for change and motivate people to overcome challenges. Taken to a higher level, it also serves as a potent problem-solving tool, one that offers pragmatic insights, valid generalizations, and meaningful perspectivesâ€"a way through management fads and the noise of the moment to what really matters. when using coaching as a leadership development tool, the approach in delivering critiques ro feedback should be completed in a. indirect method. effective coaching requires a coach to use a combination of _(review performance) and _ (developing potential). on the spot praise for a job well done or a correction of a deficiency is an eample of which of the following.Â History of Transactional leadership. The model is focused on the exchange that occurs between leader and follower. History of Transformational Leadership. The Process whereby a person engages others and creates a connection that raises the level of motivation and morality in both the leader and follower. The leader is attentive and motivates follower to reach designated goal.