

The upsides of downward deference

Leaders who find themselves out of their element can get ahead by deferring to subordinates. Here we explain how power can come from letting it go.



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Winner of a 2022 Research Excellence Award by the IESE Alumni Association in its annual recognition of the best research by IESE faculty members.

An American executive in charge of the China market was about to close a significant deal

when she realized the client whose signature she needed had left for vacation. Panicked, she considered couriering the contract to the client's vacation location to secure his signature — something she would have done if back in the U.S. — but her Chinese team advised her against it, saying it would be an invasion of privacy that could jeopardize the business relationship. The executive was nervous. This was a major contract, and the idea of leaving it hanging when she could just go and get it signed felt extremely risky to her. What should she do? More to the point: what would *you* do in this situation?

After taking a deep breath, she decided to defer to her team's judgment. "Everything inside of me was like, 'This is a terrible plan,' but I'm going to trust you," she said. So they did nothing until the client came back from his vacation; then they got his signature and the deal was sealed, albeit not how the leader would have done it.

It could have gone differently. Another American executive working with a different Chinese team insisted on doing things his way. He was the expert, brought over to lead, so he would do what he thought was best, despite what his subordinates were telling him. After a year, he was terminated.

These two very different outcomes hinged on the same vital question: To what extent do you, as a leader, choose to yield to your subordinates' expertise?

Privileging the judgments of your subordinates forms part of a key leadership practice that we call "downward deference." When leaders with positional power yield to the expertise of lower power workers and attempt to reduce the social distance between them, we find those leaders enjoy higher job performance ratings and are promoted to higher executive levels over time compared with those who don't practice downward deference.

Especially for leaders responsible for advancing organizational goals in foreign markets where they have limited expertise, networks and influence, practicing downward deference is as much a matter of necessity as it is a performance enhancer.

Here we explain the conditions and outcomes that make downward deference a winning practice.

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