

Authentic Leadership at Work in Clif Bar

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Introduction

This case is presented with an objective perspective in the third person, about the Clif Bar organization.

The Story

In 2006, Clif Bar is a private company with estimated annual revenues of about \$150 million and about 170 employees. Yet, there was a moment when they almost became another product line of a large mega corporation and another countless blip across the C-SPAN screen. It was a “moment” that can be described as authentic leadership that changed the course of future for the owner, employees, and customers of this unique company.

After two key competitors in the industry were bought by large corporations, an offer was made by a third large corporation to purchase the Clif Bar company in the year 2000. It was an outstanding offer that was sure to make both owners extremely wealthy to the extent that they would never have to work another day in their lives. On the day of signing the contract, however, one of the owners felt a sense of panic, so he decided to take a walk to consider his “epiphany”. In that moment, being aware of his inner-most thoughts, he realized he did not want to sell the company. He decided he was not going to give in to all the rational reasons “experts” gave him for selling the business, the primary one being: since the key competitive products were recently bought by corporations with large marketing budgets, Clif Bar would never be able to compete at that level and would wither away under the attack. But on this day, he listened to his conscience and he made a decision that went against these experts, including the other owner of Clif Bar, who would now have to be bought out. Gary Erickson defied the odds and decided to back out of the deal of a lifetime. He went on to buy out the other owner for over \$60 million, even though he only had \$10,000 in his bank account at the time.

In this case, Erickson’s leadership paid off. The company has since grown from about \$40 million in sales to \$150 million, even while competing with mega corporations. Most recently Clif Bar became a leader in business sustainability by offering the nation’s first incentive program to pay cash to employees who purchase clean-burning bio-diesel cars, helping employees buy high-mileage hybrids, and offering a variety of rewards to those who leave their cars at home altogether.

Gary Erickson has demonstrated authentic leadership by aligning his actions with his conscience when he chose to back out of the sale at the last minute and follow on his inner voice. He trusted his own wisdom over the advice of the other highly experienced business people involved and succeeded in sustaining the revenue growth of the company over time. In addition, Clif Bar continues to create innovative ways to be a company that values and takes actions towards sustaining the planet. In retrospect, he could have been wrong about the future earning potential, but he would have still been right about himself. This self awareness of his own intuition led him to maintain and grow one of the most well known outdoor food brands in the United States. Although authentic leadership in this example was clearly demonstrated by a

major decision, that decision took years to carry through, and required a repeated focus on core values during that time. As a result, the company continues to thrive and lead other companies in social responsibility initiatives.

References

Burlingham, B. (2005). *Small giants*. New York: Penguin Books.

Erickson, G. (2007). <http://www.clifbar.com/ourstory/document.cfm?location=journey&id=137>

Food for Thought:

- A decision this big requires support from somewhere. If Gary didn't get support from co-owner, potential buyers, business advisors, where did he get it?

The issue here is that Gary is grounded in self awareness. He understands what drives him, his motivations and his passions. Self awareness is a key leadership attribute.

- Where is that fine line between accepting wisdom from others and being true to what you believe to be correct?

There are certain areas where you want to maintain flexibility and growth. Some areas however should be less apt to change such as well-thought-out ethical convictions or identification of what one thinks is most important.

- Would we still call it effective leadership or even authentic leadership if the Clif Bar had gone bankrupt instead of increased in revenues?

This could go either way but likely yes. Leadership is about influencing people. It is not solely determined by results. Hind-sight is always 20-20; results alone are not a criterion to determine if effective leadership did or did not exist.