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# Leveraging Positive Psychological Capital (PsyCap) in Crisis: A Multiphase Framework

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A Multiphase Framework**

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## **Leveraging Positive Psychological Capital (PsyCap) in Crisis:**

### **A Multiphase Framework**

Despite recent advancements in understanding of leadership in context, there is surprisingly little insight into leadership in crisis – a context that is both pervasive and particularly challenging. To provide insight into how leaders navigate crisis, we utilize historical sources of Sir Winston Churchill's leadership during World War II (WWII) to analyze 1) which resources may leaders use in crisis and 2) how they leverage these resources to lead through and out of the crisis. We discover that positive psychological capital (PsyCap) is a core strategic resource that leaders leverage in crisis. Our findings suggest that leaders leverage PsyCap as a core resource to build second-order capabilities needed to 1) prepare in the anticipation of a crisis, 2) persevere in the face of obstacles during the crisis, and 3) lead out of the crisis. In addition, we show that leaders do not just leverage PsyCap in its entirety; rather depending on circumstances, different elements of the PsyCap become more prominent at different times. In doing so, this study contributes to positive organizational behavior and leadership literatures by empirically illustrating dynamic nature of PsyCap as well as how leaders leverage it to navigate crisis.

**Keywords:** Churchill, Crisis, Leadership, Psychological Capital (PsyCap), Qualitative

## **Leveraging Positive Psychological Capital (PsyCap) in Crisis:**

### **A Multiphase Framework**

Highly volatile environments have created a context in which organizational leaders must navigate growing uncertainty and frequent crises (Eisenhardt & Martin, 2000). The Global Risks Report suggests that crises are becoming a near daily concern—over the last 30 years, economic losses increased from \$50 billion USD to approximately \$250 billion USD (World Economic Forum, 2015). In addition, multi-billion dollar corporate scandals including Enron (approximately \$74 billion), WorldCom (approximately \$107 billion), and Volkswagen (approximately \$87 billion) have left a significant mark on people and economies across the globe. But financial crises are not the only challenge that organizations in the global environment face. Indeed, in the same time span, the world has witnessed major environmental disasters (BP Macondo Oil Spill, approximately 4 million barrels of oil spilled into the Gulf of Mexico), terrorist attacks, and civil wars.

Indeed, crisis is one of the key organizational contexts leaders must navigate today (Dixon, Weeks, Boland Jr, & Perelli, 2016; Osborn et al., 2014; Pearson, & Clair, 1998). Osborn et al., (2002, p. 800) defined crisis as an organizational context that entails “dramatic departure from prior practice and sudden threats to high priority goals with little or no response time.” Furthermore, this dramatic departure is often sudden and coupled with limited traditional resources and at best vague opportunities for turnaround (Osborn et al., 2002). Given its complexity, strategic leaders must develop and leverage scarce resources in order to enable the organization to overcome crisis despite difficulties. That is, strategic leaders in crisis must have “substantive responsibility for making strategic decisions to investigate the creation of an overall purpose and direction for the organization” (Hernandez, Eberly, Avolio, & Johnson, 2011, p. 1179).

Given the importance of strategic leaders, particularly in the crisis (Dixon et al., 2016), substantial body of research, to date, has focused on understanding how leaders leverage their psychological, cognitive, and behavioral attributes to enhance their effectiveness (Carpenter, 2002; Finkelstein & Hambrick, 1996) as well as engage in bricolage and emergent resource creation despite limited opportunities (Uhl-Bien et al., 2007) to overcome the mounting obstacles and lead the organization out of the crisis. Despite these insights, there is still a fragmented understanding of strategic leadership in crisis, particularly how leaders leverage a constrained resource base to navigate the crisis and help their organizations bounce back and move forward (Osborn, Uhl-Bien, & Milosevic, 2014; Hannah et al., 2009).

Building on the insights from positive organizational behavior literature, we suggest that positive psychological capital (PsyCap)—a higher-order positive resource consisting of hope, optimism, resilience, and confidence—may be a particularly useful psychological resource that leaders may leverage to navigate a crisis (Avey, Reichard, Luthans, & Mhatre, 2011; Hannah, et al., 2009). More specifically, high levels of PsyCap enable leaders to tackle challenging obstacles crisis puts forth with the belief that success can be achieved despite setbacks (Luthans, Youssef, & Avolio, 2007a). That is, PsyCap enables leaders to make the “positive appraisal of circumstances and probability for success based on motivated effort and perseverance,” which may be critical for an organization’s ability to withstand a crisis and successfully adapt so as to persevere toward the future (Luthans, Youssef, Avolio, Nelson, & Cooper, 2007b, p. 550).

To explore how strategic leaders leverage PsyCap to lead the organization through the crisis, we utilize stylized historical organization theory as suggested by Rowlinson, Hassard and Decker, (2014) that interweaves historical data sources and contemporary qualitative data analysis (Cascio & Luthans, 2014; Hayek, Novicevic, Buckley, Clayton, & Roberts, 2012). More

specifically, we utilize speeches of Sir Winston Churchill's leadership during World War II (WWII) as well as several highly regarded books on the role Churchill played during the war. WWII provides a unique, extreme context to explore leadership in crisis because 1) it embodied devastating consequences for all involved; 2) the consequences were believed to be unbearable; and 3) the consequences exceeded the capability of those involved to prevent them from taking place (Hannah et al., 2009). In addition, in contrast to brief extreme events discussed in previous literature (Hannah et al., 2009; Klein, Ziegert, Knight, & Xiao, 2006), WWII provides insight into a crisis that spanned nearly six years, thus allowing for a richer understanding of leadership in crisis.

It is important to note that the purpose of this paper is not to evaluate the effectiveness of Churchill's leadership or to argue that all the decisions made were appropriate or superior to those made by other leaders at the time. Rather, we adopt an illustrative approach to understand how leaders may leverage PsyCap to navigate a crisis, without taking an advocacy stand or implying that leaders always and universally leverage PsyCap for positive outcomes. Just as any other resource (i.e. financial resources, knowledge, etc.), despite its positive characteristics, PsyCap is neutral in the sense that leaders may leverage it for various means (Fast, Sivanathan, Mayer, & Galinsky, 2012; Paterson, Luthans, & Milosevic, 2014). Indeed, Paterson et al. (2014) argue that PsyCap is a very potent resource and as such may be leveraged in multiple ways, some of which may not be positive or effective. Consequently, the purpose of this paper is to explicate how leaders may leverage their PsyCap as a potent core strategic resource to navigate the crisis and illustrate the need for additional research of PsyCap as important leadership resource.

Our findings offer contributions to both strategic leadership and positive organizational behavior research. We contribute to strategic leadership research by illustrating how a strategic leader navigates a crisis via bridging of different activities that change as the situation changes.

More specially, we show that strategic leaders may first turn the attention of others to the impending danger in order to build resources in the anticipation of the crisis – resources that will in later stage be actualized to fuel the persistence. In the later stages, leaders may build shared value platforms in order to ensure that commitment of all is unfettered. This shared value platform strengthens individual belief in success despite mounting obstacles and their ability to preserve in the last stages of crisis. In doing so, we provide a phased, dynamic model of leadership in crisis that explicates how leaders lead in the moments before the crisis, in the midst of the crisis, and most importantly, out of the crisis to facilitate positive transformation.

In addition, our findings extend research in positive organizational behavior by 1) showing that PsyCap is indeed a useful and dynamic psychological resource in the time of the crisis and 2) illustrating how leaders may leverage PsyCap as a core resource that fuels development of other resources and capabilities in the crisis. First, our exploratory analysis illustrate that Churchill leveraged PsyCap in his speeches to the public and to the allies as a core resource that fuels all the other activities. However, we show that whereas in some instances he leveraged complete PsyCap (particularly in the midst of the crisis), at other times he more prominently used some elements of the PsyCap and not others (hope and confidence in the beginning of the crisis and resilience and confidence toward the end of the crisis). Furthermore, even when leaders leverage complete PsyCap, they strength of one of the component may be more intensive than the other. As such, our findings show that PsyCap enables leaders to flexibly engage in a wider range of activities – capability that is critical during crisis when traditional resources are largely constrained.

Second, our findings illustrate how leaders leverage positive psychological capital to build and actualize other resources and capabilities needed for organizational survival during the

crisis. Our findings show that leaders leverage PsyCap as a core resource to build awareness of the crisis and thus increase preparedness through building of tangible resources, build commitment and positive appraisal during the crisis that enables others to actualize those resources, and build belief in transformation and success after the crisis. In doing so, we turn the attention to alternative psychological resources as core resources leaders may leverage to facilitate development of other key resources and capabilities during difficult times.

### **Leading through PsyCap**

The promise of a positive approach to organization studies has been recognized by several streams of research, most notably the positive organizational scholarship literature at the macro level (Cameron & Dutton, 2003) and positive organizational behavior literature at the micro level (Luthans, 2002; Luthans & Youssef, 2007). The main premise of both streams of literature is that additional attention should be placed on the positive side of organizing in order to uncover how individuals and organizations can excel in complex environments. Positive organizational behavior in particular has focused on how individuals build and leverage positive psychological capital to excel (Luthans, Youssef, Sweetman, & Harms, 2012; Luthans, 2002). Building on this, Luthans et al. (2007a) introduced positive psychological capital (PsyCap) as:

an individual's positive psychological state of development and is characterized by: (1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success. (p. 3)

To this end, previous research found that PsyCap is related to outcomes such as performance and organizational citizenship behaviors (Avey et al., 2011), lower experiences of job-related stress (Avey, Luthans, & Jensen, 2009), and employee well-being (Luthans et al., 2012).

Perhaps the most important attribute of PsyCap, however, is its dynamic nature (Luthans et al., 2007a). More specifically, Luthans et al., (2007b, p. 544) suggested that PsyCap “constructs fit in the continuum as being “state-like,” that is, they are not as stable and are more open to change and development compared with “trait-like” constructs such as Big Five personality dimensions or core self-evaluations.” In other words, as a state-like construct, PsyCap is more stable than momentary states but less stable than traits making it uniquely dynamic and changeable resource. Although previous research did suggest that the dynamism of PsyCap is most evident during intervention training (Luthans, Avey et al., 2006; Luthans, Avey, & Patera, 2008) and that increased levels of PsyCap have a positive impact on individual performance (Luthans, Avey, Avolio, & Peterson, 2010), insufficient attention has been placed on natural variations of PsyCap as individuals enact it in practice. Given the usefulness and established dynamism of PsyCap as a core individual resource, it is important to understand how individuals enact PsyCap in their work and how that enactment fuels better performance.

Furthermore, dynamism of PsyCap is also evident in its relational nature. More specifically, previous research has discovered that leaders have the ability to leverage their own PsyCap to enhance PsyCap of the collective thus enabling them to appraise the situation more positively and overcome obstacles (Avolio & Luthans, 2005; Gooty, Gavin, Johnson, Frazier, & Snow, 2009; Woolley, Caza, & Levy, 2011). For example, Gooty et al. (2009) theorized that transformational leaders use PsyCap to fuel powerful visions that enable followers to set and achieve positive goals (hope); develop positive expectations of the future (optimism); facilitate followers’ beliefs in their capabilities via vicarious modeling (efficacy); and via communication of a better future, enable followers to persevere through crisis (resilience). Similarly, Paterson et al., (2014) argue that ethical leadership acts as a critical mechanism that channels the PsyCap

toward beneficial outcomes implying that PsyCap is a potent and dynamic resource that only when channeled via leadership activities may reach its full positive potential.

Despite these initial insights into the dynamic and powerful nature of PsyCap as a core individual resource, we still have limited understanding of dynamic nature of PsyCap and *how* leaders leverage it as an important strategic resource to facilitate desired individual and organizational outcomes. One reason for this, perhaps, is insufficient use of abductive and inductive methods (methods that enable discovery from the data) to allow for discovery through the focus on how leaders may leverage PsyCap in practice. In this study, we hope to overcome this limitation by exploring how Sir Winston Churchill leveraged PsyCap as a prime minister (strategic leader) during WWII (crisis).

### **The Role of PsyCap in a Crisis**

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### **Methods**

### **Case Overview**

The Second World War is one of the most dramatic events in human history. More than fifty nations took part in the war that claimed between fifty and sixty million lives during 1939-1945 (Kershaw, 2007). The war began on September 1, 1939, when German forces attacked Poland. In less than forty-eight hours, leaders of France and Great Britain announced that their countries were at war with Germany. The vast British Empire, however, was gravely threatened by both the unexpectedly powerful Nazi Germany and by Japan in the British Colonies in Asia. The defeat of the previously instituted appeasement policy and the outbreak of war marked the return of Winston Churchill to British government as the First Lord of the Admiralty in the Cabinet of the Prime Minister Chamberlain. Churchill previously held this position in the British government during

WWI. However, Churchill's first term as the First Lord of the Admiralty was viewed as a failure because of his role in the organization of the unsuccessful Dardanelles Campaign, which led to his resignation from the position in May 1915 (Best, 2003).

Twenty-five years later, Churchill was seen as a potential savior for Great Britain (Grattan, 2004). One of the key reasons for this was his early appreciation of the threat Hitler poses to the world (as will be discussed below) and the inability of others to form a coherent plan forward (Best, 2003). Consequently, Neville Chamberlain invited Churchill to join his War Cabinet as a head of admiralty at the onset of the War. On the same day Churchill became Prime Minister, Hitler ordered an attack on the Netherlands and Belgium, two neutral countries, in order to facilitate a German victory over France. Indeed, in a matter of weeks, France signed an armistice with Germany, and Churchill's Britain was on its own (Ahlstrom & Wang, 2009). In the following twelve months, a German invasion was seen as an imminent threat to Britain (Gilbert, 2012; Thomson, 1990). However, the first German aerial attack was defeated by the Royal Air Force in the Battle of Britain under Churchill's leadership. In the first months of 1941, Hitler slowly shifted his focus from the shaken, but still unconquered, Britain toward the vast area of Eastern Europe—the Soviet territory.

Germany's sudden attack on the Soviet Union and raging battle between the Soviets and the Germans on the Eastern front was the most important event for Churchill in 1941. Together with Japan's attack on Pearl Harbor and the unexpected German declaration of war against the United States, this event represented a relief for Churchill. Namely, these circumstances diminished the potential for an invasion of Great Britain by Nazi Germany given that the United States entered the war as Britain's closest ally. From June 1941 onward, Hitler's main focus was on the Eastern front, which enabled Churchill and the Allies to refocus and formulate a joint strategy.

## Data Sources

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## Data Analysis Procedures

Data analysis proceeded in two stages. In the first stage, our objective was to determine whether PsyCap was actually present and a resource that Churchill leveraged during the war. To do so, we utilized a computer-aided text analysis guide created by McKenny, Short, and Payne (2013) to analyze all available transcripts. Computer-aided text analysis is a type of content analysis that is particularly useful for the analysis of texts such as annual reports, website contents, and historical narratives, among others, with high reliability results (Allison, McKenny, Short, 2013; Short, Davis, & Wu, 2011; Zachary, McKenny, Short, Davis, & Wu, 2011). In addition, several studies used computer-aided text analysis to measure positive constructs such as optimism (Hart, 2000), charisma (Bligh, Kohles, & Meindl, 2004) and most recently, PsyCap (McKenny, et al, 2013). Following computer-aided text analysis guidelines (Short, Broberg, Cogliser, & Brigham, 2010), our data sources provided an appropriate selection of narrative texts and sampling frame (i.e., assessing a leader's PsyCap using the leader's speeches over a period of time), increasing our confidence in the external validity of the research.

McKenny et al. (2013) provide a detailed and reliable guide for measuring PsyCap using the same computer-aided text analysis guide that we utilized in this study. They identified a total of 402 words as representative of PsyCap: 73 words represented hope; 118 words represented confidence; 179 words represented resilience; and 85 words represented optimism. As recommended by McKenny et al., (2013) we retained the overlap in words across the dimensions

(e.g. “certain” was included in both the “hope” and “confidence” word lists) to enhance content validity (McKenny et al., 2013; Short, Broberg, Cogliser, & Brigham, 2010).

Guided by McKenny et al. (2013), the first stage of data analysis consisted of several steps. First, we coded all of the transcripts for the complete dictionary for each dimension of PsyCap (i.e. hope, optimism, resilience, and confidence). Second, we coded each of these words with the appropriate PsyCap dimension. For example, for optimism, we searched all transcripts for all of the 85 words included in the optimism word list. Then we coded each use of these 85 words as “optimism.” We repeated this process for all dimensions of PsyCap. Third, we reviewed each speech and identified homonyms in which the coded word had a meaning other than the dimension that it represented (e.g., where “powers” in the phrase “belligerent powers” has a meaning other than the dictionary meaning of “confidence”). This coding sequence resulted in 1086 codes (2.04% of all words) for the four dimensions of PsyCap (273 codes for hope, 0.5% of all words; 516 codes for confidence, 1.0% of all words; 115 codes for resilience, 0.2% of all words; and 182 codes for optimism, 0.3% of all words). Although there is no specified threshold to be met to suggest the presence of a construct using computer-aided text analysis (Short et al., 2010), the representation of PsyCap words across the data sources is consistent with previous studies of PsyCap using computer-aided text analysis (PsyCap=2.5% of all words; hope=0.8%; confidence=0.9%; resilience=0.4%; optimism=0.3%, McKenny et al., 2013). Thus, the presence of multiple words for each dimension of PsyCap paired with the occurrence of codes in each speech enhanced our confidence in the presence of PsyCap across Churchill’s leadership in crisis, as depicted by the speeches he made during WWII.

In the second stage, we engaged in abductive coding in order to identify how Churchill leveraged PsyCap during WWII (Creswell, 2012; Strauss & Corbin, 1994). The first author

coded the transcripts, identifying instances and searching for relationships between these instances in order to build an overarching narrative (Creswell, 2012). Subsequently, the first and the second author discussed the codes and how they fit or challenged existing literature. This endeavor resulted in 35 individual second-level codes with the first-level PsyCap codes embedded within. Following recommendations from Creswell (2012), data analyses proceeded iteratively between theory and data. That is, prior research was beneficial in helping us to refine the narrative, identify relationships between codes, and build aggregate themes (Creswell, 2012). Table 2 provides a thematic depiction of the eight emergent themes that represent how Churchill leveraged PsyCap during WWII.

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Insert Table 2 about here  
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### **Leveraging PsyCap to Lead in the Crisis**

With upwards of 60 million casualties between 1939 and 1945, WWII remains the deadliest conflict in human history (Kershaw, 2007). Although conceptualized as a single event, three key moments were instrumental in shaping the progress of the War: the Battle of Britain, the Attack on Pearl Harbor and the Battle of Stalingrad. The Battle of Britain started on the August 13, 1940 triggered by Hitler's objective to invade the British Isles via Operation Sealion (Wilt, 1990). However, the British Royal Air Force's air defense system prevailed after a month of vigorous battle. The defeat led the Nazi leadership to refocus on the East and plan the campaign against the Soviet Union. The second moment of WWII occurred in December 1941. The surprise attack on Pearl Harbor marked the entrance of the United States into the war and the beginning of their relationship with Great Britain. The third moment was the Battle of Stalingrad.

After more than five months of fierce fighting, the Soviet forces, led by General Georgy Zhukov, achieved a major victory as Germany surrendered to the Soviets at Stalingrad (Beevor, 1999).

One of the key individuals during this global crisis was Sir Winston Churchill. Our findings illustrate that Churchill leveraged positive psychological capital (what we today term PsyCap) to fuel acquisition of other positive resources and engender the activities needed to overcome obstacles within the three key moments of the crisis (see Table 1 for illustrative evidence of the emergent themes and Figure 1 for visual illustration). In the early years of WWII, Churchill leveraged hope, by illustrating pathways to success, and confidence, by illustrating belief in success despite obstacles, to build positive resources in order to prepare the country for the difficult task to come. During the first critical moment of WWII—the Battle of Britain—Churchill leveraged PsyCap to actualize these positive resources and engage in emotional appeals to replenish the depleted armies.

In the second key event—the Attack on Pearl Harbor—when the U.S. entered the war, Churchill began constructing the values platform needed to build positive relationships among the Allies with conflicting political ideologies, and leveraged all dimensions of PsyCap to do so. Finally, as Europe was courageously rising from destruction in the third moment of the war—the Battle of Stalingrad—the energy embedded in the power of followers and devoted armies, enabled the continent to take advantage of the German losses in the East and march toward victory (Figure 1). In the following paragraphs, we provide a narrative that elucidates how a strategic leader leveraged PsyCap to navigate a crisis.

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Insert Figure 1 about here  
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## **Leading Ahead of the Crisis: Leveraging Hope and Confidence in Anticipation of the Difficult Battle**

*Recognizing the difficulty and preparing for the task awaiting Europe.* Germany was an aggressor to be reckoned with and one that Europe was not prepared to battle. Indeed, many of Britain's allies failed to recognize the threat Germany posed and thus quickly succumbed to German aggression. Churchill, however, recognized early the threat of Nazi Germany. He understood that Hitler's rhetoric was more than an opposing opinion—it was a call to action strong enough to mobilize mass commitment and create irreversible and hazardous change for Europe. According to Kershaw (2007), Churchill's attacks on government defense and foreign policy had become increasingly more forceful in 1930s advocating for creation of “grand alliance” with France and Soviet Union in order to deter Hitler. In his effort to “make one final effort to arouse the Great Republic from its reveries, barely four weeks before the outbreak of war in Europe” (1939, *A Hush over Europe*), Churchill remarked:

“But to come back to the hush I said was hanging over Europe. What kind of a hush is it? Alas! it is the hush of suspense, and in many lands it is the hush of fear. Listen! No, listen carefully; I think I hear something--yes, there it was quite clear. Don't you hear it? It is the tramp of armies crunching the gravel of the parade-grounds, splashing through rain-soaked fields, the tramp of two million German soldiers and more than a million Italians--"going on maneuvers"--yes, only on maneuvers! Of course it's only maneuvers just like last year. After all, the Dictators must train their soldiers (1939, *A Hush over Europe*).

Research has indicated that ability to recognize threats early and “act to anticipate environmental change (Ireland & Hitt, 1999, p. 74) is a defining ability of strategic leaders. The anticipation is what enables strategic leaders to maintain acute awareness of their environments and make timely and relevant decisions making it essential aspect of leadership development (Day, 2000). Indeed, Churchill displayed strategic ability to anticipate when he warned others that the time facing not just Britain, but the whole world, was a difficult one: “an ordeal of the most grievous

kind...with many, many long months of struggle and of suffering” (1940, *Blood*). In being true to his role as a leader of the west, he did not spare his followers difficult information. Indeed, he was one of the first to speak of the impending crisis brought about by the powerful resources Hitler enjoyed. However, he also displayed belief in the ability to persevere through the obstacles (*confidence*) and illustrated how they will emerge victorious (*hope*) through the generation of Britons ready to prove itself:

The Prime Minister said it was a sad day, and that is indeed true, but at the present time there is another note which may be present, and that is a feeling of thankfulness that, if these great trials were to come upon our Island, there is a generation of Britons here now ready to prove itself not unworthy of the days of yore and not unworthy of those great men, the fathers of our land, who laid the foundations of our laws and shaped the greatness of our country (1939, *War Speech*).

To this end, despite his early speeches being permeated with discussion of the gravity of the task that awaits all and reluctance of others to comprehend the severity of German rhetoric, Churchill continuously emphasized his belief in the Allies’ ability to emerge victorious, creating an opportunity for followers to show agency in their actions (*confidence*) and believe that they can create paths to succeed despite obstacles (*hope*). Indeed, no matter how dark the hour or how victorious or intimidating Germany appeared, Churchill searched for ways to illustrate his belief in Britain to stand against the terror (*confidence*) and discuss specific ways or “stratagem” (*hope*) they might utilize to succeed:

The Admiralty had confidence at that time in their ability to prevent a mass invasion even though at that time the Germans had a magnificent battle fleet in the proportion of 10 to 16, even though they were capable of fighting a general engagement every day and any day, whereas now they have only a couple of heavy ships worth speaking of—the Scharnhorst and the Gneisenau (1940, *Their Finest Hour*).

To this end, Churchill primarily leveraged *hope* and *confidence* (Figure 1) during the early years. Hope enables goal-directed behaviors and fosters plans to achieve those goals (Snyder, 2002). This was particularly important in recognizing as well as acting on difficulties.

That is, the individual agency in hope “takes on special significance when people encounter impediments” because it motivates the search for alternatives (Snyder, 2002, p. 258). Confidence augmented hope in this context as it captured individual conviction in the ability to generate alternative paths and take action to facilitate success despite the threat of Hitler’s growing power (Luthans et al., 2007a). Consequently, confidence and hope were critical for Churchill in the beginning of the war as they helped him clearly 1) identify the impending danger but also, 2) to prepare the people to embrace difficult times in front of them with belief in success:

Certainly it is true that we are facing numerical odds; but that is no new thing in our history. Very few wars have been won by mere numbers alone. Quality, will power, geographical advantages, natural and financial resources, the command of the sea, and, above all, a cause which rouses the spontaneous surgings of the human spirit in millions of hearts—these have proved to be the decisive factors in the human story (*1940 A House of Many Mansions*).

***Building resources in anticipation of difficult times.*** In addition to preparing for the threat, Churchill also understood that the only way Britain might persevere through the difficult times was by building necessary resources ahead of difficult times. During crisis, leaders face depleted resources (Osborn et al., 2002). Consequently, leaders must continuously develop resources that will help them navigate difficult times (Barreto, 2010; Hitt & Ireland, 1999). Churchill leveraged confidence to orient followers toward activities they—the armies and the civilians—could engage in to help Britain prepare ahead for difficult times understanding that in the midst of the crisis the resources will become scarce. These activities were geared toward creation of *tangible resources*—resources such as weapons, ammunition, and healing materials—utilized to withstand the early losses as well as to fuel the armies in the later stages of the war.

Indeed, Kennedy (1987, p. 341) argued that at the time, Churchill was determined to continue the resistance, “mobilizing large numbers of men and stocks of munitions – outbuilding Germany both in aircraft and tank production in 1940.” As depicted in Figure 1, Churchill

leveraged *confidence* primarily (although here we see emergence of other elements as well) to build these tangible resources in anticipation of difficult battle (Bandura, 1997). The activities involved in the resource building ranged from assuring weapons and ammunition were available, to the timely reparation of equipment, to the steady performance of the daily work:

If the battle is to be won, we must provide our men with ever-increasing quantities of the weapons and ammunition they need... There is imperious need for these vital munitions. They increase our strength against the powerfully armed enemy. They replace the wastage of the obstinate struggle -- and the knowledge that wastage will speedily be replaced enables us to draw more readily upon our reserves and throw them in now that everything counts so much (1940, *Be Ye Men of Valour*).

### **Leading in Midst of the Crisis: Leveraging PsyCap to Endure through Devastating Harms**

*Actualizing positive resources to magnify resistance.* Section removed

*Engaging others through emotional appeal.* In addition, Churchill also relied on emotional appeal to engage the people of Britain and help them believe that their work was not hopeless. Recent research highlights the interrelated nature of emotions and PsyCap. For example, Avey et al. (2008) found that individuals with higher levels of PsyCap tend to experience more positive emotions and thus be more likely to embrace change processes. Others have suggested that positive emotions are important for the individual's ability to replenish their psychological capital (Gooty et al., 2009; Seal & Andrews-Brown, 2012). The underlying assumption is that those who experience positive emotions are more likely to evaluate a situation positively and thus are more likely to experience higher levels of belief in their abilities (confidence), expect a more positive future (optimism), and generate multiple paths for goal attainment (hope). Our findings complement these arguments by illustrating how Churchill interwove PsyCap and emotional appeal to help others actualize positive resources.

In an effort to emotionally engage all followers and help them actualize the available resources (Cascio & Luthans, 2014), Churchill not only leveraged all dimensions of PsyCap (see

Figure 1), but also began to materialize the impact of PsyCap through emotional appeals. Indeed, the emotional appeal enabled others to evaluate the devastating situation more positively (Avey et al., 2008). This, in turn, facilitated their belief in their capabilities to fight back and help their weaker neighbors (confidence); helped them identify different opportunities for moving forward, particularly through building relationships with allies (hope); created a context based on trusting relationships in which followers could bounce back when facing difficult times (resilience) (Shin et al., 2012); and triggered positive evaluations of the future in which Britain could emerge victorious (optimism). Emotional appeal acted as an integrative platform that enabled leading in the midst of the crisis via establishing connections among positive resources. To this end, emotional engagement became key to Churchill's leadership in the midst of the crisis:

It would have seemed incredible that at the end of a period of horror and disaster, or at this point in a period of horror and disaster, we should stand erect, sure of ourselves, masters of our fate and with the conviction of final victory burning unquenchable in our hearts. Few would have believed we could survive; none would have believed that we should today not only feel stronger but should actually be stronger than we have ever been before (1940, *The Few*).

### **Leading through the Crisis: Leveraging PsyCap to Build Relationships for Victory**

*Constructing a value platform.* Churchill knew that, despite the victory of the Battle of Britain, the only way Europe could defeat Germany was through strong cooperation of the Allies. Indeed, his forceful belief that strength is to be found in the alliance stems from early 1939 as he saw the potential for joint action to deter Germany. Consequently, Churchill frequently talked about allies both in terms of strength they bring to Britain as well as through emotional appeal by illustrating the suffering of allies. Surprisingly, however, most of the recent research tends to focus solely on strategic leaders (ERIN CITE) thus neglecting, to extent, the role of collectives. The important exception is work on emergent strategies (ERIN CITE) and distributed or collective leadership (Gronn, 2002) that does recognize the need to expand the

focus, particularly in times of change (Denis, Lamothe & Langley, 2001). Nonetheless how these strategic collectives emerge, reconcile differences, and work in concert to advance strategic objectives is less well understood.

To this end, Churchill understood that only together with powerful allies the victory was possible. However, the rift between political ideologies of the Allies, particularly those of the Soviet Union and the U.S. that became more prominent when U.S. decided to join the war effort, threatened the potential for mutual support and was something Hitler counted on. Churchill understood this reality, and knew that the only way to lead through the crisis was to construct a value platform—one that transcended the barriers imposed by conflicting political ideologies. As part of his effort, during his visit to the U.S. in 1941, he often remarked on values that bind Britain and the U.S.: “I have been in full harmony all my life with the tides which have flowed on both sides of the Atlantic against privilege and monopoly and I have steered confidently towards the Gettysburg ideal of government of the people, by the people, for the people” (1941, *Address to Joint Session of US Congress*).

In doing so, Churchill emphasized across his speeches during the key moment between 1940 and 1941 that this war was not just a war against Hitler—it was the battle for the preservation of humanitarian values. This battle for the values embodies all that is positive and agentic in PsyCap. The urgency of actions, the idealism of values, and the belief in human achievement propelled Britain and the Allies, the old and the new world, to move forward together as they created a stronger World:

He has lighted a fire which will burn with a steady and consuming flame until the last vestiges of Nazi tyranny have been burnt out of Europe, and until the Old World -- and the New -- can join hands to rebuild the temples of man's freedom and man's honour, upon foundations which will not soon or easily be overthrown (1940, *Every Man to His Post*).

***Constructing the ties among allies.*** Britain could not defeat Germany alone – ties among the “whole world” were needed. At the end of the war, Churchill recognized as much: “Almost the whole world was combined against the evil-doers, who are now prostrate before us. Our gratitude to our splendid Allies goes forth from all our hearts in this Island and throughout the British Empire” (1945, *Winston Churchill Announces the Surrender of Germany*). The strength of the relationship between peoples across the world, despite stark differences in political ideologies, was essential to Europe’s ability to recover from the early defeats and continue the resistance against Nazi Germany. This was not surprising, as previous research offers several arguments why positive relationships may be particularly useful in a crisis. For example, Cascio and Luthans (2014) suggested that prisoners drew on their PsyCap to form positive relationships with the guards and transform Robben Island. And, similarly, Churchill recognized that only by marching together could they withstand the crisis:

It is not given to us to peer into the mysteries of the future. Still, I avow my hope and faith, sure and inviolate, that in the days to come the British and American peoples will, for their own safety and for the good of all, walk together in majesty, in justice and in peace (1941, *Address to Joint Session of US Congress*).

Given the importance of relationships for Churchill’s leadership, he leveraged PsyCap to strengthen established relationships and build new ones (see Figure 1). Churchill leveraged efficacy by emphasizing the strength of the Britain that was only reinforced by “righteous comradeship of arms” between the Britain and the United States (1941, *Address to Joint Session of US Congress*). As the strength of the relationships increased, particularly between France, U.S., and Britain, Churchill leveraged hope to help people see new opportunities and navigate the path to victory. However, it was resilience—the ability of Britain to recover from early defeats (Shin et al., 2012)—that defined these positive relationships. More specifically, individuals leveraged resilience to bounce back and beyond through purposeful actions by

creating opportunities for success (Luthans et al., 2007a). Churchill leveraged resilience by emphasizing the interrelatedness of the Allies' actions, contrasting them with those of Nazi Germany, and illustrating how these differences strengthened the Allied Powers, thus creating opportunities for success through collective action:

If Hitler imagines that his attack on Soviet Russia will cause the slightest division of aims or slackening of effort in the great democracies, who are resolved upon his doom, he is woefully mistaken. On the contrary, we shall be fortified and encouraged in our efforts to rescue mankind from his tyranny. We shall be strengthened and not weakened in our determination and in our resources (1941, *The Fourth Climacteric*).

### **Leading Out of the Crisis: Leveraging PsyCap for the Final Battle**

Although events between 1940 and 1941 played a key role in Allies ability to emerge victorious, Churchill understood that there could be no peace in Europe until all states regained their independence from Germany and that could come to be only with complete defeat of German armies (Weinberg, 2005). More resources had to be acquired and people's hope in the victory renewed to continue through 1942 and 1943. Churchill, known as "the people's Winston" (Best, 2003, p. 160) was one of the few leaders at the time that enjoyed such admiration and unusual ability to imbue his followers with such belief. According to Berlin (1949, n.p), "The Prime Minister was able to impose his imagination and his will upon his countrymen, and enjoy a Periclean reign, precisely because he appeared to them larger and nobler than life and lifted them to an abnormal height in a moment of crisis." To this end, although Churchill emphasized the role of people, civilian and armies, throughout the war – recognizing that the ability of Allies to persevere through the crisis depended heavily on the commitment and preparedness of the peoples, that role perhaps became most critical in these last years of the war.

***Materializing the power of followers.*** The question of followers in the construction of leadership has received significant attention in the recent literature (Baker, Anthony, Stites-Doe,

2015; Hollander, 1992; Uhl-Bien, Riggio, Lowe, & Carsten, 2014). As the leadership literature broadened to explore leadership through interactions (Fairhurst & Uhl-Bien, 2012) it became evident that leadership can only exist if some are willing to follow. These “following” behaviors are conceptualized as a form of deference in which followers allow themselves to be led and actively engage in leadership processes (Baker et al., 2015; Uhl-Bien, et al, 2014). To this end, Uhl-Bien et al. (2014) argue that one cannot understand leadership without understanding followers and their behaviors.

Churchill was aware that his leadership mattered insofar as he could influence others to rise against Hitler and defend Europe. Indeed, in 1939 he remarked that the “trial of modern war can be endured” only through “[t]he wholehearted concurrence of scores of millions of men and women, whose co-operation is indispensable and whose comradeship and brotherhood are indispensable” (1939, *War Speech*). To this end, Berlin (1949, n.d.) argued that one of the key qualities of Churchill was his ability to engage with his followers and turn them “out of their normal selves, and, by dramatizing their lives and making them seem to themselves and to each other clad in the fabulous garments appropriate to a great historic moment, transformed cowards into brave men, and so fulfilled the purpose of shining armor.” The focus on follower was such a key aspect of Churchill’s leadership as he was aware throughout the war that it was the people who built the resources needed to sustain Britain through difficult times; it was the people who bravely stood up to the Nazi armies in the battlefield; and it was the people who enabled Britain to quickly respond after the Battle of Stalingrad and reconfigure depleted resources to move forward. Churchill understood the importance of their sustained effort:

Our British resources were stretched to the utmost... We had to be ready to meet German invasion of our own island. We had to defend Egypt, the Nile valley, and the Suez Canal. Above all, we had to bring in food, raw materials, and finished across the Atlantic in the

teeth of German and Italian U-boats and aircraft. *We have to do all this still.* (1942, *Singapore has Fallen*).

Churchill leveraged all dimensions of PsyCap (see Figure 1) to inspire action and lead Europe out of the crisis despite now depleted resources. Through modeling and emphasizing past and current successes (Bandura, 1997) Churchill nurtured the followers' confidence needed to persevere. He modeled confidence through expression of his belief in not just Britain's ability to emerge victorious via reconfiguring and actualizing positive resources, but the ability of the people of the world to defeat the strong German forces. This belief was particularly relevant during the Battle of Stalingrad. This moment in WWII marks the first significant weakness in German stratagem as well as the ever-increasing strength of the recently united Allies. At this moment, it was of utmost importance that the people of Britain displayed the most power and preservice. To inspire this, Churchill primarily leveraged confidence and resilience dimensions of PsyCap. Resilience embodies ability to not just bounce back from adversity but to be able to emerge stronger than before, or as Luthans et al. (2007a) suggest, to bounce back and beyond. Resilience thus played a key role in enabling the people to endure and be strongest at the end:

This is one of those moments, when the British nation can show its quality and genius. This is one of those moments when it can draw from the heart of misfortune the vital impulse of victory. Here is a moment to display the calm and pose, combined with grim determination, which not so very long ago brought us out of the very jaws of death. Here is another occasion to show, as so often in our long story that we can reverse with dignity and with renewed accessions of strength (1942, *Singapore has Fallen*).

Although resilience was most dynamic in the later stages of the war, Churchill also leveraged optimism and hope by frequently recognizing that both armies defending Europe and civilians working tirelessly at home building needed resources together would enable a positive future for Europe. Hope was evident in his vivid depictions of the opportunities those resources from the past created, while optimism was portrayed in the way in which he spoke of the positive

future awaiting Europe. This was perhaps most evident in a way he described people of not just Britain, but of all Allies as they struggled to continue. Britain was not alone, and the power of all people coming together in this difficult time will help them build a strong Europe:

I declare to you here, on this considerable occasion... I declare to you my faith that France will rise again. While there are men like General de Gaulle and all those who follow him - and they are legion throughout France - and men like General Giraud, that gallant warrior whom no prison can hold, while there are men like those to stand forward in the name and in the cause of France, my confidence in the future of France is sure (1942, *The Bright Gleam of Victory*).

*Devotion of the armies.* Section removed

## Discussion

How leaders leverage resources to fuel organizational performance, particularly during difficult and ambiguous times has long intrigued organizational scholars (Barney, 2001; Wernerfelt, 1984). This issue is becoming particularly relevant today as environments have become more turbulent and unpredictable, requiring a continuous reconfiguration of resources (Eisenhardt & Martin, 2000). In this context, questions of how leaders leverage resources, how they reconfigure resources and what resources may be particularly useful and when, become pivotal to understanding organizational success. The key challenges researchers have faced thus far stem from, perhaps, overreliance on cross-sectional data and from almost exclusive focus on traditional organizational resources, such as knowledge and learning or financial assets. Although these resources are indeed relevant, lack of understanding of other potentially useful resources and how leaders may leverage them during crisis may limit our knowledge.

Our study seeks to contribute some answers by exploring how leaders leverage psychological resources (PsyCap) to fuel activities needed to persevere and overcome a crisis. We utilize a historical analysis of Churchill's leadership in WWII—a turbulent time that changed

the course of history—to abductively explore our research question and offer insight that is theoretically grounded. Our findings contribute to both strategic leadership literature and positive organizational behavior literature. We show how strategic leaders may leverage their psychological capacities to fuel activities needed to navigate the crisis. More specifically we show that strategic leaders need to anticipate the crisis before the rest, build and actualize resources ahead and during the crisis and engage followers through emotional appeal and relationship building. In addition, our findings illustrate the dynamic nature of PsyCap as a core strategic resource. The dynamism is reflected in the way leaders may leverage PsyCap such that components within PsyCap change and become more prominent depending on the particularities of the circumstance. In doing so, we show how leaders may use PsyCap as a core resources flexibly fueling other activities in the crisis.

### **Strategic Leadership in Crisis: Bridging Activities for Synergistic Value**

Although stories about leadership often entail depictions of the leader's ability to lead through difficult times, a recent review of the literature indicated that surprisingly little is known about leadership in difficult contexts (Hannah et al., 2009). For example, studies have explored the importance of leadership in avoidance of a crisis (Brown & Treviño, 2006), the role of leaders in preparing organizations for the crisis (Pearson & Mitroff, 1993), as well as the routines leaders develop for dealing with the crisis (Grant et al., 2007). However, insufficient attention has been placed on how leaders navigate turbulent contexts that may span significant amounts of time and how they manage depleted resources to overcome the crisis. The increasing number of crises in today's global economy indicates that additional insight into the *process* of leadership as they anticipate, lead through, and lead out of the crisis is needed.

Our historical account of Churchill's leadership during WWII indicates that strategic leaders do not only envision a better future and influence others but also work to anticipate difficult events before others, focus on building positive resources, relationships, and values, and energize followers to persevere. More importantly, however, we show that leaders need to continuously link those activities together. For example, even though the relationships with allies have not fully materialized until the U.S. entered the war, Churchill understood that only through strong relationships this war could be won early on. Consequently, as he was anticipating the events and illustrating the danger in 1939, he also called for the need to build relationships with others and emphasized the need for the recognition of shared values.

In doing so, we show that strategic leaders have to work on multiple fronts: they need to continuously scan the environment and anticipate events before they occur (Ireland and Hitt, 1999). They also need to work on building resources ahead of time as well as establishing a shared value platform which they can actualize in the midst of the crisis. These resources may help followers withstand difficult times and shared value platform strengthens opportunities for relationship building that often becomes critical during crisis (Cascio & Luthans, 2014; Sullivan, 1983). Similarly, although follower engagement tends to be the most important at the end – when followers need to overcome the crisis with now depleted resources, we show that strategic leaders should recognize and engage followers from the beginning. Indeed, recent research suggests that followers play a key role in leaders' ability to execute strategy (Fairhurst & Uhl-Bien, 2012) and thus, particularly in times of crisis, leaders must engage with followers on a deeper level. We suggest that this can be done via emotional appeal but also via recognition of teams (devotion of the armies) that are on the front lines committed to the success.

In addition, our findings indicate that to understand how leaders navigate a crisis, stronger insight into the nature of the crisis is needed. Previous literature treats extreme contexts as either homogenous discrete events (Bass, 2008) or as events that embody different dimensions (Hannah et al., 2009). We contribute to this stream of literature by more clearly depicting the specific context – crisis – and theorize and empirically explore how the particularities of this context may shape leadership processes. Although this focus, to extent limits the generalizability of our findings, it does provide a more nuanced insight into the dynamics of leadership in crisis. More specifically, we show that leaders should build resources in anticipation of the crisis, built connections to lead through the crisis, and built commitment to lead out of the crisis. To this end, we hope that future research will continue to contextualize leadership and offer a more fine grained view across the different contexts.

### **Positive Psychological Capital as a Core Resource: How Recombination of PsyCap Elements Fuels Strength**

Section removed

### **Limitations and Future Directions**

Although our study makes several important contributions to the literature, there are several limitations that should be noted and that future research should address. One of the key opportunities for future research is additional exploration of the role of followers in the crisis. Our study illustrates that Churchill did in fact recognize the important role followers played and worked tirelessly to engage them throughout the war. However, due to the archival nature of our data, we had only limited insight into the actual experiences of the followers and their levels of PsyCap. Future research should look not just into how leaders navigate crisis, but also how do experiences and perceptions of followers change during the crisis. How do followers experience

leaders who leverage PsyCap? Does their PsyCap change with the progression of the crisis? And, finally, do followers with higher levels of PsyCap tend to navigate the crisis more successfully?

Additional limitation of our research is due to the method we utilize. More specifically, although in-depth case study offers important insight into nuances of the phenomenon – in this case how leaders may leverage PsyCap in crisis, it does raise questions with regards to generalizability of the findings. For example, previous research has indicated that PsyCap is a neutral resource – one that depends on how leaders decide to leverage it (Paterson et al., 2014). The important question for future research is thus, to explore how different leaders leverage PsyCap and under which conditions PsyCap may actually lead to negative outcomes. Relatedly, we have shown that PsyCap is indeed an important resource in the crisis, however future research should also inquire into whether leaders leverage PsyCap in other non-crisis contexts as well. To this end, future studies should consider multiple case study design (Creswell, 2013; Eisenhardt, 1989) where the focus is on comparing 1) how different leaders in crisis leverage PsyCap 2) how leaders leverage PsyCap across different contexts (stability, crisis, dynamic equilibrium, and edge of chaos).

Future research should also consider using mainstream quantitative methodologies to delineate more finely how use of PsyCap may differ depending on particular circumstances (i.e. moderating relationships). Although we have presented our findings in linear manner in order to preserve linguistic clarity and flow, the qualitative method in general produces narratives that are less likely to be a “nice neat one where everything fits” (Cunliffe, 2010, p. 231), and more likely a messy text that will include multiple narratives, personal stories, and diverse accounts (Cunliffe, 2010; Marcus, 2007). Consequently, qualitative researchers often have to make trade-off between providing sufficient amount of details and explicating overlaps and stories in the data on

one hand and preserving clarity and the focus of the final narrative on the other (Bass & Milosevic, 2016).

### **Conclusion**

For many organizations and their leaders, crises have become part of organizational reality. Despite their prevalence, crises are no less extraordinary, challenging, and threatening to organizational survival and success. They require exceptional responses exemplified in a leader's unusual ability to reconfigure and mobilize depleted resources to fuel often surprising comebacks. How leaders do so as they lead into, through, and out of a crisis however, is less well understood. Our historical analysis provides an insightful finding—that PsyCap was a core strategic resource that Churchill leveraged during the crisis of WWII to fuel other important activities: mobilize troops, build relationships with allies, and encourage production of the resources necessary for the British and Allied forces to prevail. In doing so, we show that successful leaders may leverage PsyCap in totality or its individual components so as to transform seemingly dismal realities into successful futures. To this end, we uncover the dynamic nature of PsyCap as a tool that strategic leaders can leverage as they lead organizations ahead of, through, and out of crises.

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**Table 2:  
Description of the Aggregate Themes and Supporting Data**

<b>Representative quote from the data</b>	<b>1<sup>st</sup> level codes</b>	<b>2<sup>nd</sup> level codes</b>	<b>Aggregate themes</b>
But in Germany, on a mountain peak, there sits one man who in a single day can release the world from the fear which now oppresses it; or in a single day can plunge all that we have and are into a volcano of smoke and flame (1939, <i>A Hush Over Europe</i> )	<ul style="list-style-type: none"> <li>• Statements illustrating obstacles and difficulties Europe will face;</li> <li>• Statements warning peoples of the danger Hitler represents.</li> <li>• Calling upon others to join in the fight against Germany as a grave evil</li> </ul>	Recognizing difficulty of and preparing for the task awaiting Europe	Leveraging Hope and Confidence in Anticipation of the Difficult Battle
Here we are, after nearly five months of all they can do against us on the sea, with the first U-boat campaign for the first time being utterly broken, with the mining menace in good control, with our shipping virtually undiminished, and with all the oceans of the world free from surface raiders (1940, <i>A House of Many Mansions</i> )	<ul style="list-style-type: none"> <li>• Statements illustrating activities aimed at building or preparing ammunition</li> <li>• Statements illustrating the need for preparedness for difficult times</li> <li>• Calls to all people to do what they can</li> </ul>	Building tangible resources in anticipation of difficult times	
Meanwhile, we have not only fortified our hearts but our Island. We have rearmed and rebuilt our armies in a degree which would have been deemed impossible a few months ago... The output of our own factories, working as they have never worked before, has poured forth to the troops (1940, <i>The Few</i> )	<ul style="list-style-type: none"> <li>• Descriptions of resources critical to the victory.</li> <li>• Description of the activities fueled by the resources</li> <li>• Resources people utilized to replenish mental and physical energy.</li> </ul>	Mobilizing tangible resources to magnify resistance	Leveraging PsyCap to Endure through Devastating Harms
All these tremendous facts have led the subjugated peoples of Europe to lift up their heads again in hope. ...Hope has returned to the hearts of scores of millions of men and women, and with that hope there burns the flame of anger against the brutal, corrupt invader. And still more fiercely burn the fires of hatred and contempt for the filthy Quislings whom he has suborned (1941, <i>Address to Joint Session of US Congress</i> )	<ul style="list-style-type: none"> <li>• Statements illustrating the suffering of others.</li> <li>• Statements describing the unfair fight Germans were engaged with.</li> <li>• Statements inspiring action.</li> </ul>	Engaging others through emotional appeal	

Whether it be the ties of blood on my mother's side, or the friendships I have developed here over many years of active life, or the commanding sentiment of comradeship in the common cause of great peoples who speak the same language... pursue the same ideals, I cannot feel myself a stranger here in the centre and at the summit of the United States. I feel a sense of unity and fraternal association which, added to the kindness of your welcome, convinces me that I have a right to sit at your fireside and share your Christmas joys (1941, *Christmas Message*).

- Descriptions of values that govern the actions of the allies.
- Statements indicating higher purpose and belief in good.
- Statements illustrating the importance of common values to overcome differences

Constructing a value platform

Leveraging PsyCap to Build Relationships for Victory

“General Wavell--nay, all our leaders, and all their lithe, active, ardent men, British, Australian, Indian, in the Imperial Army--saw their opportunity. At that time I ventured to draw General Wavell's attention to the seventh chapter of the Gospel of St. Matthew, at the seventh verse, where, as you all know--or ought to know--it is written: 'Ask, and it shall be given; seek, and ye shall find; knock, and it shall be opened unto you.' The Army of the Nile has asked, and it was given; they sought, and they have found; they knocked, and it has been opened unto them. In barely eight weeks.” (1941, *Give Us the Tools*)

- Statements glorifying the strength of the allies, particularly France and the U.S.
- Statements illustrating the importance of joint effort to defeat Germany.

Constructing the ties among allies

But instead our country stood in the gap. There was no flinching and no thought of giving in; and by what seemed almost a miracle to those outside these Islands, though we ourselves never doubted it, we now find ourselves in a position where I say that we can be sure that we have only to persevere to conquer (1941, *Never Give In*)

- Statements recognizing the commitment and support of all peoples.
- Statements recognizing the sacrifice of people.
- Statements recognizing the contribution of all.

Materializing the power of followers

Leveraging PsyCap for a New Beginning

So far the Commanders who are engaged report that everything is proceeding according to plan. And what a plan! This vast operation is undoubtedly the most complicated and difficult that has ever taken place. It involves tides, wind, waves, visibility, both from the air and the sea standpoint, and the combined employment of land, air and sea forces in the highest degree of intimacy and in contact with conditions which could not and cannot be fully foreseen (1944, *The Invasion of France*)

- Description of the commitment and resolve of the army amidst grave challenges.
- Statements recognizing the superior efforts and resilience of the army.

Devotion of the armies

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