

Alan Greenspan's impact on the economy



**ASSIGN
BUSTER**

Alan Greenspan has transformed his role from a dictator of Economic Advisors to a participative leader of the Federal Reserve. Integrity, transformational leadership, and CII Leadership style demonstrate his leadership. These factors among others helped him to achieve the role of being one of the most powerful men in America, Federal Reserve Chairman. In the process of becoming chairman, Greenspan has become one of the most influential leaders in the world. Traits that show this influence are his integrity, intelligence, and self-confidence.

Perhaps his most important characteristic, Greenspan's integrity has pushed him to become the leader he is today. An example of this came in 1974 when he refused to take the job of Chairman of Economic Advisors.

Greenspan was convinced that he could not make it in government because he did not always agree with policy. Greenspan later chose to accept the position after he realized that he could make a difference and bring truth to the government. Had it not been for his integrity, Greenspan would have declined to take the position. See Passage 1.

After becoming Chairman of the Council of Economic Advisors, he also demonstrated his integrity by discussing problems without regard for policy or the conventional way of thinking. For example, he spoke up against the Nixon administration for over estimating the GNP in 1971. Eventually the budget was proved to be inflated as Greenspan had predicted. He also criticized the president's wage and price controls because he believed that it would have had a negative effect on the American people. Greenspan's relentless pursuit for truth and the well being of the American people has characterized his integrity and leadership.

Despite his great leadership traits, Alan Greenspan has become known for his transformational leadership. As Federal Reserve Chairman, he is outspoken and courageous with his opinions. His ability to deal with complexity and uncertainty is trademark of his transformational leadership style and intelligence. As Greenspan progressed, he was able to apply his leadership and intellectual ability to the real world. An example of this came in 1975 when New York City faced bankruptcy. See Passage 2. Greenspan devised a solution for this complex problem in way that bailed out the city and still earned interest from borrowers.

Furthermore, he continues to learn from this experience and others like it to further develop himself as a decision maker. This is necessary because the decisions he makes affects millions of people worldwide. Even with his vast knowledge of economics and extraordinary expert power, he continues to be driven by his personal values. Over the years after fame and fortune, Greenspan has remained close to the person that raised him alone. Before his mother's death, he called her every morning at 7: 00 A. M. to communicate when he lived in Washington. See Passage 3. He also visited her every free moment of his time.

Alan Greenspan's respect and gratitude for his mother displays his personal values and transformational leadership. This is very important because he has not lost touch of his family, culture, and history as many people do when they achieve success. Before making any decision, Greenspan gets information from a variety of sources. When he faces a decision, he shares the problem with a group, gets ideas, and then decides. He implements a good combination of boss-centered leadership and subordinate-centered

leadership. With the position of Chairman of the Federal Reserve Board, Greenspan has to be unbiased and open to his subordinates' ideas.

However, he was not always open to others' ideas. During his time with the Council of Economic Advisors, two members quit because of his failure to involve them fully. See Passage 4. Eventually Greenspan would learn from experience to determine how much and what type of follower involvement is needed. More importantly, he adjusted his attitude on participative leadership to be more open to sharing the leader role. This style of leadership has helped him to his fourth consecutive four-year term as Chairman. This is the first of its kind for the Federal Reserve Board.