WHAT IS LEADERSHIP?

Leadership has probably been written about, formally researched, and informally discussed more than any other single topic. The introduction to a recent article on leadership noted, "Professors and pupils, historians and psychologists, management gurus and motivational speakers, political hacks and statesmen—is there anybody who doesn't have an opinion on what constitutes a good leader?"[1] Despite all this attention given to leadership, there remains considerable controversy. For example, in one of his articles, leadership guru Warren Bennis gives the title "The End of Leadership" to make the point that effective leadership cannot exist without the full inclusion, initiatives, and the cooperation of employees. In other words, one cannot be a great leader without great followers.[2] Another leadership guru, Barry Posner, makes the following observations about the needed change in how business leadership is viewed:

> In the past, business believed that a leader was like the captain of a ship: cool, calm, collected. Now, we see that leaders need to be human. They need to be in touch, they need to be empathetic, and they need to be with people. Leaders need to be a part of what's going on, not apart from what's going on.[3]

Globalization has also changed the traditional view of an organizational leader as "the heroic individual, often charismatic, whose positional power, intellectual strength, and persuasive gifts motivate followers. But this is not necessarily the ideal in Asia, nor does it match the requirements in large global corporations, where forms of distributed and shared leadership are needed to address complex interlocking problems."[4]

There are also problems with the ways leaders have been traditionally developed, a multi-billion dollar effort. For example, we note on the opening page of our (Avolio and Luthans) book on authentic leadership development that "we are dismayed at how few leadership development programs actually can substantiate that even one leader has been developed as a consequence of most programs."[5] As a result, new paradigms of leadership development are beginning to emerge. For example, the director of Leadership at Google recently commented, "In the '90s at Pepsi, I taught leaders to develop leaders. Now I ask people within the company to name employees they respect and then give them training tasks."

In spite of the seeming discontent, at least with the traditional approaches to leadership theory, practice, and development, throughout history the difference between success and failure, whether in a war, a business, a protest movement, or a basketball game, has been attributed to leadership. A Gallup survey indicates that most employees believe that it is the leader, not the company, that guides the culture and creates situations where workers can be happy and successful.[6] As the opening statement of a recent cover story on leadership in *Fortune* declares, "Your competition can copy every advantage you've got—except one. That's why the best companies are realizing that no matter what business they're in, their real business is building leaders."[7]

Regardless of all the attention given to leadership and its recognized importance, it does remain pretty much of a "black box," or unexplainable concept. It is known to exist and to have a tremendous influence on human performance, but its inner workings and specific dimensions cannot be precisely spelled out. Despite these inherent difficulties, many attempts have been made over the years to define leadership.[8] Unfortunately, almost everyone who studies or writes about leadership defines it differently. About the only commonality is the role that influence plays in leadership.[9]

In recent years, many theorists and practitioners have emphasized the difference between managers and leaders. For example, as Bennis has noted: "To survive in the twenty-first century, we are going to need a new generation of leaders—leaders, not managers. The distinction is an important one. Leaders conquer the context—the volatile, turbulent, ambiguous surroundings that sometimes seem to conspire against us and will surely suffocate us if we let them—while managers surrender to it."[10] He then goes on to point out his thoughts on some specific differences between leaders and managers, as shown in Table 13.1. Obviously, these are not scientifically derived differences, but it is probably true that an individual can be a leader without being a manager and be a manager without being a leader.[11]

Although many specific definitions could be cited, most would depend on the theoretical orientation taken. Besides influence, leadership has been defined in terms of group processes, personality, compliance, particular behaviors, persuasion, power, goal achievement, interaction, role differentiation, initiation of structure, and combinations of two or more of these.[12] The extremely turbulent, adverse environment facing organizational leaders in recent years has led Bennis and Thomas to conclude:

> One of the most reliable indicators and predictors of true leadership is an individual's ability to find meaning in negative events and to learn from even the most trying circumstances. Put another way, the skills required to conquer adversity and emerge stronger and more committed than ever are the same ones that make for extraordinary leaders.[13]

TABLE 13.1
Some Characteristics of Managers versus Leaders in the Twenty-First Century

Manager Characteristics	Leader Characteristics
Administers	Innovates
A copy	An original
Maintains	Develops
Focuses on systems and structure	Focuses on people
Relies on control	Inspires trust
Short-range view	Long-range perspective
Asks how and when	Asks what and why
Eye on the bottom line	Eye on the horizon
Imitates	Originates
Accepts the status quo	Challenges the status quo
Classic good soldier	Own person
Does things right	Does the right thing

Source: Adapted from Warren G. Bennis, "Managing the Dream: Leadership in the 21st Century," *Journal of Organizational Change Management*, Vol. 2, No. 1, 1989, p. 7.

Most recently, Avolio, Luthans, and colleagues at the Leadership Institute at the University of Nebraska concentrate on *authentic leaders*, which means

> to know oneself, to be consistent with oneself, and to have a positive and strength-based orientation toward one's development and the development of others. Such leaders are transparent with their values and beliefs. They are honest with themselves and with others. They exhibit a higher level of moral reasoning capacity, allowing them to judge between gray and shades of gray.[14]

As the former head of successful medical technology firm Medtronic, and now author/lecturer, Bill George says, authentic leaders "bring people together around a shared mission and values and empower them to lead, in order to serve their customers while creating value for all their stakeholders."[15] This authentic leadership is considered a root construct that is considered necessary, but not sufficient, for other types of leadership covered in this chapter and the next.

Perhaps as good a simple definition of leadership as any comes from a *Fortune* article, which states: "When you boil it all down, contemporary leadership seems to be a matter of aligning people toward common goals and empowering them to take the actions needed to reach them."[16] An equally good definition of leadership is implied in hockey great Wayne Gretzky's famous quote: "I don't go where the puck is; I go to where the puck is going to be." But, as Bennis points out, "the issue is not just interpreting and envisioning the future, or knowing where the puck is going to be, but being able to create the kind of meaning for people, the values that make sense to them, where there's enough trust in the system so it's going to stick."[17] For the purpose of this chapter, the specific definition that is used is not important. What is important is to interpret leadership in terms of a specific theoretical process and to realize that leadership, however defined, does make a difference. The OB in Action: High Tech Leader (p. 417) indicates how this leader made a difference at her firm and gained the respect of all those around her.

THE HISTORICALLY IMPORTANT STUDIES ON LEADERSHIP

Unlike many other topics in the field of organizational behavior, there are a number of studies and a considerable body of knowledge on leadership. A review of the better-known classic studies can help set the stage for the traditional and modern theories of leadership.

The Iowa Leadership Studies

A series of pioneering leadership studies conducted in the late 1930s by Ronald Lippitt and Ralph K. White under the general direction of Kurt Lewin at the University of Iowa have had a lasting impact. Lewin is recognized as the father of group dynamics and as an important cognitive theorist. In the initial studies, hobby clubs for ten-year-old boys were formed. Each club was submitted to all three different styles of leadership—authoritarian, democratic, and laissez-faire. The authoritarian leader was very directive and allowed no participation. This leader tended to give individual attention when praising and criticizing, but tried to be friendly or impersonal rather than openly hostile. The democratic leader encouraged group discussion and decision making. This leader tried to be "objective" in giving praise or criticism and to be one of the group in spirit. The laissez-faire leader gave complete freedom to the group; this leader essentially provided no leadership.

Unfortunately, the effects that styles of leadership had on productivity were not directly examined. The experiments were designed primarily to examine patterns of aggressive behavior. However, an important by-product was the insight that was gained into the productive behavior of a group. For example, the researchers found that the boys subjected to the autocratic leaders reacted in one of two ways: either aggressively or apathetically. Both the aggressive and apathetic behaviors were deemed to be reactions to the frustration caused by the autocratic leader. The researchers also pointed out that the apathetic groups exhibited outbursts of aggression when the autocratic leader left the room or when a transition was made to a freer leadership atmosphere. The laissez-faire leadership climate actually produced the greatest number of aggressive acts from the group. The democratically led group fell between the one extremely aggressive group and the four apathetic groups under the autocratic leaders.

Sweeping generalizations on the basis of the Lippitt and White studies are dangerous. Preadolescent boys making masks and carving soap are a long way from adults working in a complex, modern organization. Furthermore, from the viewpoint of today's behavioral science research methodology, many of the variables were not controlled. Nevertheless, these leadership studies have important historical significance. They were the first attempts to determine, experimentally, what effects styles of leadership have on a group. Like the Hawthorne studies presented in Chapter 1, the Iowa studies are too often automatically discounted or at least marginalized because they are hard to generalize to modern organizational leadership. The value of the studies was that they were the first to analyze leadership from the standpoint of scientific methodology, and, more important, they showed that different styles of leadership can produce different, complex reactions from the same or similar groups.

The Ohio State Leadership Studies

At the end of World War II, the Bureau of Business Research at Ohio State University initiated a series of studies on leadership. An interdisciplinary team of researchers from psychology, sociology, and economics developed and used the Leader Behavior Description

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The Ohio State studies started with the premise that no satisfactory definition of leadership existed. They also recognized that previous work had too often assumed that

employees lack followership skills, and there is growing evidence that these skills are becoming increasingly important.[40] In other words, it is probably not wise to ignore followership. Most managers feel that their associates have an obligation to follow and support their leader and Kellerman argues that this arrangement is in the natural order of things (e.g., the "pecking order" of chickens in the barnyard or the dominant alpha male in the wolf pack). She concludes, "in order for large groups to govern themselves effectively, some must be willing to be leaders, others must be willing to be followers, and the majority must be willing to go along with this arrangement."[41] As the CEO of Commerce Union Corporation noted in a *Wall Street Journal* article: "Part of a subordinate's responsibility is to make the boss look good."

The Leader-Member Exchange (LMX) Model

Relevant to the exchange view of leadership is the vertical dyad linkage (VDL) approach,[42] now commonly called leader-member exchange (LMX).[43] LMX theory says that leaders treat individual followers differently. In particular, leaders and their associates develop dyadic (two-person) relationships that affect the behavior of both. For example, associates

who are committed and who expend a lot of effort for the unit are rewarded with more of the leader's positional resources (for example, information, confidence, and concern) than those who do not display these behaviors.

Over time, the leader will develop an "in-group" of associates and an "out-group" of associates and treat them accordingly. Thus, for the same leader, research has shown that in-group associates report fewer difficulties in dealing with the leader and perceive the leader as being more responsive to their needs than out-group associates do.[44] Also, leaders spend more time "leading" members of the in-group (that is, they do not depend on formal authority to influence them), and they tend to "supervise" those in the out-group (that is, they depend on formal roles and authority to influence them).[45] Finally, there is evidence that members of the in-group (those who report a high-quality relationship with their leader) assume greater job responsibility, contribute more to their units, and are rated as higher performers than those reporting a low-quality relationship.[46]

This exchange theory has been around for some time now, and although it is not without criticism,[47] in general, the research continues to be relatively supportive.[48] However, as traditionally presented, LMX seems to be more descriptive of the typical process of role making by leaders, rather than prescribing the pattern of downward exchange relations optimal for leadership effectiveness.[49] Research is also using more sophisticated methodologies[50] and suggests that there are a number of moderators in the LMX-performance relationship.[51]

Graen and Uhl-Bien have emphasized that LMX has evolved through various stages: (1) the discovery of differentiated dyads; (2) the investigation of characteristics of LMX relationships and their organizational implications/outcomes; (3) the description of dyadic partnership building; and (4) the aggregation of differentiated dyadic relations to group and network levels.[52] New insights into the manner in which leaders differentiate between employees in order to form in-groups and out-groups may in part be explained by social network analysis. Positive social networks and exchange processes assist leaders in selecting those who may become part of the inner circle of an organization.[53] Also, the fourth stage recognizes the new cross-functional or network emphasis in organizations and even external relations with customers, suppliers, and other organizational stakeholders. Research that identifies leader-follower relationships that are best suited to specific environmental contingencies is still needed.[54]

Finally, from the social cognitive perspective taken by this text, it should be remembered that leader-member exchanges are a reciprocal process. Evidence of this process of interaction suggests that leaders may be inclined to change follower self-concepts in the short term to achieve performance goals and more enduring changes. At the same time, followers reciprocally shape leaders' self-schemas through their responses, both as individuals and through collective or group reactions.[55] These and other elements of the continual negotiation between the leader and followers, which is also recognized by the psychological contract concept discussed at the end of Chapter 6, deserve additional consideration in the future.

Contingency Theory of Leadership

After concentrating just on leaders themselves proved to fall short of being an adequate overall theory of leadership, attention turned not only to the group being led and the exchange relationship, but also to the situational or contextual aspects of leadership. Social psychologists began the search for situational variables that affect leadership roles, skills, behavior, and followers' performance and satisfaction. Numerous situational variables were identified, but no overall theory pulled it all together until Fred Fiedler proposed the now classic situation-based, or contingency, theory for leadership effectiveness.

some individuals are born with certain traits that allow them to emerge out of any situation or period of history to become leaders. Similar to research on personality, showing the impact of genetics and neurology/brain research (see Chapter 5), there is recent interest in the role that genetics and hardwiring may play in leadership. For example, one non-research-based analysis noted: "Our experience has led us to believe that much of leadership talent is hardwired in people before they reach their early or mid-twenties"[19] and researchers at the University of Minnesota using large samples of twins are investigating whether genetics predicts leadership. Although this research is ongoing, the findings so far do indicate that genetics may account for about 30 percent of the variance in leadership style and emergence in leadership roles, but the majority still comes from development.[20]

Perhaps the best way to view the born versus made issue is to recognize the interaction between the two. As noted by Avolio and Luthans:

> We already know that how a person's genetic makeup engages and is affected by its environment is not stable. Instead, the genetic–environment interaction is elastic (i.e., changes) over time. Specifically, as the "genetic program" unfolds, it is greatly affected by the context in which it unfolds.[21]

In other words, as was pointed out in the discussion of personality in Chapter 5, leadership is affected by both nature (genetics) *and* nurture (development).

Traditionally, however, the great person approach became associated with the *trait theory* of leadership. The trait approach is concerned mainly with identifying the personality traits of the leader. Dissatisfied with this trait approach, and stimulated by research such as the pioneering Ohio State studies, researchers next switched their emphasis from the individual leader's traits to the group being led. In the group approach, leadership is viewed more in terms of the leader's behavior and how such behavior affects and is affected by the group of followers. This role of the follower in leadership has received little attention over the years. As Avolio concluded in his summary of the leadership research literature, "unfortunately, most leadership research has considered the follower a passive or nonexistent element when examining what constitutes leadership."[22]

In addition to the leader's traits and the group, the situation then began to receive increased attention in leadership theory. The situational approach was initially called *Zeitgeist* (a German word meaning "spirit of the time"); the leader is viewed as a product of the times and the situation. The person with the particular qualities or traits that a situation requires will emerge as the leader. This view has much historical support as a theoretical basis for leadership and serves as the basis for situational—and then termed contingency and now contextual—theories of leadership. Fiedler's classic contingency theory, which suggests that leadership styles must fit or match the situation in order to be effective, is the best known. Another traditional situational, or contingency, theory took some of the expectancy concepts of motivation that are discussed in Chapter 6 and applied them to leadership and situations. Called the path-goal theory of leadership, it is an attempt to synthesize motivational and leadership processes. The following sections examine these traditionally recognized trait, group, contingency, and path-goal theories of leadership.

Trait Theories of Leadership

The scientific analysis of leadership started off by concentrating on the trait approach to leadership. Attention was given to the search for universal traits possessed by leaders. The results of this voluminous early research effort were generally very disappointing. Only

intelligence seemed to hold up with any degree of consistency. When these findings were combined with those of studies on physical traits, the conclusion seemed to be that leaders were bigger and brighter than those being led, but not too much so. For example, this line of research concluded that the leader was more intelligent than the average of the group being led, but, interestingly, was not the most intelligent of the group. Political analysts indicate that candidates should not come across as too intelligent to be electable, and the most intelligent member of a criminal gang is not the leader, but usually a lieutenant of the leader, the "brains" of the outfit.

When the trait approach was applied to organizational leadership, the result was even cloudier. One of the biggest problems is that all managers think they know what the qualities of a successful leader are. Obviously, almost any adjective can be used to describe a successful leader. However, it should be recognized that there are semantic limitations and historically, little supporting evidence on these observed descriptive traits and successful leadership. In recent years, however, with the emergence of the importance of the "Big Five" personality traits in organizational behavior (see Chapter 5), the trait approach to leadership effectiveness has resurfaced. For example, a recent qualitative and quantitative meta-analysis review found strong empirical support for the leader trait perspective when traits are organized according to the five-factor model.[23] Specifically, the personality trait of extraversion had the highest (.31) average correlation with leader emergence and leadership effectiveness, followed by conscientiousness (.28), openness to experience (.24), neuroticism (−.24), and nonsignificant agreeableness (.08).[24] These results and newly developed traitlike theoretical frameworks such as the motivation to lead (MTL), which has been demonstrated to predict leadership potential,[25] indicate that a dispositional, traitlike approach to leadership is still alive and may have potential for the future.

From Traits to States and Skills Development

Picking up where the fixed, traitlike approach to leadership has left off are the newly emerging states and more-established skills for leadership development. Still in the tradition of concentrating on the great person approach, but moving away from a strict traits approach and serving as a bridge to the situational theories, are the newly emerging psychological states. As presented in Chapter 7, the statelike (situationally based capacities, those open to development and change, as opposed to the dispositional, relatively fixed traits) positive organizational behavior (POB) constructs have potential for understanding and developing leadership.[26] Specifically, both intuitive and beginning research evidence indicate that optimism,[27] hope,[28] resiliency,[29] emotional intelligence,[30] and especially self-efficacy[31] are related to effective leaders. Incorporating these POB variables of the leader—describing who they are—into newly emerging theories such as authentic leadership[32] (described in the introductory definitions and more fully later in the chapter) seems important for the development of leadership to meet today's challenges.

In addition to developing the POB states, another departure from the trait approach that still focuses on leaders themselves is their skill development. For example, a number of years ago, Katz identified the technical, conceptual, and human skills needed for effective management.[33] Yukl includes leadership skills such as creativity, organization, persuasiveness, diplomacy and tactfulness, knowledge of the task, and the ability to speak well.[34]

Path-Goal Leadership Theory

The other widely recognized theoretical development from a contingency approach is the path-goal theory derived from the expectancy framework of motivation theory (see Chapter 6). Although Georgopoulos and his colleagues at the University of Michigan's Institute for Social Research used path-goal concepts and terminology many years ago for analyzing the impact of leadership on performance, the recognized development is usually attributed to Martin Evans and Robert House, who at about the same time wrote separate papers on the subject.[65] In essence, the path-goal theory attempts to explain the impact that leader behavior has on associate motivation, satisfaction, and performance. The House version of the theory incorporates four major types, or styles, of leadership.[66] Briefly summarized, these are:

1. *Directive leadership.* This style is similar to that of the Lippitt and White authoritarian leader. Associates know exactly what is expected of them, and the leader gives specific directions. There is no participation by subordinates.
2. *Supportive leadership.* The leader is friendly and approachable and shows a genuine concern for associates.
3. *Participative leadership.* The leader asks for and uses suggestions from associates but still makes the decisions.
4. *Achievement-oriented leadership.* The leader sets challenging goals for associates and shows confidence that they will attain these goals and perform well.

This path-goal theory—and here is how it differs in one respect from Fiedler's contingency model—suggests that these various styles can be and actually are used by the same leader in different situations.[67] Two of the situational factors that have been identified are the personal characteristics of associates and the environmental pressures and demands facing associates. With respect to the first situational factor, the theory asserts:

> Leader behavior will be acceptable to subordinates to the extent that the subordinates see such behavior as either an immediate source of satisfaction or as instrumental to future satisfaction.[68]

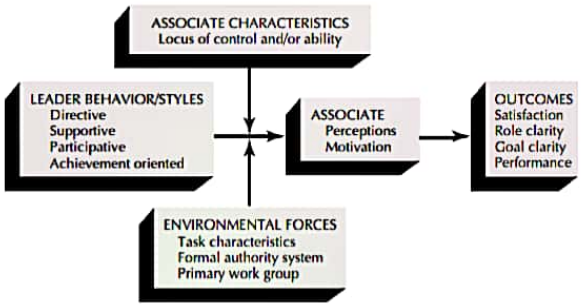
And with respect to the second situational factor, the theory states:

> Leader behavior will be motivational (e.g., will increase subordinate effort) to the extent that (1) it makes satisfaction of subordinate needs contingent on effective performance, and (2) it complements the environment of subordinates by providing the coaching, guidance, support, and rewards which are necessary for effective performance and which may otherwise be lacking in subordinates or in their environment.[69]

Using one of the four styles contingent on the situational factors as outlined, the leader attempts to influence associates' perceptions and motivate them, which in turn leads to their role clarity, goal expectancies, satisfaction, and performance. This is specifically accomplished by the leader as follows:

1. Recognizing and/or arousing associates' needs for outcomes over which the leader has some control
2. Increasing personal payoffs to associates for work-goal attainment
3. Making the path to those payoffs easier to travel by coaching and direction

FIGURE 13.2
A Summary of Path-Goal Relationships



4. Helping associates clarify expectancies
5. Reducing frustrating barriers
6. Increasing the opportunities for personal satisfaction contingent on effective performance[70]

In other words, by doing the preceding, the leader attempts to make the path to associates' goals as smooth as possible. But to accomplish this path-goal facilitation, the leader must use the appropriate style contingent on the situational variables present. Figure 13.2 summarizes this path-goal approach.

As happened with the expectancy theory of motivation, there was a surge of research on the path-goal theory of leadership. However, the research concentrated only on parts of the theory rather than on the entire theory. A sampling of the research findings indicated the following:

1. Studies of seven organizations found that *leader directiveness* was (a) positively related to satisfactions and expectancies of associates engaged in ambiguous tasks and (b) negatively related to satisfactions and expectancies of associates engaged in clear tasks.
2. Studies involving 10 different samples of employees found that *supportive leadership* had its most positive effect on satisfaction for associates who work on stressful, frustrating, or dissatisfying tasks.
3. In a major study in a manufacturing organization, it was found that in nonrepetitive, ego-involving tasks, employees were more satisfied under *participative leaders* than under nonparticipative leaders.
4. In three separate organizations it was found that for employees performing ambiguous, nonrepetitive tasks, the higher the *achievement orientation of the leader,* the more associates were confident that their efforts would pay off in effective performance.[71]

Other reviews of the research on the path-goal theory are not as supportive as the preceding. For example, Schriesheim and DeNisi note that only a few hypotheses have really been drawn from the theory, which means that the theory may be incapable of generating

Despite a relative degree of acceptance of the traditional theories of leadership and the considerable (at least relative to other areas in organizational behavior) amount of research that has been conducted, few would disagree today that leadership still needs much more theory building and research. For example, a comprehensive review of the traditional theories concluded that many of the tests conducted to identify moderating effects were judged to be inappropriate and that most of the results reported in this domain have not been replicated.[75] There is a need to go beyond the traditional approaches with alternative theories, research methods, and applications for leadership studies.

Besides the established trait, group and exchange, contingency, and path-goal theories of leadership, a number of other widely recognized theories have emerged in recent years. These include the charismatic, transformational, substitutes, and authentic theories of leadership. An overview of each of these provides better understanding of the complex leadership process.

Charismatic Leadership Theories

Charismatic leadership is a throwback to the old conception of leaders as being those who "by the force of their personal abilities are capable of having profound and extraordinary effects on followers."[76] Although the charismatic concept, or charisma, goes as far back as the ancient Greeks and is cited in the Bible, its modern development is often attributed to the work of Robert House.[77] On the basis of the analysis of political and religious leaders, House suggests that charismatic leaders are characterized by self-confidence and confidence in their associates, high expectations for associates, ideological vision, and the use of personal example. Followers of charismatic leaders identify with the leader and the mission of the leader, exhibit extreme loyalty to and confidence in the leader, emulate the leader's values and behavior, and derive self-esteem from their relationship with the leader.[78] Bass has extended the profile of charismatic leaders to include superior debating and persuasive skills as well as technical expertise and the fostering of attitudinal, behavioral, and emotional changes in their followers.[79] A *Fortune* article humorously describes a manager with charisma as follows:

> He attended some middling college. Doesn't have an MBA. But he has an aura. He persuades people—subordinates, peers, customers, even the S.O.B. you both work for—to do things they'd rather not. People charge over the hill for him. Run through fire. Walk barefoot on broken glass. He doesn't demand attention, he commands it.[80]

Because of the effects that charismatic leaders have on followers, the theory predicts that charismatic leaders will produce in followers performance beyond expectations as well as strong commitment to the leader and his or her mission. Research indicates that the impact of such charismatic leaders will be enhanced when the followers exhibit higher levels of self-awareness and self-monitoring, especially when observing the charismatic leaders' behaviors and activities[81] and when operating in a social network.[82] House and his colleagues provide some support for charismatic theory[83] and research finds a positive effect on desirable outcomes such as cooperation[84] and motivation,[85] and recent conceptualization

TABLE 13.3
Ethical and Unethical Characteristics of Charismatic Leaders

Source: Jane M. Howell and Bruce J. Avolio, "The Ethics of Charismatic Leadership: Submission or Liberation?" *Academy of Management Executive*, May 1992, p. 45. Used with permission.

Ethical Charismatic Leader	Unethical Charismatic Leader
• Uses power to serve others	• Uses power only for personal gain or impact
• Aligns vision with followers' needs and aspirations	• Promotes own personal vision
• Considers and learns from criticism	• Censures critical or opposing views
• Stimulates followers to think independently and to question the leader's view	• Demands own decisions be accepted without question
• Open, two-way communication	• One-way communication
• Coaches, develops, and supports followers; shares recognition with others	• Insensitive to followers' needs
• Relies on internal moral standards to satisfy organizational and societal interests	• Relies on convenient, external moral standards to satisfy self-interests

proposing that alternative forms (personalized versus socialized) are relevant to successful implementation of mergers and acquisitions.[86] However, as with the other leadership theories, complexities are found[87] and more research is needed. For example, one study that assessed charismatic leader behaviors, individual level correlates, and unit-level correlates (outcomes) in the military yielded only limited support for the theory's propositions and led the researchers to conclude that greater sensitivity to multiple constituencies of leaders is needed in theories and studies focused on charismatic leadership.[88] Also, extensions of the theory are being proposed. For example, Conger and Kanungo treat charisma as an attributional phenomenon and propose that it varies with the situation.[89] Leader traits that foster charismatic attributions include self-confidence, impression-management skills, social sensitivity, and empathy. Situations that promote charismatic leadership include a crisis requiring dramatic change[90] or followers who are very dissatisfied with the status quo. For example, a study in a university setting revealed a situation in which a charismatic leader was able to successfully implement a technical change, but at the same time suffered through major political turmoil, which appeared to be side effects of the technical change. This suggests that studies of charismatic leadership must be considered in the context in which the leader operates, and the nature of the task or work being performed should be included in the analysis.[91]

Included in the extensions of charismatic leadership is also the recognition of a dark side.[92] Charismatic leaders tend to be portrayed as wonderful heroes, but as Table 13.3 shows, there can also be unethical characteristics associated with charismatic leaders. With regard to meeting the challenge of being ethical, it has been noted that charismatic leaders

> deserve this label only if they create transformations in their organizations so that members are motivated to follow them and to seek organization objectives not simply because they are ordered to do so, and not merely because they calculate that such compliance is in their self-interest, but because they voluntarily identify with the organization, its standards of conduct and willingly seek to fulfill its purpose.[93]

This transformation idea is also picked up by Bass, who suggests that charismatic leadership is really just a component of the broader-based transformational leadership, covered next.[94]

leadership effectiveness in most studies, but, except for the contingent reward behaviors, the transactional leadership styles did not enhance leadership effectiveness,[98] and this more positive impact of transformational over transactional leadership has held through the years. For example, a recent meta-analysis of 87 studies found transformational leadership related (.44) to the composite of desired outcomes (follower job satisfaction, follower leader satisfaction, follower motivation, leader job performance, group or organizational performance and rated leader effectiveness).[99] However, in this meta-analysis, contingent reward transactional leadership also related (.39) to the same composite of outcomes, and transformational leadership failed to significantly predict leader job performance.

Most of the research on transformational leadership to date has relied on Bass and Avolio's MLQ (Multifactor Leadership Questionnaire)[100] or qualitative research that simply describes leaders through interviews. Examples of the latter were the interviews with top executives of major companies conducted by Tichy and Devanna. They found that effective transformational leaders share the following characteristics:

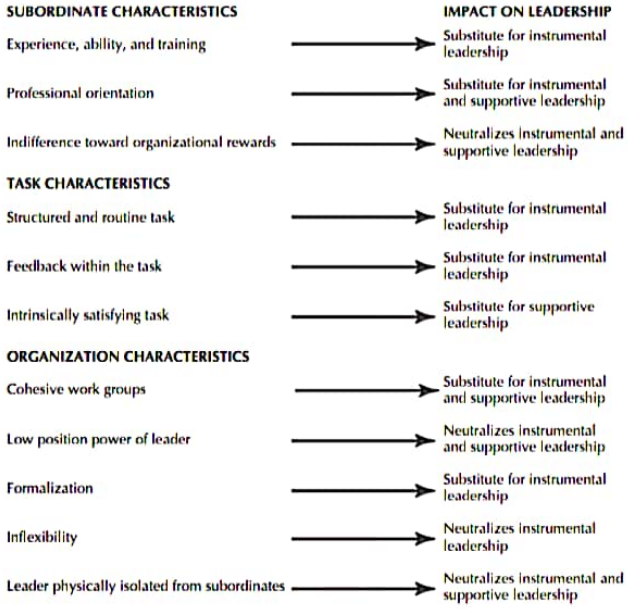
1. They identify themselves as change agents.
2. They are courageous.
3. They believe in people.
4. They are value driven.
5. They are lifelong learners.
6. They have the ability to deal with complexity, ambiguity, and uncertainty.
7. They are visionaries.[101]

Increasing empirical research has supported the transformational leadership characteristics. For example, field studies have shown that transformational leaders more frequently employ legitimating tactics and engender higher levels of identification and internalization[102] (see Chapter 10), have better performance[103] and develop their followers.[104] Recent studies are refining these general findings. For example, in a study comparing male and female sales managers, females were inclined to form unique relationships with each of their individual subordinates that were independent of their group memberships, suggesting transformational and contingent reward patterns that were somewhat different from their male counterparts.[105] In other studies, transformational leadership mediated by leader-member exchange produced effects on followers' performance and organizational citizenship behaviors (OCBs).[106] Also, the relationship transformational leadership and OCBs were found to be moderated by perceptions of procedural justice and trust, and extraversion and agreeableness of the "Big Five" personality traits (see Chapter 5).[107] Another recent study found ones' emotion and personality contributed to transformational leadership behavior.[108] Also, transformational leadership exhibited more moral reasoning[109] and has implications for ethical concerns.[110] A recent study got back to refining the impact of transformational leadership on performance by finding that one's identification with the work unit, self-efficacy (Chapter 7) and means efficacy (confidence in the tools and other support needed to get the job done) were mediators.[111] Conceptual analysis also indicates that contextual factors may influence receptivity to transformational leadership tactics, and therefore they should be considered and accounted for when research is being conducted.[112] In addition, other theories gained attention to help explain the complex process of leadership.

Substitutes for Leadership

Because of dissatisfaction with the progress of leadership theory and research in explaining and predicting the effects of leader behavior on performance outcomes, some of the basic assumptions about the importance of leadership per se have been challenged over the

FIGURE 13.3
Kerr and Jermier's Substitutes and Neutralizers for Leadership



years. One alternative approach that received attention proposed that there may be certain "substitutes" for leadership that make leader behavior unnecessary and redundant, and "neutralizers" that prevent the leader from behaving in a certain way or that counteract the

years. One alternative approach that received attention proposed that there may be certain "substitutes" for leadership that make leader behavior unnecessary and redundant, and "neutralizers" that prevent the leader from behaving in a certain way or that counteract the behavior.[113] These substitutes or neutralizers can be found in subordinate, task, and organization characteristics. Figure 13.3 gives specific examples of possible substitutes and neutralizers according to supportive/relationship leadership and instrumental/task leadership.

As shown, employee experience, ability, and training may substitute for instrumental/task leadership. For example, craftspersons or professionals such as accountants or software engineers may have so much experience, ability, and training that they do not need instrumental/task leadership to perform well and be satisfied. Those employees who don't particularly care about organizational rewards (for example, professors or musicians) will neutralize both supportive/relationship and instrumental/task leadership attempts. Tasks that are highly structured and automatically provide feedback substitute for instrumental/task leadership, and those that are intrinsically satisfying (for example, teaching) do not need supportive/relationship leadership. There are also a number of organizational characteristics that substitute for or neutralize leadership.

There has been further analysis of the leader substitutes concept,[114] and Kerr and Jermier have provided some empirical support from field studies of police officers.[115] They found that substitutes such as feedback from the task being performed had more impact on certain job-related activities than leader behaviors did. Other studies have also been

interpreted (post hoc) to support organizational characteristics such as formalization as leader substitutes.[116] More recent direct tests have yielded mixed results.[117] One study using hospital personnel with a wide variety of skills and backgrounds and in a wide variety of professions found several potential substitutes to predict subordinate satisfaction and commitment, but only one of the single substitutes (organizational formalization) rendered leadership impossible and/or unnecessary.[118] A follow-up study found that worker professionalism was an important moderator variable. It also found that professionals differed from nonprofessionals in that intrinsically satisfying work tasks and importance placed on organizational rewards were strong substitutes for leaders' support.[119]

The substitutes theory tries to point out that some things are beyond leaders' control; leaders do not have mystical powers over people. The situation or context plays a role. By the same token, recent research testing the substitutes for leadership theory was generally not supportive and demonstrated that leadership does matter.[120] In other words, the substitutes idea does not negate leadership; but it may put a more realistic boundary on what leadership is capable of achieving from followers. Some styles, behaviors, activities, and skills of leadership are more effective than others. The next chapter focuses on these effective approaches to the actual practice of leadership.

Authentic Leadership

Although there are a number of newly emerging theories such as servant leadership,[121] political leadership,[122] contextual leadership,[123] e-leadership,[124] primal leadership,[125] relational leadership,[126] positive leadership,[127] shared leadership,[128] and responsible leadership,[129] in these times of unprecedented challenges facing organizational leaders, we (Avolio and Luthans and our colleagues working with the Leadership Institute at the University of Nebraska) believe that authentic leadership is a needed approach. Drawing from Luthans's work on positive organizational behavior[130] and psychological capital[131] (see Chapter 7), and Avolio's work on transformational[132] and full range leadership,[133] we have recently proposed a specific model of authentic leadership development.[134]

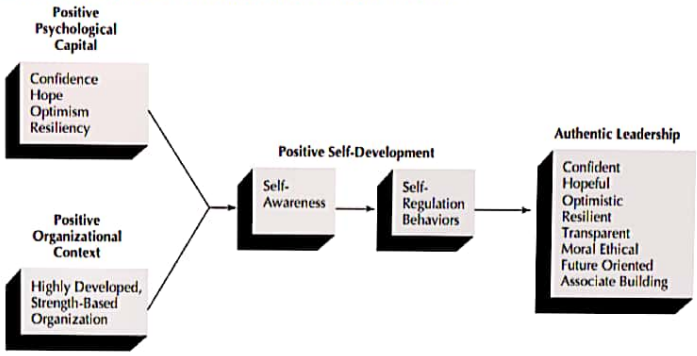
Authenticity has its roots in ancient Greek philosophy ("To thine own self be true") and descriptive words include genuine, transparent, reliable, trustworthy, real, and veritable. Positive psychologists refer to authenticity as both owning one's personal experiences (thoughts, emotions, or beliefs, "the real me inside") and acting in accord with the true self (behaving and expressing what you really think and believe).[135] We specifically define *authentic leadership* in organizations as:

> A process that draws from both positive psychological capacities and a highly developed organizational context, which results in both greater self-awareness and self-regulated positive behaviors on the part of leaders and associates, fostering positive self-development. The authentic leader is confident, hopeful, optimistic, resilient, transparent, moral/ethical, future-oriented, and gives priority to developing associates to be leaders.[136]

The concept of authentic leadership is more on a continuum, rather than just being dichotomous. Also, although we recognize authentic leaders draw from their genetic endowment and life experience, similar to positive organizational behavior (POB) capacities or psychological capital (see Chapter 7), authentic leadership is considered to be statelike and thus open to development and change. Historically important leaders such as Gandhi, Eleanor Roosevelt, and more recently Nelson Mandela would be considered authentic leaders by our definition, but so would day-to-day managers and leaders in all types and levels of organizations who know and are true to themselves and to their people, who do "the right thing," and who have sustainable effective performance in their area of responsibility, unit, and overall organization.

FIGURE 13.4 Authentic Leadership Development Model

Source: Adapted from Fred Luthans and Bruce Avolio, "Authentic Leadership Development," in K. S. Cameron, S. E. Dutton, and R. E. Quinn (Eds.), *Positive Organizational Scholarship*, Berrett-Koehler, San Francisco, 2003, p. 251, and Bruce J. Avolio and Fred Luthans, *The High Impact Leader: Moments Matter in Accelerating Authentic Leadership Development*, McGraw-Hill, New York, 2006.



Although the term *authentic leadership* has been used in the practitioner-oriented popular literature,[137] this proposed theory is the first to treat leadership as both a developmental *process* and *product* centered on authenticity. Figure 13.4 depicts this authentic leadership development process and product. As shown, the authentic leadership process involves antecedent-positive psychological capacities and positive organizational context leading to positive self-development and the product of the authentic leader. In other words, this developmental approach to leadership focuses on the positive (both personal and contextual) in getting to know and regulate one's self. The outcomes of authentic leadership are positive psychological capital (confidence, hope, optimism, and resiliency) and transparency, moral/ethical behavior, future-orientation, and building associates.

Even though there is considerable indirect research support for this theoretical model of authentic leadership coming from positive organizational behavior (see Chapter 7) and transformational leadership (see previous section), the theory building and direct research testing the model is still emerging,[138] but a measure has recently been developed and validated.[139] Only time will tell; but this and other new leadership theories seem needed to help meet the daunting challenges facing organizational leaders now and in the future.

Leadership across Cultures

Leadership takes on added significance in a global economy. As leadership guru Warren Bennis noted: "Given the nature and constancy of change and the transnational challenges facing American business leadership, the key to making the right choices will come from understanding and embodying the leadership qualities necessary to succeed in the volatile and mercurial global economy."[140] Research to date reveals both similarities and differences when leadership activities and styles are examined across cultures.

In their classic study, Haire, Ghiselli, and Porter studied managerial attitudes regarding different leadership styles in 14 countries. National groupings alone explained 28 percent of the variance in managerial attitudes.[141] Later research revealed that the degree of participation used by managers was different across eight countries.[142] In another study

conducted by the author (Luthans) and colleagues, participative management techniques were actually ineffective in a Russian factory.[143] Further, results from the author's (Luthans) Real Managers Study, presented in detail in the next chapter,[144] were basically replicated in a Russian factory.[145] In a manner similar to U.S. managers studied (although the relative frequencies were a little different), the Russian managers were observed to perform, in order, traditional management, communication, human resources, and networking activities. Also, as was the case with the U.S. managers studied, the degree of networking activities conducted by Russian managers was related to their success levels within the organization. Still, the relationship between the activities of various Russian managers and their subsequent levels of effectiveness was similar, but less clear.[146] In other words, there are a number of factors that potentially contribute to differences in effective leader processes across cultures. Some that have been studied include personal values, the manager's background, and interpersonal skills.

Personal Values

The personal values held by a manager shape his or her perception of a situation, influence the analysis of alternative solutions to a problem, and affect the ultimate decision made by the leader.[147] At the same time, the personal values of followers influence their leader, and these values are different across cultures. A study of similar U.S.-owned manufacturing plants located in five different cultures (Italian, Mexican, Spanish, United States, and British) revealed that the overall leadership approaches of the host-country nationals reflected the expectations of the local culture and workforce.[148]

Backgrounds of the Managers

U.S. managers come from all economic backgrounds—lower, middle, and upper class. Although most are college educated, there is no guarantee that attending a given school will lead to success, as promotion is often based on performance. Whereas degrees from prestigious schools may offer a distinct advantage, U.S. managers come from a wide variety of colleges. The same may not be true in other countries. For example, in France managers are traditionally chosen from the graduates of the *grandes ecoles*.[149] In Japan, graduates of prestigious schools have much better chances to become top managers in the larger corporations, and in Korea many top business leaders are educated in the United States.

Besides educational background, class and family status also can have an influence. U.S. managers come from all classes, but the same is not true in other countries. Family name and class are important in France. In India, it is common to accept the authority of elders, and this is revealed through little delegation of authority in many companies. In Scandinavian countries, however, differing family patterns are reflected in participatory decision-making styles and the routine delegation of authority by leaders.

Interpersonal Skills

There is considerable evidence that managers differ across cultures in their interpersonal styles and skills. Leaders vary in their views of rules and procedures, deference to authority, levels of dependence and independence, use of objectivity versus intuition, willingness to compromise, and other interpersonal tactics. A U.S. supervisor on an oil rig in Indonesia