

## 13 Leadership Effectiveness,

### What Does It Take to Be Effective?

Major Topics I'll Learn And Questions I Should Be Able To Answer

#### 13.1 MAKING SENSE OF LEADERSHIP THEORIES

MAJOR QUESTION: How does having an integrated model of leadership help me become an effective leader?

#### 13.2 TRAIT THEORIES: DO LEADERS POSSESS UNIQUE TRAITS AND PERSONAL CHARACTERISTICS?

MAJOR QUESTION: How can I use trait theories to improve my ability to lead?

#### 13.3 BEHAVIORAL THEORIES: WHICH LEADER BEHAVIORS DRIVE EFFECTIVENESS?

MAJOR QUESTION: Do effective leaders behave in similar ways?

#### 13.4 CONTINGENCY THEORIES: DOES THE EFFECTIVENESS OF LEADERSHIP DEPEND ON THE SITUATION?

MAJOR QUESTION: How do I know when to use a specific leader behavior?

#### 13.5 TRANSFORMATIONAL LEADERSHIP: HOW DO LEADERS TRANSFORM EMPLOYEES' MOTIVES?

MAJOR QUESTION: How can I use transformational leadership when working with others?

#### 13.6 ADDITIONAL PERSPECTIVES ON LEADERSHIP

MAJOR QUESTION: How can more recent approaches to leadership improve my effectiveness at work?

The Organizing Framework shown in Figure 13.1 summarizes what you will learn in this chapter. It shows a greater number of total inputs and processes than past chapters. This indicates that effective leadership is not a simple activity. It requires that individuals possess a host of person factors including specific traits, skills, and experience. It further requires an understanding of how a variety of situation factors such as organizational culture and structure affect individual, group/team, and organizational level processes.

Figure 13.1 shows there are five key forms of individual level leadership you will learn about. They are: task-oriented leadership, relationship-oriented leadership, passive leadership, transformational leadership, and leader-member exchange. Each of these types of leadership rely on different types of leader behavior and they all in turn affect a number of individual, group/team, and organizational-level outcomes. The large number of outcomes shown in Figure 13.1 underscores the importance of leadership. Research demonstrates that effective leadership impacts individual, group/team, and organizational performance.

FIGURE 13.1 Organizing Framework for Understanding and Applying OB



## Winning at Work

### Learning to Lead

Leadership effectiveness is more a function of your behavior than a set of traits you are born with. This means leadership skills can be learned, a conclusion supported by research.

#### Step 1: How Can I Begin the Learning Process?

We believe effective leaders lead from the inside out. In other words, self-leadership, or management of your own life, is a prerequisite for being a good leader. How can you lead others if you can't lead yourself? This is where self-awareness matters, by helping you understand your values, motives, and behaviors. For example, research shows that women tend to underestimate their bosses' ratings of their leadership, which promotes poor career outcomes. The benefits of self-awareness are the reason we include so many Self-Assessments in this book. If you want to learn how to lead, the first step is to identify the type of leader behaviors you tend to use. The best way to do this is by getting feedback from others about your leadership during the course of your career.<sup>4</sup> Without feedback, it is very hard to improve.

#### Step 2: Claim a Leader Identity

The way we think of ourselves, our identity, affects our willingness to take on leadership roles. This means that to be a leader, you need to see yourself as a leader. You can do this in three ways. The first is to take a direct approach, in which you refer to yourself as a leader of some group, project, or task or engage in typical leadership acts. For example, if you are meeting with a student group to complete an assignment, you can walk into the meeting with an agenda and then start running the meeting. The second way to see yourself as a leader is to stake indirect claims of leadership, such as sitting at the head of the table for a meeting, mentioning your relationship with recognized leaders, or dressing the part.<sup>6</sup> The third way entails acting or behaving in ways that meet people's expectations about effective leadership. For example, many people perceived that effective leaders use styles that emphasize empowerment, fairness, compassion, and supportiveness. You are more likely to be perceived as a leader if you display these styles.

### Step 3: Develop a Learning Goal Orientation

In Chapter 6 we discussed the difference between learning goals and performance goals. Learning goals promote learning because they focus on what we can learn from both success and failure, and they encourage us to seek input, guidance, and coaching from effective leaders. We encourage you to set learning goals associated with leadership development, such as learn how to run better meetings, learn to improve my influence skills, or learn to provide more effective feedback. We also encourage you to set goals associated with your leadership development. For instance, you might establish a goal to read one leadership book or attend one leadership training course a year. Once you do this, make and execute a plan to achieve your goals.

### Step 4: Experiment and Seek Feedback

Try experimenting in different situations with the different leader behaviors discussed later in this chapter. Next, assess the impact of your experimental approach to leadership. Seek feedback from those you trust and reflect on what you can learn from your many educational and work experiences. It's very hard to improve your leadership skills without getting feedback. You may also find that some of your colleagues, or even a future boss, may be reluctant to provide accurate and honest feedback. If you feel your feedback is unrealistically positive, push for more details about how you can improve. A recent experimental study showed that leadership effectiveness increased over time for students who consistently reflected on what they could learn from their experiences.

### What's Ahead in This Chapter

Improving your leadership skills will enhance both your personal and professional life. The good news is that leadership is available to all. Genetics and privilege neither guarantee leadership abilities, nor are they required. We are about to help you navigate the many theories of leadership, grasp how leadership traits and behaviors can be learned and developed, identify and apply styles of leadership, and finally apply what you learn about leadership to being a better leader and follower and more effective at any level in an organization.

### 13.1 Making Sense of Leadership Theories,

#### MAJOR QUESTION

How does having an integrated model of leadership help me become an effective leader?

#### THE BIGGER PICTURE

You're about to learn why leadership is both an input and a process in the Organizing Framework for Understanding and Applying OB. Organizations can't really start or sustain operations without leadership. You'll acquire an overall model of leadership that integrates the many leadership theories that have been proposed. Then you'll hone your understanding of effective leadership and parse the difference between leading and managing.

If your actions inspire others to dream more, learn more, do more and become more, you are a leader. Quote by John Quincy Adams.

Adams's words underscore the value of leadership. Whether at home or work, effective leadership matters! A recent study spanning 18,000 firm-years revealed that the impact of individual chief executives on corporate financial performance has increased over the last 60 years.

Leadership is a process whereby an individual influence a group of individuals to achieve a common goal. As Adams suggested, you do not need to have a formal position of authority to be a leader. Anyone who exerts influence over others in the pursuit of organizationally relevant matters is a leader.

This definition underscores the broad impact leaders have on organizations. Consider that employee disengagement in the United States costs \$450 billion to \$550 billion per year, and ineffective leadership is a key driver of disengagement. Researchers also have estimated that 50 percent of all managers around the world are incompetent or ineffective. That's a poor state of affairs. Further, results from a recent global survey of more than 13,000 leaders from 48 countries suggested these negative trends are not going away. Only 25 percent of human resource professionals believed their organization's leaders were high quality, and only 15 percent of organizations rated their leadership bench as strong.

An Integrated Model of Leadership,

Figure 13.2 presents an integrated model of leadership. Starting at the far right of the model, you see that leadership effectiveness is the outcome we explain in this chapter. The center of the model shows this outcome is influenced by four types of leadership behavior: task-oriented, relationship-oriented, passive, and transformational.

FIGURE 13.2 An integrated model of leadership,



Effective leadership also is affected by a combination of task-oriented traits and interpersonal attributes (the left side of the model). Recall from Chapter 3 that individual differences significantly affect performance, and they vary from relatively fixed (cognitive ability) to somewhat flexible (self-efficacy). For example, a recent study of 17,000 people found that childhood intelligence predicted leadership potential across four decades.

Moreover, Figure 13.2 shows how demographic characteristics such as gender and age, task-oriented traits, and interpersonal attributes influence an individual's use of leader behaviors. The final component in leadership effectiveness, situation factors, suggests that different situations call for different leader behaviors. That is, effective leadership requires using the right behavior at the right time.

What Is the Difference between Leading and Managing?

Bernard Bass, a leadership expert, concluded, Leaders manage and managers lead, but the two activities are not synonymous. Broadly speaking, managers typically perform functions associated with planning, investigating, organizing, and control, and leaders focus on influencing others. Leaders inspire others, provide emotional support, and try to get employees to rally around a common goal. Leaders also play a key role in creating a vision and strategic plan for an organization. Managers, in turn, are charged with implementing the vision and plan. We can draw several conclusions from this division of labor.

First, good leaders are not necessarily good managers, and good managers are not necessarily good leaders. Second, effective leadership requires effective managerial skills at some level. For example, United's former CEO Jeff Smisek resigned due to managerial deficiencies that produced labor problems, poor customer service, and poor financial results. In contrast, both Tim Cook, CEO of Apple, and Mary Dillon, CEO of Ulta Beauty, are recognized for their use of good managerial skills when implementing corporate strategies.

### 13.2 Trait Theories: Do Leaders Possess Unique Traits and Personal Characteristics?

#### MAJOR QUESTION,

How can I use trait theories to improve my ability to lead?

#### THE BIGGER PICTURE,

Trait theories attempt to identify personal characteristics that differentiate leaders from followers. They represent inputs within the Organizing Framework. After identifying key traits established by research, we discuss the role of gender and perceptions in determining what it takes to be an effective leader.

Trait theory is the successor to what was once called the great man theory of leadership. This approach was based on the assumption that leaders such as Abraham Lincoln, Martin Luther King Jr., and Margaret Thatcher are born with some innate ability to lead. In contrast, trait theorists believe leadership traits are not inborn but can be developed through experience and learning. The trait approach attempts to identify personality characteristics or interpersonal attributes that differentiate leaders from followers.

#### What Core Traits Do Leaders Possess?

Researchers have attempted to identify leadership traits for nearly 100 years. It has been a frustrating pursuit that has not led to a consistent answer. Some have claimed that effective leaders are taller, bald, or wear glasses. But if instead you believe in drawing conclusions based on science, OB researchers offer you a statistical technique called meta-analysis. A meta-analysis is a statistical procedure that effectively computes an average relationship between two variables. Table 13.1 is a summary of what we know from this research. Note the emphasis on task-orientation and the expansion into interpersonal attributes.

All the traits and interpersonal attributes listed in Table 13.1 have been defined elsewhere in this book except for the dark triad traits of narcissism, Machiavellianism, and psychopathy.

#### TABLE 13.1 KEY TASK-ORIENTED TRAITS AND INTERPERSONAL ATTRIBUTES,

#### POSITIVE TASK-ORIENTED TRAITS:

1. Intelligence,
2. Conscientiousness,

3. Open to Experience,
4. Emotional Stability,

## POSITIVE/NEGATIVE INTERPERSONAL ATTRIBUTES

Positive:

1. Extraversion (POSITIVE)
2. Agreeableness (POSITIVE)
3. Communication Skills (POSITIVE)
4. Emotional Intelligence (POSITIVE)

Negative:

1. Narcissism (NEGATIVE)
2. Machiavellianism (NEGATIVE)
3. Psychopathy (NEGATIVE)

We can draw two more conclusions from Table 13.1. First, when selecting leaders, it's more useful to consider personality than intelligence. Second, displaying the dark triad traits at work can lower your performance ratings and even get you demoted or fired.

Margaret Thatcher's three terms leading the United Kingdom, from 1979 to 1990, made her the longest-serving prime minister of the previous century. Which positive traits did she likely possess?

Pol Pot (left) was the communist dictator of Cambodia from 1975 to 1979. His programs and policies led to the deaths of 2 million to 3 million people, roughly a quarter of his country's population. Do you think Pol Pot possessed any of the dark side traits?

Narcissism consists of a self-centered perspective, feelings of superiority, and a drive for personal power and glory. Individuals with this trait have inflated views of themselves, fantasize about being in control of everything, and like to attract the admiration of others. It's thus not surprising that narcissists tend to emerge as leaders, even though they can promote counterproductive work behaviors from others.

Machiavellianism is the use of manipulation, a cynical view of human nature, and a moral code that puts results over principles. It's not surprising that individuals who believe everyone lies to get what they want and that it's necessary to cheat to get ahead are less likely to garner support from others.

Psychopathy is characterized by a lack of concern for others, impulsive behavior, and a lack of remorse or guilt when your actions harm others. This type of person is toxic at work.

What Role Does Emotional Intelligence Play in Leadership Effectiveness?

Recall from Chapter 3 that emotional intelligence is the ability to manage yourself and your relationships in mature and constructive ways. Scientific evidence supports two conclusions about emotional intelligence and leadership:

Emotional intelligence is an input to transformational leadership. In other words, emotional intelligence helps managers effectively enact the behaviors associated with transformational leadership, discussed later in this chapter.

Emotional intelligence has a small, positive, and significant association with leadership effectiveness. This suggests that emotional intelligence will help you lead more effectively, but it is not the secret elixir of leadership effectiveness.

### Do Women and Men Display the Same Leadership Traits?

Sally Jewell became the 51st United States Secretary of the Interior in April of 2013; she is only the second woman to hold the position. She is the former president and CEO of REI, a Seattle-based retailer of outdoor gear. During her tenure, REI nearly tripled its revenue to \$2 billion and was consistently ranked one of the 100 best companies to work for by Fortune. In 2009, Jewell received the National Audubon Society's Rachel Carson Award for her leadership in and dedication to conservation. It would seem that Jewell possesses the positive traits associated with leadership effectiveness.

The increase in the number of women in the workforce has generated much interest in understanding the similarities and differences between female and male leaders. Research reveals the following four conclusions:

Men were observed to display more task leadership and women more relationship leadership.

Women used a more democratic or participative style than men, and men used a more autocratic and directive style.

Female leadership was associated with more cohesion, cooperative learning, and participative communication among team members.

Peers, managers, direct reports, and judges/trained observers, rated women executives as more effective than men. Men rated themselves as more effective than women evaluated themselves.

### How Important Are Knowledge and Skills?

Knowledge and skills are extremely important! Table 13.2 identifies the four basic skills leaders need, according to researchers.

Table 13.2, four basic skills for leaders,

**LEADERS NEED Cognitive abilities** to identify problems and their causes in rapidly changing situations. Because, leaders must sometimes devise effective solutions in short time spans with limited information.

**LEADERS NEED Interpersonal skills** to influence and persuade others. Because, Leaders need to work well with diverse people.

**LEADERS NEED Business skills** to maximize the use of organizational assets. Because, Leaders increasingly need business skills as they advance up through an organization.

**LEADERS NEED Strategic skills** to draft an organization's mission, vision, strategies, and implementation plans. Because, Strategic skills matter most for individuals in the top ranks in an organization.

### Do Perceptions Matter?

Perceptions do matter, according to implicit leadership theory. Implicit leadership theory proposes that people have beliefs about how leaders should behave and what they should do for their followers. These beliefs are summarized in a leadership prototype. A leadership prototype



is a mental representation of the traits and behaviors people believe leaders possess. For example, a recent study identified a leadership prototype of physically imposing men: that they possess leadership ability and thus are granted greater status.

We tend to perceive someone as a leader who exhibits traits or behaviors consistent with our prototypes. The person you voted for in the 2016 presidential election most likely exhibited traits contained in your leadership prototype. A pair of researchers recently investigated leadership prototypes regarding facial appearance. Here is what they found:

People prefer leaders with dominant, masculine-looking faces in times of war and conflict, yet they prefer leaders with more trustworthy, feminine faces in peacetime. In addition, leaders with older-looking faces are preferred in traditional knowledge domains, whereas younger-looking leaders are preferred for new challenges.

As this study's results suggest, we all need to be mindful that our prototypes can bias our evaluation of leaders.

### What Are the Take-Aways from Trait Theory?

Trait theory offers us four conclusions.

1. We cannot ignore the implications of leadership traits. Traits play a central role in the way we perceive leaders, and they do ultimately affect leadership effectiveness. For example, the Cardiac Rhythm Disease Management Group within Medtronic Inc. identified nine types of traits and skills necessary for leaders (such as giving clear performance feedback and being courageous). The company then designed a leadership development program to help its employees learn and apply these traits. More companies are using management development programs to build a pipeline of leadership talent. Total US spending by organizations for leadership training was \$61.8 billion in 2014 and \$70.6 billion in 2015.
2. The positive and dark triad traits shown in Table 13.1 suggest the qualities you should cultivate and avoid if you want to assume a leadership role in the future. Personality tests, discussed in Chapter 3, and other trait assessments can help evaluate your strengths and weaknesses on these traits.
3. Organizations may want to include personality and trait assessments in their selection and promotion processes. For example, Nina Brody, head of talent for Take Care Health Systems in Conshohocken, Pennsylvania, used an assessment tool to assist in hiring nurses, doctors, medical assistants, and others with traits that fit the organization's culture. Of course, companies should match only valid leadership traits.
4. A global mind-set is an increasingly valued task-oriented trait. As more companies expand their international operations and hire more culturally diverse people for domestic operations in the United States, they want to enhance employees' global mind-set. A global mind-set is the belief in one's ability to influence dissimilar others in a global context. For example, MasterCard and InterContinental Hotels Group implemented leadership development programs aimed at enhancing employees' cross-cultural awareness and ability to work with people from different countries (see the OB in Action box).

### OB IN ACTION,

MasterCard and InterContinental Hotels Group (IHG) Develop Employees' Global Mind-set



MasterCard has about 10,300 employees who provide services to people in more than 210 countries and territories. Ann Schulte, former Chief Learning Officer at MasterCard, told a business writer that MasterCard's business model hinges on the ability to operate and grow a global network that matches the needs of the local market. To do this, the company attempts to match the demographics of its workforce to the diversity of people it serves. InterContinental Hotels Group (IHG) is the largest hotel company in the world, operating 4,700 hotels in almost 100 countries. Renee Stevens, former vice president of global talent, told a business writer that, It's critical to have leaders from diverse cultures and experiences ... if you're looking to join a global company, you must have strong cultural awareness and be able to adjust to your changing environment.

**How do These Companies Develop a Global Mind-Set?** MasterCard uses formal training programs on topics such as culture awareness, language, and cross-cultural awareness to develop employees' global mind-set. The company also assigns people to special-project teams that focus on achieving global strategic objectives. For example, managers may be asked to focus on scenario planning, regional market models, information strategy, technology estimation, and sponsorships. After completing such projects, trainees are given the opportunity to present their recommendations to a group of senior executives.

IHG uses formal training, job rotation, assignment to special cross-functional project teams, and international assignments to instill a global mind-set. International assignments are the key driver of the company's strategy. Stevens notes, Not only do these assignments build critical knowledge and skills, they also build understanding of other cultures, leadership skills, and the skills to operate in other parts of the world.

**When Should You Start Developing a Global Mind-Set?** Stevens believes it takes time to develop a global mind-set. So start early in your career. Don't wait for management to create such opportunities; seek them out.

### 13.3 Behavioral Theories: Which Leader Behaviors Drive Effectiveness?

#### MAJOR QUESTION,

Do effective leaders behave in similar ways?

#### THE BIGGER PICTURE,

Behavioral style theories identify key leader behaviors believed to affect leadership effectiveness. We'll focus on four leader behaviors confirmed to differentiate effective from ineffective leaders: task-oriented behavior, relationship-oriented behavior, passive leadership, and transformational leadership.

As you might expect, leaders rely on many different types of behaviors to influence others and to accomplish goals. This realization spurred the behavioral styles approach, which attempts to identify the unique behaviors displayed by effective leaders.

Researchers have boiled down the unique leader behaviors into four categories: task-oriented, relationship-oriented, passive, and transformational (see Figure 13.2). This section discusses the first three, while transformational leadership is discussed later in the chapter.

#### Task-Oriented Leader Behavior,

The primary purpose of task-oriented behaviors is to assist others in accomplishing their goals and those of the work unit. Although a host of behaviors fall under this category, such as

planning, clarifying, monitoring, and problem solving, researchers have mainly studied two: initiating structure and transactional leadership.

#### Initiating Structure,

Researchers at Ohio State University defined initiating structure as leader behavior that organizes and defines what group members should be doing to maximize output. You witness this behavior style when someone organizes a team meeting for a class project or seeks input from a knowledgeable source to help guide the team's work. This form of leadership has a moderately strong positive relationship with measures of leadership effectiveness.

#### Transactional Leadership,

Transactional leadership focuses on clarifying employees' role and task requirements and providing followers with positive and negative rewards contingent on performance. Transactional leadership includes the fundamental managerial activities of setting goals, monitoring progress toward goal achievement, and rewarding and punishing people for their level of goal accomplishment. You can see that transactional leadership is based on using rewards and punishment to drive motivation and performance. Research supports a positive association between transactional leadership and leader effectiveness and group performance.

Nick Saban, head football coach at the University of Alabama, uses task-oriented leadership (see the OB in Action box). His teams have won five national championships, attesting to his effectiveness as a leader.

#### OB IN ACTION,

Nick Saban Uses Task-Oriented Leadership to Achieve National Championships in Football

#### Relationship-Oriented Leader Behavior,

Alabama head coach Nick Saban hoists the 2016 College Football Playoff National Championship Trophy following his team's victory over the Clemson Tigers. Alabama won by a score of 45 to 40.

Nick Saban has lots of energy and puts in long hours as head football coach for the University of Alabama. He used to spend so much time traveling to evaluate high school players that the NCAA came up with the Saban rule, which prevents college coaches from traveling to high schools in the spring to watch players. Saban is also known for what people in Tuscaloosa call the process.

**How Does The Process Work?** A Fortune reporter stated that Saban defines expectations for his players athletically, academically, and personally. He also sets expectations so that everyone understands what he wants, and then he can pull back. For example, he wants to know players' workout routines for each day, including the amount of weight they can bench-press. If a lineman is above his target body-fat percentage, Saban wants to know what the staff is doing to fix it.

Saban also is very supportive of his coaching staff. Once they make a game plan, he leaves its execution to them. He also takes ownership for mistakes or losses. Former defensive coordinator Kirby Smart told the Fortune reporter that Saban has always taken the blame and never pointed at a coach or a person or a kid. And I think that helps the whole organization. It gives you

confidence before the game that ‘Hey, we’ve got a plan. We’ve outworked everybody at this point. Let’s go execute it and do it.

Saban has hired trainers to coach him and the staff. He believes you get better only by focusing on the small things that make a difference on game day. For example, he brought in a martial arts expert because he thought it would help players gain leverage when blocking. He also added Pilates to the team’s workout after he experienced its benefits himself.

The purpose of relationship-oriented leadership is to enhance employees’ skills and create positive work relationships among coworkers and between the leader and his/her employees. OB researchers have investigated the impact of four relationship-oriented behaviors:

- Consideration
- Empowerment
- Servant-leadership
- Ethical leadership

Consideration,

Consideration is leader behavior that creates mutual respect or trust and prioritizes group members’ needs and desires. Consideration promotes social interactions and identification with the team and leader. In fact, researchers at Ohio State (who identified consideration) initially proposed that a high-initiating structure, high-consideration style would be the best style of leadership. While research results did not support this bold prediction, considerate leader behavior has a moderately strong positive relationship with measures of leadership effectiveness.

Empowering Leadership,

To explain the positive effects of empowering leadership, we need to define two terms.

Empowering leadership represents the leader’s ability to create perceptions of psychological empowerment in others. Psychological empowerment, employees’ belief that they have control over their work, is believed to drive intrinsic motivation.

Amazon founder and CEO Jeff Bezos has learned to be an empowering leader. Patty Stonesifer, an Amazon board member for 19 years, has noticed a change in Bezos’s approach toward leadership. He was at the center of everything at the beginning. The leadership was Jeff Bezos. . . Today it’s not a hub-and-spoke connecting to him. He has become a great leader of leaders, she said.

Leaders increase their followers’ psychological empowerment by engaging in behaviors that enhance perceptions of meaning, self-determination or choice, competence, and impact. Let’s consider how Bezos creates psychological empowerment at The Washington Post, the renowned daily newspaper he bought in 2013.

Yegi Rezaian (far left) and her husband, Jason, sit with U.S. Secretary of State John Kerry and Amazon CEO Jeff Bezos (far right) at a ceremony to dedicate The Washington Post’s new headquarters in Washington, D.C.

Leading for meaningfulness. Managers lead for meaningfulness by inspiring their employees and modeling desired behaviors. One way to do this is by helping employees to identify their passions at work and creating an exciting organizational vision employees feel connected to. Bezos demonstrated this when Post correspondent Jason Rezaian was released from an Iranian prison after being held for 18 months. Bezos flew to a U.S. base in Germany to pick Rezaian up,

saying, What happened to Jason and his wife, Yegi, is completely unfair, unjust outrageous. I considered it a privilege to be able to go pick him up. I had dinner with them at the Army base the night that I got there, and then ... I asked him, 'Where do you want to go? I'll take you wherever you want.' They flew to Key West. A photo of the event went viral within the company. Bezos told everyone, We'll never abandon anybody.

Leading for self-determination or choice. Managers lead for choice by delegating meaningful assignments and tasks. Bezos told the staff at the Post that the paper needed to increase its web traffic, but he did not tell them how. He provided input but left the execution to his managers. Web visitors have jumped from 30.5 million in October 2013 to 73.4 million in February 2016.

Leading for competence. Leading for competence means supporting and coaching employees. Managers first need to make sure employees have the knowledge needed to successfully perform their jobs. Deficiencies can be handled through training and mentoring. Managers can also combine positive feedback and sincere recognition with challenging tasks to fuel employees' intrinsic motivation. Rather than controlling the editorial product at the Post, says editor Marty Baron, Bezos doesn't suggest coverage.

Leading for progress. Managers lead for progress by monitoring and rewarding others. Bezos meets with Post senior leaders by phone every other week. They discuss operations, web traffic, and other customer-oriented issues.

Research supports the use of empowering leadership. It fosters psychological empowerment, which in turn improves outcomes such as intrinsic motivation, creativity, career self-efficacy and satisfaction, performance, and team collaboration.

#### Servant-Leadership,

The term servant-leadership was coined in 1970 by Robert Greenleaf, who believed great leaders act as servants and make the needs of others, including employees, customers, and community, their first priority. Servant-leadership focuses on increased service to others rather than to oneself. Because the focus of servant-leadership is on serving others, servant-leaders are less likely to engage in self-serving behaviors that hurt others. Embedding servant-leadership into an organization's culture requires actions as well as words.

EXAMPLE Afni, Inc., a global customer contact services provider, launched a leadership development program aimed at enhancing both servant and empowering leadership. Heather Cushing, senior manager of leadership development, said the goal of the program is to help managers exhibit an attitude of servant-hood, caring for the coaching and development of each level reporting up through them. Afni wants managers to empower others to reach their full potential, while also inspiring teamwork and loyalty and improving employee engagement.

Servant-leadership is expected to promote leadership effectiveness because it focuses on providing support and growth opportunities to employees. As you may recall from our discussion of perceived organizational support (POS) in Chapter 2, people generally reciprocate with increased effort toward collective performance when they feel supported. Servant-leaders have the characteristics listed in Table 13.3.

Table 13.3, 1 characteristics of the servant-leader,

1. listening, Servant-leaders focus on listening to identify and clarify the needs and desires of a group.

2. empathy, Servant-leaders try to empathize with others' feelings and emotions. An individual's good intentions are assumed even when he or she performs poorly.
3. healing, Servant-leaders strive to make themselves and others whole in the face of failure or suffering.
4. awareness, Servant-leaders are aware of their own strengths and limitations.
5. persuasion, Servant-leaders rely more on persuasion than on positional authority when making decisions and trying to influence others.
6. conceptualization, Servant-leaders take the time and effort to develop broader-based conceptual thinking. They seek an appropriate balance between a short-term, day-to-day focus and a long-term, conceptual orientation.
7. foresight, Servant-leaders have the ability to foresee outcomes of a current course of action or situation.
8. stewardship, Servant-leaders assume they are stewards of the people and resources they manage.
9. commitment to the growth of people, Servant-leaders commit to people beyond their immediate work role. They foster an environment that encourages personal, professional, and spiritual growth.
10. interest in building community, Servant-leaders strive to create a sense of community both within and outside the work organization.

Bono, lead singer of the Irish band U2, is a good example of a servant-leader. Here is what reporter Ellen Mcgirt had to say about him.

Example in 2005 he started the One campaign, a volunteer-led movement to influence lawmakers to commit resources to funding programs that truly change the lives of the poor from Pepfar (which continues to provide lifesaving antiretroviral drugs); to the Global Fund, the Geneva-based not-for-profit that finances select local programs fighting AIDS, TB, malaria; to Gavi, a public-private partnership that provides needed vaccines to kids. Bono's motto is adapted from St. Francis, who said, go into the world to preach the gospel, and if necessary, use words. Bono commented that It's about being useful, and that's what I want to be

Ethical Leadership, OB scholars are interested in studying ethical leadership. Ethical leadership represents normatively appropriate behavior that focuses on being a moral role model. This includes communicating ethical values to others, rewarding ethical behavior, and treating followers with care and concern.

Ethical leadership is clearly driven by personal factors related to our beliefs and values. It also has a reciprocal relationship with an organization's culture and climate. In other words, an ethical culture and climate promote ethical leadership, and ethical leadership in turn promotes an ethical culture and climate. Although ethical leadership is a relatively new area of study in OB, research already shows that it is positively related to employee job satisfaction, organizational commitment, organizational citizenship behavior, motivation, and task performance. It also is negatively associated with job stress, counterproductive work behavior, and intentions to quit. It appears that ethical leadership has many positive benefits.

Passive Leadership,

Passive leadership is best illustrated by what OB scholars call laissez-faire leadership. Laissez-faire leadership is a general failure to take responsibility for leading. Examples include avoiding conflict, failing to provide coaching on difficult assignments, failing to assist employees in setting performance goals, avoiding performance feedback, ignoring bullying, and being so

hands-off that employees have little idea what they should be doing. You can probably see that laissez-faire leadership prompts incivility among people (see the OB in Action box) and has an overall negative impact on employees' perceptions of leadership effectiveness.

## OB IN ACTION,

### Passive Leadership at Petrobras,

Aldemir Bendine is CEO of Brazil's state-run oil firm *Petróleo Brasileiro SA*, called Petrobras. He has displayed such passive leadership that he has earned the nickname TQQ. In Portuguese, that stands for Tuesday, Wednesday, and Thursday, reportedly the only days he shows up at corporate headquarters in Rio. Bendine is criticized for spending too much time in São Paulo, his hometown, and not enough at corporate headquarters in Rio.

Bendine was appointed CEO in 2015 by Brazilian President Dilma Rousseff, who believed he could help the oil company overcome a massive corruption scandal. Investigators say that politicians, oil executives and businessmen conspired for a decade to siphon billions of dollars from the firm, channeling money to Swiss accounts and the slush funds of major political parties, according to *The Wall Street Journal*.

Unfortunately, other executives at Petrobras do not believe Bendine has done enough in his first year to tackle the company's myriad problems, according to a *Wall Street Journal* reporter. *Bidness Etc* reported that these problems include low crude oil prices, a multibillion-dollar corruption scandal, weak Brazilian economy, and the powerful workers' unions. The corruption scandal and the commodity market downturn have increased Petrobras' debt burden to more than \$130 billion.

*The Wall Street Journal* reports that Bendine's lack of industry experience has sparked grumbling by some Petrobras veterans that he doesn't have the company's long-term interests at heart. He has clashed with board members on several occasions, and in October slammed the door after walking out on the board mid-meeting. His people skills also were questioned during a November strike by oil platform workers that dragged on for several weeks, costing the company more than 2 million barrels of oil production. The workers also won a raise.

Rousseff, who has since been impeached by Brazil's Congress, views Bendine as a loyal government solidier. She herself is accused of violating budgetary laws to cover shortfalls in Brazil's deficit, a charge she denies.

One senior executive summarized the general view of Bendine as follows: He doesn't seem to want to have a career in the oil business. It's a part-time job for him.

What are the practical implications of research on passive leadership? Organizationally, it would be valuable to use employee feedback to identify managers who lead with this style. Once identified, people can be trained to use behaviors associated with other forms of task and relational leadership. If the person does not change, then he or she should be removed from the position.

A leadership expert provided the following suggestions for personally dealing with a passive leader:

Talk to your manager and discuss your need for more input, coaching, or direction.

Sit down with your boss and establish SMART goals, as discussed in Chapter 6.

Consult with other members of your work group to find out whether you are the only person who feels a need for more leadership.

Seek the assistance of someone higher in the organization.

What are the Take-Aways from Behavioral Theory?

There are three points to remember about behavioral theory.

(1) Behavior is more important than traits when it comes to leaders' effectiveness. Our mantra for leaders is, every behavior matters.

(2) Leader behaviors can be systematically improved and developed. Organizations should continue to invest in leadership development programs.

(3) There is no one best style of leadership. The effectiveness of a particular leadership style depends on the situation at hand.

### 13.4 Contingency Theories: does the effectiveness of leadership depend on the situation? MAJOR QUESTION

How Do I Know When to Use a Specific Leader Behavior?

THE BIGGER PICTURE,

Proponents of contingency leadership believe the effectiveness of leadership behaviors depends on the situation. Makes common sense! Contingency theories help managers recognize when they should use particular types of leader behavior. Two that have been widely researched are Fred Fiedler's contingency model and Robert House's path-goal theory.

Contingency leadership theories grew out of the realization that there is no single best style of leadership. Contingency theories propose that the effectiveness of a particular style of leader behavior depends on the situation. As situations change, different styles become appropriate. As you will learn, however, the application of contingency theories is more complicated than it appears.

Let's examine two contingency theories: Fiedler's contingency model and House's path-goal theory.

Fiedler's Contingency Model,

The oldest contingency-based theory was developed by Fred Fiedler. He labeled the model contingency theory because it is based on the premise that a leader's effectiveness is contingent on the extent to which the leader's style matches characteristics of the situation at hand. To understand how this matching process works, we'll consider the key leadership styles Fiedler identified and the situational variables that constitute what he labeled situational control.

Two Leadership Styles: Task Orientation and Relationship Orientation

Fiedler believed leaders have one dominant or natural leadership style that is resistant to change, either task-motivated or relationship-motivated. Recall these two orientations from our earlier discussion in this chapter. Task-motivated leaders focus on accomplishing goals, whereas relationship-motivated leaders are more interested in developing positive relationships with followers. Fiedler developed the least preferred coworker (LPC) scale to measure the extent to which an individual takes a task- or relationship-based approach toward leadership. The scale



asks you to evaluate a coworker you least enjoy working with on 16 pairs of opposite characteristics (such as friendly/unfriendly and tense/relaxed). High scores on the survey (high LPC) indicate that an individual is relationship-motivated, and low scores (low LPC) suggest a task-motivated style.

### Three Dimensions of Situational Control,

Situational control refers to the amount of control and influence the leader has in her or his immediate work environment. There are three dimensions of situational control: leader–member relations, task structure, and position power.

Leader–member relations describe the extent to which the leader has the support, loyalty, and trust of the work group. This dimension is the most important component of situational control. Good leader–member relations suggest that the leader can depend on the group, thus ensuring members will try to meet the leader’s goals and objectives.

Task structure measures the amount of structure contained within tasks performed by the work group. For example, a managerial job contains less structure than that of a bank teller. Because there are guidelines for the way structured tasks should be completed, the leader has more control and influence over employees performing such tasks. This dimension is the second-most important component of situational control.

Position power is the leader’s formal power to reward, punish, or otherwise obtain compliance from employees.

The dimensions of situational control vary independently, forming eight combinations in which control varies from high to low (see Figure 13.3). High control implies that the leader’s decisions will produce predictable results because the leader has the ability to influence work outcomes. Low control implies that the leader’s decisions may not influence work outcomes because the leader has very little influence.

Situational Control	High-Control Situations			Moderate-Control Situations				Low-Control Situations
Leader–Member Relations	Good	Good	Good	Good	Poor	Poor	Poor	Poor
Task Structure	High	High	Low	Low	High	High	Low	Low
Position Power	Strong	Weak	Strong	Weak	Strong	Weak	Strong	Weak
Situation	I	II	III	IV	V	VI	VII	VIII

Optimal Leadership Style	Task-Motivated Leadership			Relationship-Motivated Leadership				Task-Motivated Leadership
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## When Is Each Style Most Effective?

No leadership style is effective in all situations. Figure 13.3 illustrates when task- and relationship-motivated leadership are expected to be most effective.

Task-oriented leadership should be most effective in either high-control (situations I–III in Figure 13.3) or low-control situations (situation VIII).

Relationship-oriented leadership should be most effective in situations of moderate control (situations IV–VII in Figure 13.3).

What should you do if your dominant leadership style does not match the situation? Then, Fiedler suggests, it is better to move to a more suitable situation than to try to change your leadership style. This response is different from that of the behavioral styles approach, which assumes we can learn different leader behaviors. Fiedler believes people cannot change their leadership style. Do you agree with this proposition?

## Take-Aways from Fiedler's Model

Although research provides only partial support for Fiedler's model and the LPC scale, there are three key take-aways.

1. Leadership effectiveness goes beyond traits and behaviors. The fit between a leader's style and the situational demands is influential. For example, a recent study found that companies with task-oriented CEOs achieved greater financial performance (higher return on assets) when the company had a relationship-focused culture, whereas firms with relationship-oriented CEOs had higher firm performance in task-focused cultures.
2. Organizations should attempt to hire or promote people whose leadership styles fit or match situational demands. Bill Marriott, Marriott's executive chairman, decided to select the first nonfamily CEO because he felt his son John was not suited for the position despite having spent his entire life working his way up through the company (see Problem-Solving Application box).
3. Leaders need to modify their style to fit a situation. A recent study found that too much task-oriented leader behavior was viewed negatively by employees, whereas excessive relationship leadership was not. Leaders need to experiment with finding the appropriate amount of leadership to exhibit in different situations.

## Problem-solving application,

### Bill Marriott Selects Arne Sorenson to Be CEO over His Son

Bill Marriot became CEO of the Marriott hotel chain at the age of 32. He was selected by his father after having worked in the company since he was 14. Under his leadership, the company's revenues grew from \$85 million in 1964 to \$11.8 billion in 2012.

**Bill's Dilemma** After suffering a heart attack at the age of 57, Bill Marriott began to consider a succession plan. He wanted one of his four children to take over because the 85-year-old company had always been run by a family member.

Bill's son John Marriott was the most capable to take over. John started as a cook in the kitchen and had gone on to work in every aspect of the business. Bill said John spent most of his adult life preparing to succeed me as CEO. He devoted his heart and soul to learning the business. But as time went on, I realized that it wasn't the right fit not for John and not for Marriott.

Bill's Response, Bill Marriott saw that the company needed a CEO with strong people skills. He noted that our culture is focused on people, because treating one another well is essential to creating an atmosphere in which everyone treats guests well, and that's the most fundamental element of our business.

Marriott had hired lawyer Arne Sorenson to help represent the company in 1993. Bill thought Sorenson had great financial skills, so he hired him at a later time to head mergers and acquisitions. Sorenson became chief financial officer in 1998. Over time, Bill Marriott observed that his CFO had also developed very keen people skills.

As Sorenson's task and relationship skills grew, John Marriott became unhappy working at headquarters. He simply did not like managing the bureaucracy of such a large company. Bill concluded that his son was a natural born entrepreneur who did not have the personality to run a company like Marriott.

The Outcome Father and son agreed that John would be happier working in another role. In 2005, John became vice chair of the board, and he started a medical testing company. He also is CEO of JWM Family Enterprises, a family trust company. Bill turned over the CEO reins to Arne Sorenson in March 2012. The company has done very well since that time. The Washington Post noted in 2015, The company's stock is on a tear, and Marriott is adding tens of thousands of rooms worldwide annually, putting it on pace to pass 1 million rooms open or on the way this year.

Apply the 3-Step Problem-Solving Approach,

Step 1: Define the problem in this case?

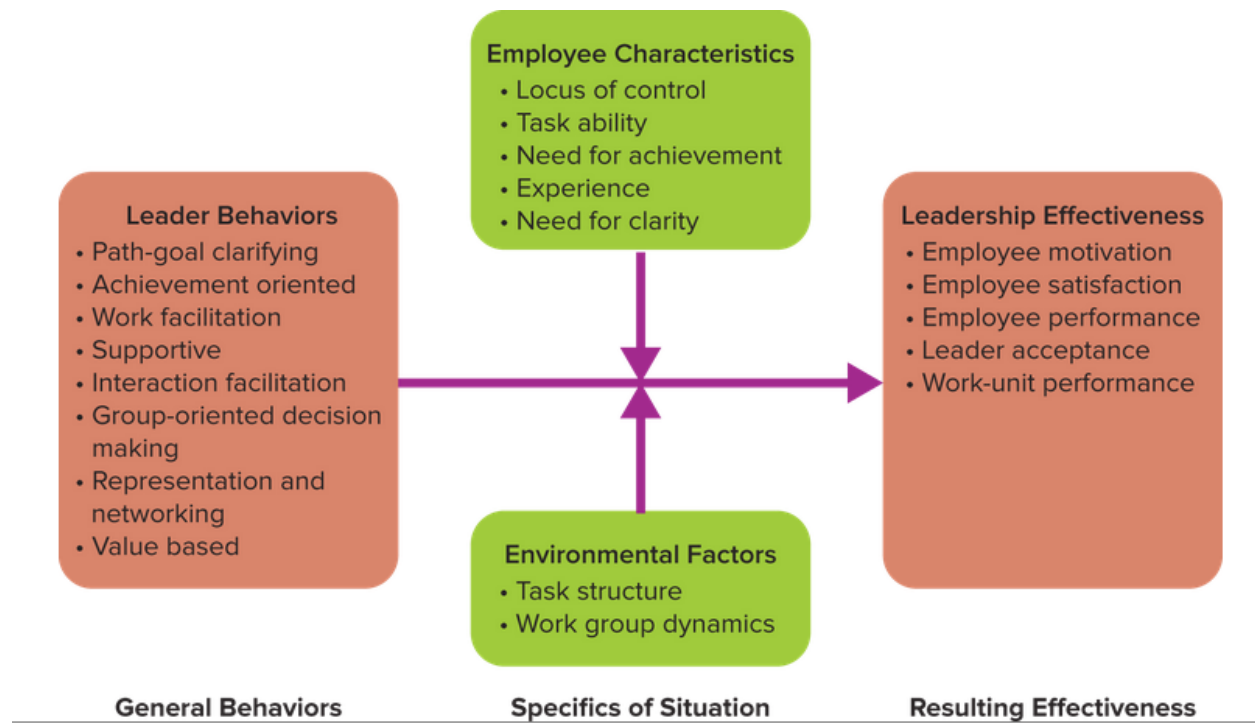
Step 2: Identify the cause of the problem. What leadership concepts or theories helped Bill Marriott make a decision about his successor?

Step 3: Make your recommendation. Do you agree with Bill Marriott's decision? Explain.

House's Path-Goal Theory,

A second popular contingency-based theory, proposed by Robert House in the 1970s and revised in 1996, is path-goal theory, which holds that leader behaviors are effective when employees view them as a source of satisfaction or as paving the way to future satisfaction. Leaders are expected to do this by (1) reducing roadblocks that interfere with goal accomplishment, (2) providing the guidance and support employees need, and (3) linking meaningful rewards to goal accomplishment.

House's revised model is presented in Figure 13.4. You can see that leadership effectiveness is influenced by the interaction between eight leadership behaviors (see Table 13.4) and a variety of contingency factors.



What Determines Leadership Effectiveness? The Match between Leadership Behavior and Contingency Factors,

Figure 13.4 shows that two contingency factors, employee characteristics and environmental factors, can cause some leadership behaviors to be more effective than others.

TABLE 13.4 categories of leader behavior in revised path-goal theory

Leader Behaviors, Path-goal–clarifying behaviors, means, clarifying employees’ performance goals; providing guidance on how employees can complete tasks; clarifying performance standards and expectations; use of positive and negative rewards contingent on performance

Leader Behaviors, Achievement-oriented behaviors means, setting challenging goals; emphasizing excellence; demonstrating confidence in employees’ abilities

Leader Behaviors, Work-facilitation behaviors, means, planning, scheduling, organizing, and coordinating work; providing mentoring, coaching, counseling, and feedback to assist employees in developing their skills; eliminating roadblocks; providing resources; empowering employees to take actions and make decisions

Leader Behaviors, Supportive behaviors, means, showing concern for the well-being and needs of employees; being friendly and approachable; treating employees as equals

Leader Behaviors, Interaction-facilitation behaviors, means, resolving disputes; facilitating communication; encouraging the sharing of minority opinions; emphasizing collaboration and teamwork; encouraging close relationships among employees

Leader Behaviors, Group-oriented decision-making behaviors, means, posing problems rather than solutions to the work group; encouraging group members to participate in decision making; providing necessary information to the group for analysis; involving knowledgeable employees in decision making

Leader Behaviors, Representation and networking behaviors, means, presenting the work group in a positive light to others; maintaining positive relationships with influential others; participating in organizational social functions and ceremonies; doing unconditional favors for others

Leader Behaviors, Value-based behaviors, means, establishing a vision, displaying passion for it, and supporting its accomplishment; demonstrating self-confidence; communicating high-performance expectations and confidence in others' abilities to meet their goals; giving frequent positive feedback

### Putting the Theory into Action

To better understand how these contingency factors influence leadership effectiveness, we consider locus of control (see Chapter 3), an employee characteristic, and task structure, an environmental factor.

EXAMPLE Locus of control can be internal or external.

Internal. Employees with an internal locus of control are:

1. More likely to prefer participative or achievement-oriented leadership because they believe they have control over the work environment.
2. Unlikely to be satisfied with directive leader behaviors that exert additional control over their activities.

External. Employees with an external locus:

1. Tend to view the environment as uncontrollable, preferring the structure provided by supportive or directive leadership.

EXAMPLE Task structure can be low or high.

1. Low. Low task structure occurs when

Employees are not clear about their roles or performance expectations and have high role ambiguity.

Directive and supportive leadership should help employees experiencing role ambiguity.

High. High task structure occurs when

1. Employees work on routine and simple tasks.

Directive leadership is likely to frustrate such employees. Supportive leadership is most useful in this context.

### Does the Revised Path-Goal Theory Work?

There are not enough direct tests of House's revised path-goal theory to draw overall conclusions. Nonetheless, the theory offers us three key points.

(1) Use more than one style of leadership. Effective leaders use multiple types of leader behavior. Familiarize yourself with the eight types of leader behavior outlined in path-goal theory and try new behaviors when the situation calls for them.

(2) Help employees achieve their goals. Clarify the paths to goal accomplishment and remove any obstacles that may impair an employee's ability to achieve his or her goals.

(3) Modify your leadership style to fit various employee and environmental characteristics. Remember that a small set of employee characteristics (ability, experience, and need for independence) and environmental factors (task characteristics of autonomy, variety, and significance) are relevant contingency factors.

#### Applying Contingency Theories,

Step 1: Identify important outcomes. Managers must first identify the goals they want to achieve. For example, the head coach may have games to win or wish to avoid injury to key players, whereas a sales manager's goal might be to increase sales by 10 percent or reduce customers' complaints by half.

Step 2: Identify relevant leadership behaviors. Next managers need to identify the specific types of behaviors that may be appropriate for the situation at hand. The list in Table 13.4 is a good starting point. A head coach in a championship game, for instance, might focus on achievement-oriented and work-facilitation behaviors. In contrast, a sales manager might find path-goal, clarifying, work-facilitation, and supportive behaviors more relevant for the sales team. Don't try to use all available leadership behaviors. Rather, select the one or two that appear most helpful.

Step 3: Identify situational conditions. Fiedler and House both identify a set of potential contingency factors to consider, but there may be other practical considerations. For example, a star quarterback on a football team may be injured, which might require the team to adopt a different strategy for winning the game. Similarly, the need to manage a virtual sales team with members from around the world will affect the types of leadership most effective in this context.

Step 4: Match leadership to the conditions at hand. There are too many possible situational conditions for us to provide specific advice. This means you should use your knowledge about organizational behavior to find the best match between your leadership styles and behaviors and the situation at hand. The coach whose star quarterback is injured might use supportive and values-based behaviors to instill confidence that the team can win with a different quarterback. Our sales manager also might find it useful to use the empowering leadership associated with work-facilitation behaviors and avoid directive leadership.

Step 5: Decide how to make the match. Managers can use guidelines from either contingency theory or path-goal theory: change the person in the leadership role or change his or her behavior. It is not possible to change the head coach in a championship game. This means the head coach needs to change his or her style or behavior to meet the specific challenge. In contrast, the organization employing the sales manager might move him or her to another position because the individual is too directive and does not like to empower others. Or the sales manager could change his or her behavior, if possible.

### 13.5 Transformational Leadership: How do Leaders Transform Employees' Motives?

#### MAJOR QUESTION

How can I use transformational leadership when working with others?

#### THE BIGGER PICTURE

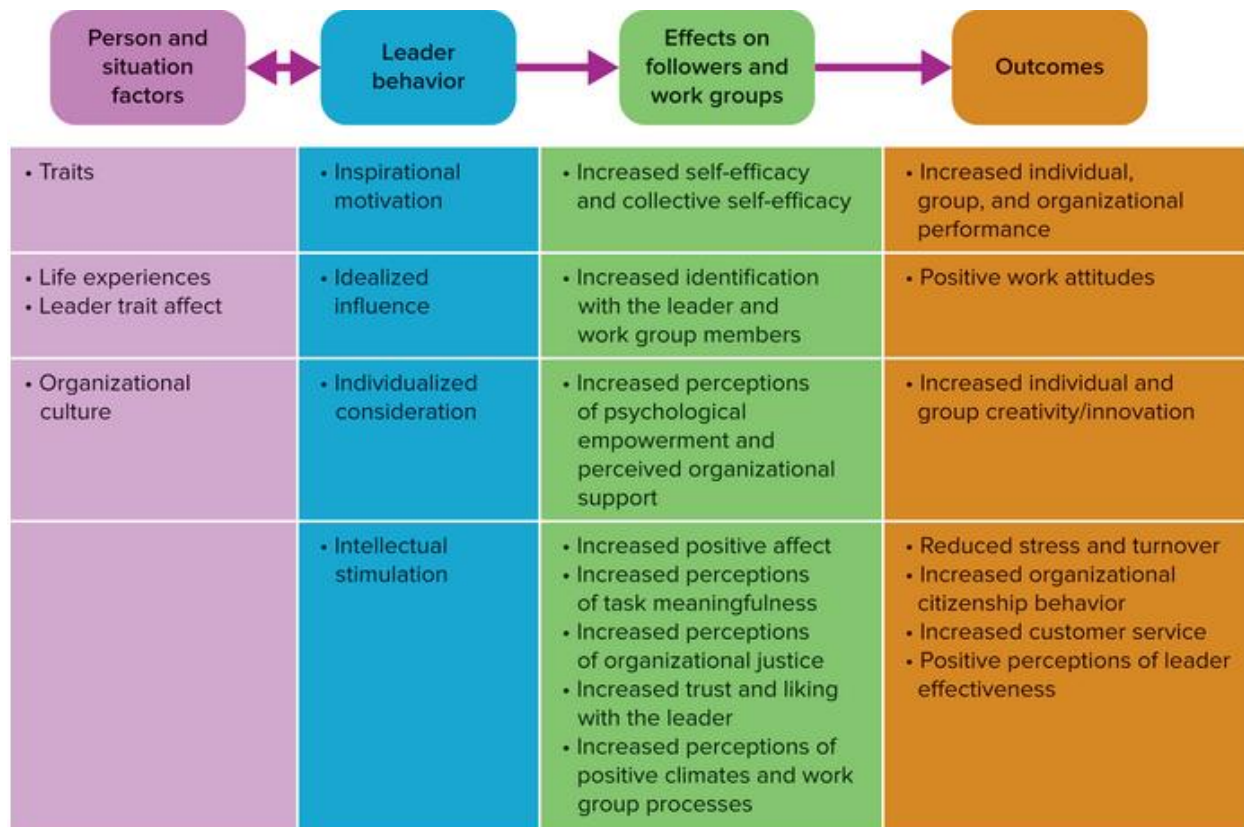
Transformational leaders use a combination of charisma, interpersonal skills, and leader behaviors to transform followers' goals, motives, and behavior. Four key behaviors they adopt are inspirational motivation, idealized influence, individualized consideration, and intellectual stimulation. We discuss a process by which these behaviors help produce positive outcomes.

Transformational leadership represents a broad type of leader behavior that goes beyond task and relational leadership. Its origins date to the 1940s, when German sociologist Max Weber discussed the pros and cons of charismatic leadership. Charisma is a form of interpersonal attraction that inspires acceptance, devotion, and enthusiasm. Weber's initial ideas were examined and then incorporated into different models of transformational leadership during the 1970s and '80s. The dominant model of transformational leadership was proposed by a renowned OB scholar, Bernard Bass. Bass believed transformational leaders used key leader behaviors to influence others.

### A Model of Transformational Leadership,

Transformational leaders transform their followers to pursue organizational goals over self-interests. They do this by appealing to followers' self-concepts, their values, motives, and personal identity. There are four key behaviors of transformational leaders: inspirational motivation, idealized influence, individualized consideration, and intellectual stimulation. Figure 13.5 provides a sketch of the way transformational leaders rely on the four behaviors. Let's look at each in more detail.

FIGURE 13.5 A transformational model of leadership



### Inspirational Motivation

Let me share a vision that elevates us to a greater good. Inspirational motivation, which includes the use of charisma, relies on an attractive vision of the future, emotional arguments, and demonstrated optimism and enthusiasm. A vision is a realistic, credible, attractive future for your organization. According to Burt Nanus, a leadership expert, the right vision unleashes human potential because it serves as a beacon of hope and common purpose. It does this by attracting commitment, energizing workers, creating meaning in employees' lives, establishing a



standard of excellence, promoting high ideals, and bridging the gap between an organization's present problems and its future goals and aspirations.

EXAMPLE Drugmaker Novo Nordisk inspires its U.S. employees with videos of patients who have benefited from its lifesaving products, including a NASCAR driver and villagers in Vietnam.

EXAMPLE Civil rights leader Martin Luther King Jr. had a vision or dream of racial equality. He both inspired a movement of people and helped the country envision a brighter future.

EXAMPLE Lloyd Dean, CEO of Dignity Health, has a vision of human kindness. He believes humanity is the core of health care.

#### Idealized Influence,

Donna Hyland is known for her community involvement. She has over 28 years of business leadership and financial experience and has spent the bulk of her career focused on improving health care delivery to children in Georgia and beyond. She has served on multiple boards of directors and was recognized as one of the 100 Most Influential Georgians.

Let me demonstrate how to work hard and do the right thing. The focus of idealized influence is to instill pride, respect, and trust within employees. Managers do this by sacrificing for the good of the group, being a role model, and displaying high ethical standards.

EXAMPLE Donna Hyland, CEO of Children's Healthcare of Atlanta, believes in idealized influence. She told Fortune, At Children's we believe that people have chosen professions they enjoy and desire to be great at them. Our job is to get out of the way and let them focus on the work they love.

#### Individualized Consideration,

Let me provide tangible support to help you reach your goals. The individualized consideration part of transformational leadership is about relationships. Specifically, individualized consideration consists of behaviors that provide support, encouragement, empowerment, and coaching to employees. To enact these behaviors, leaders must pay special attention to the needs of their followers and search for ways to help them develop and grow. Spend time talking with people about their interests and identify new learning opportunities for them.

EXAMPLE CHG Healthcare Services, ranked the third-best company in the 2016 Training Top 125, has provided its employees with strong career and skill development by moving to a more people-driven, leader-guided, and core value-centered approach. The company instituted courses on servant leadership and mindfulness and implemented a formal mentoring program.

#### Intellectual Stimulation,

Let's establish challenging and meaningful goals. The intellectual component of transformational leadership is more task-oriented. Intellectual stimulation behavior encourages employees to question the status quo and to seek innovative and creative solutions to organizational problems. If effectively challenged, employees are more likely to view organizational problems as my problems and proactively attempt to overcome performance roadblocks.

EXAMPLE At San Diego's WD-40, maker of lubricants and cleaners, managers are asked to find creative ways to increase employee engagement. These efforts entail setting improvement

goals based on employee surveys. Speaking of goals, CEO Garry Ridge said, our goals are tied not only to financial performance but to the cultural performance of our company, which includes the level of engagement scores.

### How Does Transformational Leadership Work?

Figure 13.5 showed on the left-hand side that transformational leader behavior is first influenced by both person and situation factors. On the person factor side of the equation, research reveals that transformational leaders tend to have personalities that are more extroverted, agreeable, and proactive and less neurotic than non-transformational leaders. They also have higher emotional intelligence<sup>88</sup> and tend to be female. Leader trait affect, which represents a person's tendency to feel either positive or negative, also influences how well we use transformational leadership, because positive people are more likely to engage in transformational leadership than negatively oriented individuals.

Support for transformational leadership underscores five important managerial implications.

Finally, Figure 13.5 also shows that organizational culture influences the extent to which leaders are transformational. Cultures that are adaptive and flexible rather than rigid and bureaucratic are more likely to foster the opportunity for leaders to demonstrate transformational leadership.

The third column from the left in Figure 13.5 reveals that the use of transformational leadership creates immediate positive effects on followers and work groups. These in turn generate the additional positive outcomes shown in the fourth column of Figure 13.5 like individual, group, and organizational performance; organizational commitment; organizational citizenship behaviors; reduced turnover intentions; and safety behaviors. By and large, research supports the linkages the figure shows.

Have you worked for a transformational leader? Self-Assessment 13.4 measures the extent to which a current or former manager used transformational leadership. It also gives you a good idea about the specific behaviors you need to exhibit if you want to lead in a transformational manner.

### Implications for Managers,

Managers need to be more like Optimus Prime and his fellow transformers. That is, managers can be more effective by morphing their leadership styles to fit the situation at hand. Why do you think some people struggle with changing their leadership style across situations?

The establishment of a positive vision of the future, inspirational motivation, should be considered a first step in applying transformational leadership. Why? Because the vision represents a long-term goal, and it is important for leaders to begin their influence attempts by gaining agreement and consensus about where the team or organization is headed. It also is critical to widely communicate the vision among the team or entire organization. People can't get excited about something they don't know about or don't understand.

The best leaders are not just transformational. Effective leaders also rely on other task-oriented and relationship-oriented behaviors, and they avoid a laissez-faire or wait-and-see style. Use all types of leader behavior discussed in this chapter, when appropriate. Transformational leadership affects outcomes at the individual, group, and organizational levels. Managers can use the four types of transformational leadership shown in Figure 13.5 (second column from left) as a vehicle to improve a host of important outcomes.

Transformational leadership works virtually. If you lead geographically dispersed people, focus on how you can display the four transformational leader behaviors in your e-mails, tweets, webinars, and conference calls.

Transformational leaders can be ethical or unethical. While ethical transformational leaders enable employees to enhance their self-concepts, unethical ones select or produce obedient, dependent, and compliant followers.

### 13.6 Additional Perspectives on Leadership,

#### MAJOR QUESTION

How can more recent approaches to leadership improve my effectiveness at work?

#### THE BIGGER PICTURE

You are about to discover how leader–member exchange theory, humility, and characteristics of good followers can help you achieve your career aspirations.

Three additional perspectives on leadership deserve attention:

1. Leader–member exchange (LMX) theory.
2. The use of humility.
3. A follower perspective.

#### The Leader, Member Exchange (LMX) Model of Leadership,

Leader–member exchange (LMX) theory differs considerably from the theories already discussed because it focuses on the quality of relationships between managers and subordinates, as opposed to their behaviors or traits. It also does not assume that leader behavior is characterized by a stable or average leadership style.

Leader, member exchange (LMX) theory is based on the assumption that leaders develop unique one-to-one relationships (exchanges) with each of the people reporting to them. Behavioral scientists call this sort of relationship a vertical dyad (a dyad is something with two parts). The forming of vertical dyads is said to be a naturally occurring process, resulting from the leader's attempt to delegate and assign work roles. Two distinct types of LMX relationships are expected to evolve, in-groups and out-groups.

#### In-Group vs. Out-Group Exchanges,

LMX relationships are based on the leader's attempt to delegate and assign work roles. This process results in two types of leader–member dyads.

These two photos illustrate a core aspect of LMX theory. Leaders and followers with a positive in-group exchange tend to get along better and experience less conflict. In contrast, out-group exchanges are more likely to have a negative tone and more conflict.

- In-group exchange: Creating trust and mutual obligation. High in-group exchanges, also called high LMX, are characterized by a partnership of reciprocal influence, mutual trust, respect and liking, and a sense of common fate. These relationships become more social over time.
- Out-group exchange: Creating more formality in expectations and rewards. Out-group exchanges, also known as low LMX relationships, tend to focus on the economic exchange between leaders and followers. They tend to be more formal and revolve

around negotiating the relationship between performance and pay. They do not create a sense of mutual trust, respect, or common fate.

### Does the Quality of an LMX Matter?

Whether an LMX is high or low influences many important outcomes contained in the Organizing Framework. For example, a high LMX is associated with individual-level behavioral outcomes such as task performance, turnover, organizational citizenship, counterproductive behavior, and attitudinal outcomes such as organizational commitment, job satisfaction, and justice. Differential treatment of team members (due to LMXs of different quality) can also be problematic. A team of researchers found that differential treatment among members of soccer, hockey, and basketball teams led to negative team atmospheres, which promoted poor perceptions of team performance.

The above findings underscore how important it is for you to have a high LMX with your boss. We'll offer solutions for fixing a low LMX below, but for now let's consider how LMXs are formed.

### How Are LMX Relationships Formed?

The quality of an LMX is influenced by three categories of variables: follower characteristics, leader characteristics, and interpersonal relationship variables.

1. Follower characteristics. Leaders tend to create higher LMXs with employees they perceive as possessing competence, positive personalities, agreeableness, conscientiousness, and extraversion. Do you possess these characteristics?
2. Leader characteristics. Leaders who use transactional and transformational leadership tend to have higher LMXs. Not surprisingly, so do extroverted and agreeable leaders.
3. Interpersonal relationship variables. Far too many interpersonal factors affect an LMX for us to discuss here, so we note three that have the greatest impact on a leader–member relationship. High LMXs tend to occur when the parties:
  - a. Trust each other.
  - b. Perceive themselves as similar in terms of interests (both like sports or action movies), values (both value honesty), and attitudes (both want work–life balance).
  - c. Like each other.

Your dyadic relationship with your boss changes over time. A team of researchers concluded this happens because the variables that affect LMX interact and accumulate over time. For example, your authors have both had relationships with bosses that changed from good to bad, and then back to good. This tells us that you should not easily give up on trying to improve a low LMX.

### Managerial and Personal Implications of LMX Theory,

Here are three important managerial and personal implications of LMX theory.

1. Expectations matter. Leaders are encouraged to establish high-performance expectations for all their direct reports, because favoritism and differential treatment lead to negative outcomes. Leaders should also communicate their view of relationships with their team.
2. Diversity still counts. Personality and demographic similarity between leaders and followers may be associated with higher LMXs, but managers should avoid creating a homogenous work environment just for the sake of having positive relationships with their direct reports. Diversity's many benefits are too powerful to be ignored.

3. The initiative is yours. Positive actions can improve a poor LMX (see the Applying OB box). Take the lead rather than waiting for your boss to change the relationship. Self-Assessment 13.5 will help you diagnose the quality of your relationship with a boss and discover how you can improve it.

## APPLYING OB

### Tips for Improving the Quality of a Leader–Member Exchange

Stay focused on your department's goals and remain positive about your ability to accomplish your own goals. An unsupportive boss is just another obstacle to be overcome.

Be careful about the emotions you show at work. Anger generally is not a good emotion to display. Too much positivity can also be interpreted as unrealistic or silly. Emotions should be appropriate for the situation at hand.

Work on improving your relationship with your manager. Begin by examining the level of trust between you and then try to improve it by frequently and effectively communicating. You can also increase trust by following through on your commitments and achieving your goals.

Learn what your boss believes are the desired characteristics of a good performer. Too many people fail to clarify expectations with their managers. For example, there are generational differences about what is appropriate dress at work. Violating these beliefs can land you in a poor LMX.

### The Power of Humility

Humility is a relatively stable trait grounded in the belief that something greater than the self exists. Although some think it is a sign of weakness or low self-esteem, nothing could be further from the truth.

Humble leaders tend to display five key qualities valued by employees: high self-awareness, openness to feedback, appreciation of others, low self-focus, and appreciation of the greater good. Lazlo Bock, Google's senior vice president of people operations, said humility is one of the traits he's looking for in new hires. Your end goal is what can we do together to problem-solve, explained Bock, adding it is not just humility in creating space for others to contribute, it's intellectual humility. Without humility, you are unable to learn.

A photo of Larry Fitzgerald during a football game.

We don't tend to see professional athletes as humble, but this one surely is recognized for this attribute. Larry Fitzgerald is a wide receiver for the Arizona Cardinals. He was selected for the Pro Bowl nine times and currently ranks as fifth in all-time receiving yards per game in NFL history. He also was the youngest NFL receiver to reach 11,000 career receiving yards. Despite these achievements, he does not assume he is good enough for the Hall of Fame. He is recognized for continually working on improving his game, being nice to opposing players, and being involved with charity and community-based organizations.

Although the scientific study of humility is relatively new, it has shown proven benefits for this trait. A Catalyst study of 1,500 workers in Australia, China, Germany, India, Mexico, and the United States revealed that employees felt included in their work teams when the boss was humble. Another study conducted in China demonstrated cascading positive effects of CEO

humility across two organizational levels. CEO humility positively influenced employee engagement, commitment, and performance.

What can we conclude about humility in the context of OB? First, try to be more humble by changing the focus of your accomplishment from me to we. Share credit with others. Second, a humble style is better than an arrogant or complacent one. Third, an organization's culture can promote humility. Employee-owned construction company TD Industries does so with its agreed-upon set of cultural norms: No rank in the room, everyone participates no one dominates, and listen as an ally. Employees also strive to be on a first-name basis with everyone.

### The Role of Followers in the Leadership Process

All the theories discussed in this chapter have been leader-centric. That is, they focused on understanding leadership effectiveness from the leader's point of view. We conclude the chapter by discussing the role of followers in the leadership process.

To start, note how leaders and followers are closely linked. You cannot lead without having followers, and you cannot follow without having leaders. Each needs the other, and the quality of the relationship determines how we behave as followers. This is why both leaders and followers must focus on developing a mutually rewarding and beneficial relationship.

Let's consider some possible types of followers and the steps you can take to be a better follower.

### What Do Leaders Want from Followers?

Followers vary in terms of the extent to which they commit to, comply with, or resist a leader's influence attempts. For example, one researcher identified three types of followers: helpers, independents, and rebels.

1. Helpers show deference to and comply with the leadership.
2. Independents distance themselves from the leadership and show less compliance.
3. Rebels show divergence from the leader and are least compliant.

Leaders obviously want followers who are:

1. Productive
2. Reliable
3. Honest
4. Cooperative
5. Proactive
6. Flexible

Leaders do not benefit from followers who hide the truth, withhold information, fail to generate ideas, are unwilling to collaborate, provide inaccurate feedback, or are unwilling to take the lead on projects and initiatives.

### What Do Followers Want from Leaders?

Followers seek, admire, and respect leaders who foster three emotional responses in others:

- (1) Significance
- (2) Community

### (3) Excitement

That is, followers want organizational leaders who make them feel what they do at work is important and meaningful, who foster a sense of unity that encourages people to treat others with respect and dignity and to work together, and who make them feel engaged and energized at work.

#### How Can I Become a Better Follower?

A pair of OB experts developed a four-step process for followers to use in managing the leader, follower relationship.

1. Understand your boss. Gain an appreciation for your manager's leadership style, interpersonal style, goals, expectations, pressures, and strengths and weaknesses. One way is to ask him or her these seven questions:
  - a. How would you describe your leadership style? Does it change when you are under pressure?
  - b. When would you like me to approach you with questions or information? Are any situations off-limits (like social events)?
  - c. How do you want me to communicate with you?
  - d. Do you have any preferred or unique ways of working?
  - e. Are there behaviors or attitudes you won't tolerate? What are they?
  - f. What is your approach to giving feedback?
  - g. How can I help you?
2. Understand your own style, needs, goals, expectations, and strengths and weaknesses.
3. Conduct a gap analysis between the understanding you have about your boss and the understanding you have about yourself.
4. Build on mutual strengths and adjust or accommodate your boss's divergent style, goals, expectations, and weaknesses. For example, you might adjust your style of communication in response to your boss's preferred method for receiving information. Or if the boss prefers participative decision making, consult him or her in all decisions regardless of your own style. Most managers are pushed for time, energy, and resources and are more likely to appreciate followers who save rather than cost them these. Avoid using your manager's time discussing trivial matters.

#### What Did I Learn?

You learned that being an effective leader requires appropriate leadership behavior that you can learn and develop. The integrated model of leadership allows you to understand the many factors contributing to leadership effectiveness. You also learned the importance of being a good follower. Reinforce your learning with the Key Points below. Consolidate your knowledge by using the Organizing Framework. Then challenge your mastery of the material by answering the Major Questions in your own words.

#### Key Points for Understanding Chapter 13,

You learned the following key points.

##### 13.1 Making Sense of Leadership Theories,

You do not need to have a formal position of authority to lead.



Figure 13.2 shows an integrated model of leadership. The extent to which people effectively use the four key leader behaviors, task-oriented, relationship-oriented, passive, and transformational, is a function of demographic characteristics, intelligence and skills, task-oriented traits, and interpersonal attributes.

Effective leadership requires effective managerial skills at some level.

### 13.2 Trait Theories: Do Leaders Possess Unique Traits and Personal Characteristics?

Table 13.1 summarizes the positive task-oriented traits and positive/negative interpersonal attributes leaders possess.

Emotional intelligence contributes to transformational leadership and is positively associated with leader effectiveness.

There are both similarities and differences in the leadership traits possessed by men and by women.

Leaders need four key skills: cognitive abilities, interpersonal skills, business skills, and strategic skills.

People hold mental prototypes of effective and ineffective leaders.

### 13.3 Behavioral Theories: Which Leader Behaviors Drive Effectiveness?

Four categories of leader behavior are task-oriented, relationship-oriented, passive, and transformational.

Task-oriented leadership includes the use of initiating structure and transactional leadership.

Relationship-oriented leadership includes the use of consideration, empowerment, servant leadership, and ethical leadership.

Followers experience psychological empowerment when leaders create perceptions of meaningfulness, self-determination or choice, competence, and impact.

Servant-leadership focuses on increased service to others rather than ourselves. Servant-leaders display the characteristics in Table 13.3.

Ethical leadership focuses on doing the right thing and establishing norms of ethical behavior.

Passive leadership, also known as laissez-faire leadership, is demoralizing and makes employees feel unsupported. Avoid it!

### 13.4 contingency theories: does the effectiveness of leadership depend on the situation?

Contingency theories are based on the idea that the effectiveness of leadership depends on the situation at hand.

Fiedler believes leadership effectiveness depends on an appropriate match between leadership style and situational control. Leaders are either task- or relationship-oriented, and the situation is composed of leader, member relationships, task structure, and position power.

House's path-goal theory holds that leader behaviors are effective when employees view them as a source of satisfaction or as paving the way to future satisfaction. In this respect, leaders exhibit eight styles or categories of leader behavior. In turn, the effectiveness of these styles depends on various employee characteristics and environmental factors.

Researchers suggest a five-step approach for applying contingency theories.

### 13.5 Transformational Leadership: How do Leaders Transform Employees' Motives?

Transformational leaders motivate employees to pursue organizational goals above their own self-interests.

Transformational leaders rely on four unique types of leader behavior: inspirational motivation, idealized influence, individualized consideration, and intellectual stimulation.

Person and situation factors influence the extent to which people use transformational leadership.

The use of transformational leadership has positive effects on followers and work groups. In turn, these positive effects foster positive individual, group, and organizational performance.

### 13.6 Additional Perspectives on Leadership,

The LMX model revolves around the development of dyadic relationships between managers and their direct reports. These leader, member exchanges result in either in-group or out-group relationships.

Humility is a stable trait associated with the belief that something is more important than the self. Humble leaders exhibit five key qualities: high self-awareness, openness to feedback, appreciation of others, low self-focus, and appreciation of the greater good.

It is hard for leaders to be effective if they have poor followers. Leaders want followers who are productive, reliable, honest, cooperative, proactive, and flexible. People are more likely to be positive followers when the leader creates feelings of significance, community, and excitement.

To improve the relationship with a boss, followers should first understand the boss. Second, followers should understand their own style, needs, goals, expectations, and strengths and weaknesses. Third, they should conduct a gap analysis between the understandings they have about their boss and about themselves. Finally, followers can build on mutual strengths and adjust to or accommodate the leader's different style, goals, expectations, and weaknesses.

### The Organizing Framework for Chapter 13

As shown in Figure 13.6, you learned a host of person and situation factors that influence the leadership processes identified in the figure. You also understand the breadth and power of leadership by looking at the Outcomes box of the framework. Here you see the individual-, group/team-, and organizational-level outcomes affected by leadership.